

Monaco Yacht Launch Showcases BVI's Ship Registry

By Johann Henry

As a jurisdiction for ship registration and offshore financial products and services, generally, the British Virgin Islands continues to successfully weather the storm of the economic downturn of the last 2 years. Economic and other threats to the BVI's viability as an offshore centre have, however, been met head-on and actively by the marketing and business development efforts of the BVI International Finance Centre. Cases in point are the BVI's achievement of the OECD White List status, the jurisdiction having signed the requisite number of TIEAs, and the Virgin Islands Ship Registry's (VISR) showing at the 2009 Monaco Yacht Show in late September.

The Monaco Yacht Show is held annually in Port Hercules in the Principality of Monaco and was this year held from 23-26 September. It is the premier pleasure yacht show and possibly the biggest exhibition of luxury yachts in the world. A full delegation from the BVI including representation from VISR, the BVI International Finance Centre and the BVI Tourist Board, among others, attended the show. VISR attends annually and was officially launched as a Category 1 Port of British Registry at last year's show. It is, therefore, more than apt that this year's show included the launch by Sunrise Yachts of Antalya, Turkey, of their first build, named 'Africa' and flying the BVI flag, as a ship registered pursuant to the jurisdiction's year-old Category 1 registration status.



Sunrise Yachts' M/V Africa, launched at the Monaco Yacht Show, is registered in the BVI.

We are pleased to report some noteworthy developments in relation to the BVI's move to Category 1 vessel registration status over the past year, as the jurisdiction marches on in a difficult economic and dizzyingly dynamic regulatory climate. We have seen new and developing interest and renewed interest in the BVI as a jurisdiction for vessel registration. Sunrise Yachts, for example, like other fresh and exciting new builders, see a timely opportunity to grow with the jurisdiction as a Category 1 port of British registry. In reference to their choice of the BVI, Guil-

-lame Roché, President of Sunrise Yachts, said, “The BVI is more than a beautiful yachting destination. It offers a new Class 1 Registry which we found perfectly suited to the needs of our clients and we received the most effective assistance and service through every step of the registration process for our first large yacht, M/Y ‘Africa’. We are very pleased with our choice.” There is, in addition, heightened interest from commercial yachting circles in connection with which we have seen a measurable increase in registration activity. The background to this is the removal of the upper limit of 150 GRT on commercial vessels as a consequence of the move to Category 1 status. The significant development that was expected in the mega-yacht registration context may not have materialised in the way we as a jurisdiction would have hoped, but this is nonetheless tempered on the flip side by an upturn in interest in registering mid-size yachts, which is promising.

The new status also affords the BVI the possibility of exploring new avenues of business—the registration of cargo ships for example, which continues to survive out of necessity since, even in tough economic times, humans, in order to live as they are accustomed, continue to require food, raw materials and miscellaneous goods from around the world. While the BVI’s core registration business surrounds pleasure craft, the facility of an unlimited size cap in respect of the registration of cargo vessels cannot be ignored, and is being pursued as an appropriate adjunct to VISR’s core business. It is also relevant, through indirectly, to the BVI’s position as a financial services centre. From all indications, the BVI international business company has been and continues to be the vehicle of choice in cross border transactions. The new status is complementary and further legitimates the BVI’s position and perhaps more relevantly, its claim to be a top-tier financial services centre. This, together with the BVI’s US Federal Aviation Authority Category One aircraft register under the International Aviation Safety Assessment programme, rounds out and completes the jurisdiction’s offerings in this regard.

As a consequence of our significant expertise in BVI shipping law and practice, we at Harneys have developed an attractive portfolio of wealth management and asset-holding tools, which, when coupled with the commercial sensitivity and breadth of experience of our industry-leading professionals, create the perfect counterpart to the BVI’s offerings as the offshore financial services centre of choice for, inter alia, company formation and yacht and aircraft registrations.

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For additional information on the registration of ships in the BVI, please contact us at shipping@harneys.com.

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