

Offshore Yacht Registry Newsletter

Summer Edition

Volume: 1 Issue: 2

I want to thank you all for your overwhelming positive response to our first edition of the Offshore Yacht Registry Newsletter. As we are planning for the Ft. Lauderdale Boat Show (Third floor Convention Center booth 3093), I thought we should once again address the issues of offshore vessel registration.

Who should register their vessel offshore?

Anyone who wishes save upwards of 10% on the purchase price of their vessel. Registering offshore allows for a vessel to be purchased while paying no sales tax. Most people use their boats to cruise at least a portion of the year therefore having a registry outside the United States is not only financially beneficial but also prudent. Only those persons engaged in a business within the continental United States with their vessel are not likely candidates for offshore registration.

What are the advantages to registering in the U.S. versus registering in an offshore jurisdiction such as Turks and Caicos?

Vessels with a U.S. registry are treated EXACTLY the same as a vessel registered in Turks and Caicos due to an agreement between the two countries. Each vessel must clear customs and immigration when re-entering the U.S. from a foreign country. Afterwards, there

are no restrictions to movement of the vessel of either registration until the vessel once again leaves U.S. waters.

How does an offshore registration effect vessel insurance or financing?

Registering in a qualified jurisdiction such as Turks and Caicos will have no effect on vessel insurance or financing. Almost all insurance and finance companies do not distinguish between Turks and Caicos registry and one that is within the U.S.



How long may I remain in U.S. waters with a Turks and Caicos registry?

You can remain within U.S. waters as long as you please BUT you will have to pay a customs duty of 1.5% unless you are outside U.S. waters a minimum of 15 days per year. Most of us spend much more than 15 days cruising outside the U.S. each year.

Steps to Completing an Offshore Registration

- 1) Choose a vessel of your liking.
- 2) Set up a foreign company (completing all the necessary documents).

- 3) Send funds to corporate account.
- 4) Officers of the corporation close on the sale of the vessel.
- 5) If structured properly, there should be no federal or state taxes as a result of the transaction.

Boat Brokerage Alliance

We have now completed a very important alliance with the boat brokerage community in that we are now offering 100% online registration. We can complete the registration process while your client is in your office finalizing the sale! Just log onto our website at

<http://www.fishingtci.com/offshoreregistry.html> for more details. Come by our booth at the Ft. Lauderdale Boat Show (third floor at the convention center booth 3093) or at the Miami Boat Show (Sealine Marina booth 732 right at the entrance). At our website you can find printable versions of all of our newsletters.

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