



## **LAW 4256/2014 “TOURISTIC YACHTS AND OTHER PROVISIONS”**

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On 14 April 2014 Law 4256/2014 (G.G. A' 92) “Touristic Yachts and other provisions” was published. Under this law, the framework of touristic yachts’ activity in Greece was reshaped (Articles 1-16). It should be noted that the term “touristic yachts” encompasses the commercial and private pleasure yachts as well as the commercial touristic day-trip boats.

Among the main regulations contained in the new Law is that a commercial pleasure yacht may be used by its owner or operator, when it does not execute a charter agreement, without any restrictions, for the sole purpose of the owner’s or operator’s pleasure and that the exclusive use of pleasure yachts for pleasure - tour trips is abolished (therefore, they may be used for training or for participating in races, etc.); however, it is maintained the prohibition to carry and transport persons or things against payment along with the prohibition of partial chartering.

### **I. ONLINE RECORD KEEPING**

Article 2 of the Law establishes the online “Registry of Touristic Yachts and Small Vessels”, where the following information shall be filed:

1. the private and commercial pleasure yachts bearing the Greek flag
2. the commercial pleasure yachts bearing the flag of another EU member-state and EEA country or the flag of a non-EU country, when they execute charters between Greek ports
3. the commercial touristic day-trip boats
4. other pleasure yachts and small vessels, which are obliged to pay the Residence and Operation Fee (pursuant to the provisions of article 13 of Law 4211/2013).

The above pleasure yachts are mandatorily registered in this Registry at the responsibility of the owner or the operator or the user of such yachts. The application for registration in the Registry shall be submitted to the competent Division of the Ministry of Mercantile Marine and Aegean within a six-month deadline from the completion and entry into operation of such Registry.

### **II. COMMERCIAL PLEASURE YACHTS**

For the operation of a pleasure yacht regardless of its flag (subject to the conditions and terms referred herein below under points a – f) the following are required:

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- a) certification by the competent authority of the tax administrative authority and
- b) their registration in the Registry of Touristic Yachts and Small Vessels of article 2.

The Registry shall also provide for online submission of the charter agreements (article 7 para. 2 case b).

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## **1. Activity of Commercial Pleasure Yachts (terms and conditions for their operation)**

The terms and conditions for the operation of the commercial pleasure yachts are the following:

- a) The conclusion of a whole charter contract (partial chartering is banned).
- b) The duration of the charter agreement may not be less than 8 hours. The commencement and termination of the charter is evident from the charter agreement itself based on the place and time of delivery and re-delivery of the yacht. It should be noted that the exclusive use of pleasure yachts for recreation or tour trips is abolished; thus, the yachts may be used for training purposes or for participating in races or for professional photo shootings, etc.  
However, the prohibitions regarding the transportation of persons with tickets or of merchandises, along with the prohibition of partial chartering are maintained.
- c) The right to charter is held by the ship owners (for the yachts owned by them) and the operators (for the exploitation of pleasure yachts operated by them) as well as by ship brokers, shipping agents and tourist agencies, provided that the ship owners or operators have given their written consent.
- d) Obligation to complete a minimum number of charter days [see below (article 4)].
- e) When the place of delivery and the place of re-delivery of the pleasure yacht are in the Greek Territory, it is allowed, under the provisions of Law, the chartering to (i) passenger touristic yachts bearing the Greek flag or the flag of another EU member-state with carrying capacity of up to ninety-nine (99) passengers and to (ii) pleasure yachts bearing the flag of a non-EU or non-EEA country, provided that their main part is constructed by metal or plastic, they have a total length of more than thirty-five (35) meters and their carrying capacity is of more than twelve (12) passengers (article 9 para. 5 and article 3 para. 3 cases a' and c')
- f) Commercial pleasure yachts are allowed to sail without passengers, without the necessity of meeting any additional formalities, except for the case of damage (article 9 para. 1).

It should be noted that a commercial pleasure yacht may be used by its owner or by the bareboat charterer, if it is not executing a charter contract, without any restrictions provided that the sole purpose of such use is the recreation of the owner or the bareboat charterer (article 9 para. 2).

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## **2. Minimum number of charter days / Laying-up**

According to Article 4 of the new Law, from the date of their registration in the Registry the commercial pleasure yachts must complete every three years a minimum number of charter days as follows:

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- 105 days, when they are chartered without captain and crew
- 75 days, when they are chartered with captain and crew
- 25 days, if they are classified as traditional Yachts, regardless of whether they are chartered with or without captain and crew.

The above minimum number of charter days is reduced by the following percentages in respect of Yachts of:

- 5 years of age by 5%
- 10 years of age by 10%
- 15 years of age by 15%
- 20 years of age by 20%

It should be noted that there is no obligation to complete the minimum number of charter days the commercial pleasure Yachts bearing the flag of Greece or of another EU member-state of which the corresponding VAT has been paid at their import or acquisition without being deducted or refunded.

The owner or shipowner of a commercial pleasure Yacht may disarm it for a specific period of time, which cannot be less than one (1) year nor more than three (3) years.

## **3. Crewing - Departure Permit & Arrival Report**

According to Article 8 of the Law, pleasure Yachts of a total length of up to twenty four (24) meters:

- a) may be chartered without requiring any captain or crew to be on board
- b) may recruit crew, which is necessarily insured in the Merchant Marine Fund (providing a list), without having the obligation to keep any organic crew composition and to open up a crew list
- c) in each case of recruitment of a registered sailor, he shall be insured in the Merchant Marine Fund by a list, if no crew list is kept

Pleasure Yachts of a total length of more than twenty four (24) meters:

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- a) are required to keep an organic crew composition
- b) for crewing of yachts not bearing the Greek flag that are falling under the provisions of case a' of paragraph 3 of article 3, provided that they have a gross tonnage of less than 650 gt, the Greek legislation applies, only as to the number and specialty.

For commercial pleasure Yachts, which are chartered without any captain or crew, no departure permit or arrival report is required in any domestic port. Commercial Yachts which are chartered with a crew are required to receive a departure permit within 48 hours before the commencement of the charter (provided that it starts from a Greek port) and no departure permit or arrival declaration/report is required at the other ports (article 9 para. 3 a & b).

### III. PRIVATE PLEASURE YACHTS

Private Pleasure Yachts shall be registered in the Registry of article 2, after the conclusion and entry into operation of such Registry.

#### 1. Private Pleasure Yachts' Traffic Document (DE.K.P.A.) & TRANSIT LOG – Departure Permit & Arrival Declaration

Pursuant to Article 10 of the Law, private pleasure yachts registered in the Greek Ships Registry or any other EU member-state Registry shall be provided with DE.K.P.A. DE.K.P.A. is granted by any Port Authority, irrespective of the ship's mooring location or by the Port Authority of the first port of call when the pleasure yacht arrives in Greece, it is of unlimited validity and it is subject to annual validation by the Port Authority.

Furthermore, private pleasure yachts registered in a non-EU Registry shall be provided with a TRANSIT LOG as per paragraph 3 of article 10 of the Law. Private pleasure yachts are no longer obliged to get a departure permit or to report their arrival respectively.

#### 2. Chartering of Private Pleasure Yachts

Private pleasure yachts, both motor and sailing, may be chartered (as per article 10 para. 4a). For this purpose, private pleasure yachts registered in the Greek Ships' Registry must be provided with a Protocol of General Inspection (P.G.I.) or a Seaworthiness Certificate (S.C.). If the yachts are registered in a foreign Ships' Registry, they must be equipped with the applicable seaworthiness certificate, as required by their flag (for their class). In any case, regardless of their flag, they must also be equipped with all other applicable certificates as required (by their flag) for their class.

It should be highlighted that the execution of a charter contract, in which the pleasure yacht's embarking and disembarking takes place in the Greek Territory, is only allowed to:

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a) yachts registered in the Greek Ships' Registry or in any EU or EEA Ships' Registry as well as

b) yachts registered in a non-EU or a non-EEA Ships' Registry, with an overall length of more than 35 meters, provided that they are mainly constructed by metal or plastic, and they have a carrying capacity of more than twelve (12) passengers.

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It is to be noted that the execution of a charter contract, in which the private pleasure yacht's embarkation and/or disembarkation takes place in a foreign country, is not subject to the above restrictions.

Private pleasure yachts that are being chartered are not obliged to complete a minimum number of charter days. Private pleasure yachts that are being chartered, do not enjoy any exemptions from the Special Excise Tax, the VAT, duties or charges for fuels and lubricants, provided for by the current legislation for commercial yachts.

Moreover, private pleasure yachts are not required to keep an organic crew composition. In the case of recruitment of a crew member who is insured in the Merchant Marine Fund, there is no further obligation to complete an organic composition or to insure any other person - other than the recruited crew member- in the Merchant Marine Fund.

#### **IV. ABOLITION OF LUXURY TAX IMPOSED ON PLEASURE YACHTS & OTHER REGULATIONS**

The special luxury tax of 10% imposed on pleasure yachts under article 17 of Law 3833/2010 (case 13 of para. 4 of article 17 of Law 3833/2010), is now abolished pursuant to article 39 of the new Law.

Moreover, the hauling ashore and launching at sea of pleasure yachts and small vessels (article 14 para. 6), that are falling under the scope of the new Law is allowed, without a special permission to be required by the Port Authority.

In the event of a yacht changing status from commercial to private, self-delivery and transfer by virtue of parental transfer of property, donation or inheritance, the taxable value of the commercial pleasure yachts is reduced in accordance with the age of the yacht, after the completion of the 1st year by 20% and gradually after the completion of the 15th year by 90% based on the initial price of sale (by the shipyard) to the first purchaser, upon the completion of her building or construction (article 14 para. 10 a & 10 b).

Regarding the Maritime Companies of Pleasure Yachts (M.C.P.Y.), the period within which such companies are obligated to acquire the ownership or operation of a commercial pleasure yacht is increased from six (6) to twenty four (24) months (article 16 para. 1). It should be noted that for yachts under construction, this time period is increased to forty-eight (48) months.

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Pursuant to Article 16 para. 4, a new paragraph (under number 3) is added to the article 18 of the Code of Public Maritime Law, according to which a Greek ship may also be deleted from the Greek Ships' Registry upon the request of the shipowner due to the change of its flag.

Further, it should be noted that it is abolished:

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- the obligation to certify the passengers' list while its modification during the charter is not prohibited
- the EUR 0.88 fee (article 16 para. 3)
- the obligation of receiving a hauling ashore or launching permit (article 14 para. 6) as well as the payment of the relevant fee (article 16 para. 3)
- the individual license for fishing and the relevant license for the yachts (article 14 para. 2).

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