

THE LIVEABOARD AND YACHT CHARTER POLICY

INTRODUCTION

Yacht tourism is one of the fastest developing niche tourism sectors around the world. The yachting sector, creating higher revenues, providing sustainable development opportunities and ensuring product differentiation, lends itself as a strategic option for Seychelles' tourism portfolio expansion. The Seychelles Islands possess a number of natural advantages that contribute to its competitiveness as a marine-based destination. These go beyond the country's ideal archipelagic configuration, to include a shallow coastal shelf, pristine beaches, year-round tropical cruising climate, and a diverse land and underwater biodiversity/ecosystems ranging from coral reefs to sea grass beds.

This policy embodies the wider national tourism, environmental and economic policies. It has been drafted in line with National Strategy for tourism and the laws of Seychelles.

A yacht charter operator is defined as an operator who provides live-aboard facilities to clients.

THE STRUCTURE OF THE INDUSTRY

The industry is made up of charter companies that sell yachts to owners who generally are nonSeychellois. These companies then manage the yachts on behalf of the owners and make them available for charter to paying clients. Marketing is done overseas and clients book and pay for their yachting holiday from overseas.

Local management companies, manage the fleet and handle the clients during their stay in Seychelles.

The yachting tourists reside on board the yachts for the duration of their stay in the country and cruise from island to island. Specialized charters also cater for long range tourists and special interest groups.

The yachts come with or without crew and hostess, depending on the clients' wishes.

SUMMARY

This paper outlines the policy on Yacht Charters which are licensed as hirecraft. Under the Control of Hirecraft Act, Hirecraft means *“a boat let out for hire for fishing as a sport or for pleasure purposes only and includes the hiring of any craft”*.

“Yacht Tourism refers to a maritime leisure activity in which travellers use yachts for pleasure, and a yacht is a vessel with built in accommodation used for leisure purposes allowing multidisciplinary

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recreational outlets such as fishing, sightseeing and leisure sailing. There are different types of yachts varying both in use and size, viz. motor yachts, sailing yachts, mega yachts ect.

A yacht charter therefore is a company with one (1) or more vessels with a temporary or permanent license designed to accommodate clients equipped with all living facilities and essentials available on-board to sail. The yacht must also have the capacity to be self-sufficient for at least seven (7) days at sea.

A yacht charter includes bareboat charter, skippered charter or crewed charter.

A bareboat charter is a yacht charter that comes without a crew or a skipper, the client will only get the yacht with all essentials to sail and nothing more. One is allowed to choose a bareboat charter if they are a licensed skipper. When chartering a yacht without skipper, the client will be obliged to have all the necessary certificates, permits and documents that prove they can sail on their own.

A crewed charter is a charter where the client will get the support of a crew who will navigate, sail and prepare beverages and meals throughout their stay on the yacht. The crew is responsible for all aspects of the client's trip, including acquiring the food and drinks for the duration of the trip.

A skippered charter is the chartering of a vessel that will only provide the client with a licensed skipper who will steer and sail the boat. The client is responsible for everything else.”

This Policy is in line with the current laws and regulations of the Seychelles. Any amendments to same shall apply prospectively.

POLICY STATEMENTS ON LIVEBOARD AND YACHTING TOURISM

General Policy

To develop the yachting tourism industry to a sustainable level in line with the tourism policy of being an exclusive eco-friendly destination so that it generates wealth and contributes towards the national economy.

POLICY 1

Both Seychellois and foreign investment shall be encouraged in the yachting industry.

In order to ensure that Seychellois can remain an active participant and beneficiary of the yachting tourism sector, a limit shall be set as to the amount of shareholding a foreigner can have in yacht Charter Company. Under this policy, a company with a maximum of three vessels or less must be 100% beneficially owned by Seychellois. A yacht charter company does not necessarily have to own the yachts in the fleet.

Foreigners shall be allowed to invest in yachting companies based on the fleet size as follows:

No of Yachts	Minimum Seychellois share
1-3	100%
4-5	51%
6 & above	no minimum

A foreigner may be allowed to have one (1) vessel where the vessel is 24 metres and above and has a value of more than **USD 2 million**. Any addition to the fleet would require that the vessel is 24 metres and **USD 2 million**.

POLICY 2

Special rate of tax, special deduction and accelerated depreciation shall be applicable to yacht charters.

Yachting operations in Seychelles shall be subject to the 8th Schedule of the Business tax Act whereby they Yacht operators benefit from the conditions of the special rate of tax on their taxable and capital investments.

POLICY 3

A ceiling of 200 charter yachts shall be set for the industry.

As Seychelles have made a name for being an exclusive destination, it is important that even in yachting, this exclusive experience remains. Therefore, a ceiling of 200 shall be set on the number of charter yachts in the country. As the number of yachts grow, this ceiling may be reassessed, particularly in considering the impact on the environment and on the perception of exclusivity. A carrying capacity study shall determine the sustainable limit on the number of yachts allowed in the industry.

Temporary licences and Super yachts based in Seychelles shall not be subjected to this limit.

POLICY 4

Temporary cruising permit for yachts shall be valid for a maximum of three (3) months.

While the duration of the normal license is for **one** (1) year and renewable, the temporary cruising permit shall only be valid for a period of three (3) months.

Application for temporary cruising permit shall only be accepted through local agents.

Temporary cruising permits shall be applicable to only yachts of 24 meters or more

Such permits shall be renewable once only in the same calendar year for a further period of three (3) months.

POLICY 5

Private yachts are not allowed to undertake commercial activities.

Private yachts are solely for the private use of the owner and immediate family.

POLICY 6

Government shall encourage the development of related facilities on selected outer islands.

Whilst Mahe and the inner islands have excellent cruising waters, vast potentials exist in the outer islands. In view that distance to the outer islands is greater, some basic facilities at selected island(s) (ice, water and basic provisions) can be arranged without any major investment. This would permit seasonal crewed yacht charters to take place in these islands which are so far virtually unknown to charter yachts.

Government shall encourage the development of a small facility on Poivre Island to cater for shelter and basic facilities. Government shall also encourage the development of marina facilities in the areas such as Ile Aurore, Grande Anse, Praslin and Baie St Anne, Praslin. A maritime carrying capacity study which will also cover the outer islands shall further be undertaken to ascertain the level of yacht charter activities that can be undertaken within the outer islands considering its pristine and fragile state.

POLICY 7

Operators of yacht charter businesses shall be limited to a maximum number of 30 yachts.

In order to avoid overcrowding and to continue offering an exclusive service which is in line with Seychelles' tourism marketing image, it is necessary to limit the number of yachts per operator to not more than 30.

POLICY 8

Government shall encourage the development of the support services and infrastructure for maintenance and repair of yachts.

Government shall encourage the development of repair and maintenance facilities for yachts including dry-docking in order to cater for the growing yachting sector.

POLICY 9

All Yacht charter operators shall employ properly qualified personnel.

To maximise the participation of Seychellois in this business, it is necessary to have Seychellois trained to take charge of a yacht and the crew shall be certified by the Seychelles Maritime Safety Administration.

All yacht charter operators shall ensure that their staff are properly trained and qualified in accordance to the Seychelles Policy on Local Seafarers Competency. This includes coxswain to deckhand and other staff working on the Yacht.

Human resources trained in customer services with culinary skills, housekeeping skills, and ability to look after all the needs of their clients in the restricted confines of a yacht are required in the provision of yacht charter services. The Seychelles Maritime Academy (SMA) through a Memorandum of Understanding with the Seychelles Tourism Academy (STA) shall offer customer care and hospitality training as part of the non-STCW Training.

Yacht Charters must take advantage of the 8th Schedule of the Business Tax Act regarding training of learners.

POLICY 10

Environmental measures shall be undertaken to minimise the impact of an increased level of yachting tourism activity.

The exercise to install mooring buoys in designated and highly frequented areas shall be accelerated. Yacht charter operators are encouraged to use mooring buoys wherever available.

Government through the Department of Environment shall explore the possibilities and measures for the mitigation of environmental impacts of the yachting industry. Such concerns relate to anchoring and damage to the seabed, disposal of garbage, treatment and disposal of sewage, pollution of marinas, pollution from boat engines and pollution of waters around repair facilities.

It is also the responsibility of yacht charter businesses to sensitise their clients on the need to respect the environment and abide to the rules and regulations that govern the activities they are involved in.

Yacht charter operators are encouraged to report any misconduct or contravention of laws observed to the respective authorities.

POLICY 11

A yacht charter operator is allowed to let the vessel for hire for fishing as a sport or for pleasure purposes.

A licensed operator is allowed under its licence to offer big game fishing as well as let the vessel for hire for pleasure activities and other maritime leisure activities.

A vessel shall not be used for sport fishing except in accordance with a permit granted by the Seychelles Fisheries Authority.

POLICY 12

All yacht charter operators shall be fined in cases of non-compliance to the set requirements.

All operators need a valid license to operate. In order to be licensed all operators should comply with the criteria and conditions of all regulatory agencies in accordance to the national laws.