



MARITIME MANAGEMENT



Tax bill for a few sample ships:

CHEMICAL TANKER of 5,000 net tons will have notional profits of €14,600 and an annual tax bill of €1,368.75.

PANAMAX of 26,000 net tons will have notional profits of €56,590 and an annual tax bill of €7,073.75.

VLCC of 100,000 net tons will have notional profits of €124,100 and an annual tax bill of €15,512.50.

Maritime Management will facilitate all requirements to allow compliance to the attractive Irish Tonnage Tax Regime.

We have arranged for the management, financial and legal arrangements for satisfied ship owners, moving their ships from less attractive tax regimes:

- Corporation tax rate of 12.5%, applied to nominal tonnage tax income.
- No general transfer pricing rules but tonnage tax companies are subject to specific rules.
- No thin capitalisation rules.
- Extensive network of double taxation agreements.
- Attractive location for tax efficient financing structures.
- Member of the Euro Zone. English is the spoken language.
- Time zone offers the maximum overlap between Asia and Americas.
- Well established banking, insurance, finance and professional community.
- Frequent flights from Dublin airport provide easy access to all major European and International cities.
- Ireland is a full member of the EU but has a policy of neutrality.
- **Calculation**

The regime applies to notional profits from “qualifying shipping activities”

- Up to 1,000 net tons €0.01 per net ton per day
- Between 1,000 and 10,000 net tons €0.0075 per net ton per day
- Between 10,000 and 25,000 net tons €0.0050 per net ton per day
- Above 25,000 net tons €0.0025 per net ton per day



Irish Tonnage Tax



No Tax Deferral or Capital Gains Tax Exposure

Many tonnage tax regimes worldwide only grant a deferral of tax to companies participating in their regimes. The Irish Tonnage Tax Regime offers a permanent tax saving to participating companies. The regime offers relief from capital gains tax on assets used for tonnage tax activities.

Any Flag

There are no flag restrictions – your company can flag wherever it likes and still enjoy the regime.

No Training Requirement

There are no financial commitments or penalties relating to seafarer training in the Irish Tonnage Tax Regime.

Distributions from overseas companies

A tonnage tax company may receive distributions from overseas companies, where the distributions relate to income that would qualify for the Irish Tonnage Tax Regime (for example, if the income being remitted to Ireland falls into one of the categories outlined above then this will be included as Tonnage Tax income and effectively not taxed).



■ Qualifying Shipping Activities

Qualifying shipping activities are activities carried out by a company in the course of a trade carried on in the State, which consist of:

- The use of a qualifying ship for the purposes of carrying passengers or cargo by sea for reward.
- The provision of services, ancillary to that use, onboard a qualifying ship to such an extent that such goods or services are provided for consumption onboard the qualifying ship.
- The granting of rights by which another person provides or will provide those services onboard a qualifying ship.
- The letting on charter of a qualifying ship for use for those purposes where the operation of the ship and the crew of the ship remain under the direction and control of the company.
- The use of a qualifying ship for the purposes of transporting supplies or personnel to, or providing services in respect of, a mobile or fixed rig, platform, vessel or installation of any kind at sea.
- The subjecting of fish to a manufacturing process onboard a qualifying ship.
- Towage, salvage, or other marine assistance, excluding income from such work undertaken in a port or an area under the jurisdiction of a port authority.
- Other ship related activities that are a necessary and integral part of the business of operating the company's qualifying ships.
- Provision of ship management services.

■ Qualifying Ship

A qualifying ship is a sea going vessel, of a sufficient size to engage in commercial operations, that complies with the requirements for navigation at sea imposed by the competent authorities of any country. Certain vessels such as fishing vessels, harbour ferries, dredgers and sport / recreational vessels are excluded from being a qualifying ship.

■ Qualifying Company

In order for a company to qualify for the Irish Tonnage Tax Regime, they must fulfil some basic requirements, it must:

- Operate qualifying ships;
- Be within the charge to Irish Corporation Tax;
- Undertake the strategic and commercial management of those ships in Ireland.

- A mechanism exists for recognising income from ships on charter only.



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