



Calling all Tax Experts

You may be surprised to hear that tax is one of the most popular topics at Quaynote`s superyacht and business aviation conferences. For many of us, taxation can be downright baffling, all the more so when you consider the many jurisdictions and changing regulations that come into play within our industries.

In order to bring more clarity to these complex issues, moves are afoot to create a discussion network for the tax experts who advise superyacht Owners and business jet operators alike. Lorna Titley spoke to the driving force behind this initiative, Alex Chumillas Tax Marine & Aviation Spain SL, to find out more:

LT: “Can you tell me Alex what the background is to your idea of setting up a tax discussion group? What you are hoping it will achieve?”

AC: “Since I got involved in the superyacht sector 15 years ago, I realized that what`s missing is a group discussion focusing specifically on tax issues in the industry. There were some attempts in the past to create a regular group discussion but to date these haven`t materialized, so I thought that now would be a good time to put it in place.

The idea is to create a group of experts from different jurisdictions to make the authorities understand the relevancy of the superyacht industry. This group would be able to lobby the different tax national agencies and EU authorities in Brussels to achieve a clearer and more favourable tax frame. This in turn will help increase business activity and create more wealth for the different economies.”

LT: “How many members / participants do you have so far and which jurisdictions do they represent?”

AC: “So far, the group counts 20 participants from 12 different jurisdictions, but this is only the start and we expect to increase significantly the number in the next few months. The idea is not only to include participants from the EU but from non-EU VAT jurisdictions. We understand the input of countries like UK or US are very relevant for the work to be undertaken within the group.”

LT: “What are the salient issues that you expect to crop up in your discussions with the group?”

AC: “In my view, the key aspects to address are related to a clarification regarding the enforcement of the EU custom law. Despite this being based in a very recent Customs Code of 2016, it is currently implemented in a very different way in different EU jurisdictions. Moreover, we think it`s important that Member States that have a less favourable yachting tax system follow the approach of the most advanced jurisdictions. By lining up their tax practices, competitiveness in the industry is based on real factors instead of tax dumping among countries.”

LT: “What is the future for this group? Are you expecting that the network might evolve into a more formal association that could lobby for changes?”

AC: “The group is in its infant stages at the moment. We would like to use this article to encourage anyone who has an interest in the matter to get in touch and join the group. At this juncture, we are not considering creating an association as such, but a forum where specialists can put together different concerns and views on how to improve the EU tax landscape. We would also like to create a group that could participate regularly in conferences and workshops, based on the continuous exchange of updated, reliable and accurate tax information.

In this regard, I think that in the long term, it would be desirable to organize some sort of annual conference, specialized and focused exclusively on yachting tax and legal matters to discuss new legislation and existing problems.”

LT: “Anything else that you`d like to add?”

AC: “We consider that taking into consideration the similarities of the problems faced by the superyacht and the business jets industries, the involvement of the VAT specialists from both sectors would be highly desirable.

Last, but not least, I think it`s key to secure the involvement of the various national tax administrations by having them represented in this group. This way, they will be aware of what is being discussed and the concerns within the industry. By involving the authorities in our discussions, albeit on an informal basis, it will be much easier to help them understand the importance of the superyacht industry, the goals we are trying to achieve and the rationale behind this, as well as the ultimate goal - that of creating wealth for our national economies.”

**To learn more about joining this group,
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