



*Pardini &
Asociados*

Attorneys • Abogados

YACHT REGISTRATION

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Disclaimer

This booklet is made available by Pardini & Asociados for educational purposes only as well as to give you general information and a general understanding of the law, not to provide specific legal advice. This booklet should not be used as a substitute for competent legal advice.

If you have any specific questions about any legal matter, contact us.



1. Registration of Yachts in Panama

The following is a brief outline of the procedures and requirements set forth in the laws of the Republic of Panama about the registration of yachts. All inquiries concerning Panamanian matters within the terms of the present memorandum or other matters will be answered within the same day.

The advantages of the registry are:

- The owner of a yacht may be Panamanian or foreign, residing in Panama or abroad.
- That there are no minimum tonnage or size limitations for the yacht registration.
- Classification is optional, exceptions must be made to those yachts over 12 passengers or intended to be used commercially, which need to comply with applicable international regulations.

- Registration charges are based on flat fees; \$1000.00 for Panama owned and \$1500.00 for foreign owned.

Super yachts and Commercial Yachts:

Contrary to the notion that Panama doesn't have a super yacht Registry, the Marine Merchant Registry does grant super yachts registration. Provided that the applicant requests it and provides the proper certifications that comply with international regulations and the standard Mega Yacht Code. Whether it is a private super yacht or a commercial super yacht the Panama Registry will consider it and grant the yacht registration.

Similar to other super yacht registries Panama recognizes the most important classification societies. A list can be provided upon request.

Registration charges for super yachts over 12 passengers and commercial yachts will be calculated upon request.

1.1. Preliminary considerations for application to the Registry

The yacht registration may be accomplished swiftly in Panama, and will require a Panamanian attorney as Representative. The registration is these days accomplished with great simplicity as the application is performed online by the lawyer.

Provisional registration of a vessel can be obtained expeditiously through the Panama Shipping Bureau in Panama. All other proceedings leading to the obtainment of the Permanent Navigation License must be handled in Panama.

1.2. Provisional navigation license

The Provisional Navigation License is valid for six (6) months; extension periods can be obtained through the Panama Shipping Bureau if necessary, to secure complete presentation of the required documentation to apply for the Permanent Navigation License. The extension period will be of six months.

To request a Provisional Navigation License, our law firm must be provided with, 1. a Power of Attorney, 2. the Registration Form duly completed, 3. copies of proof of ownership, 4. the request of deletion of the previous registry.

1.3. Permanent navigation license

Once the title to the yacht has been recorded at the Public Registry, the Panama Shipping Bureau will issue, upon our special request, the Permanent Navigation License for the vessel, which shall be valid, as follows:

- **The Permanent Navigation License (Patente Reglamentaria de Navegación) for yachts shall have a duration of two (2) years.**

Before the date of expiration of said navigation license, the owner must request the issuance of a new certificate for an equal time, if he presents proof of fulfillment of all fiscal obligations toward the Republic of Panama.

- **Bill of Sale**

Following issuance of Provisional License (Patente Provisional), the Bill of Sale or the builder's certificate (whichever may be the case) must be registered in Panama. The Bill of Sale must be authenticated by a Notary Public, who will state, out of his own knowledge and not by way of deposition, which the seller of the vessel was, in fact, the owner of the ship and that the person acting on his behalf is duly authorized to such ends. The Bill of Sale must stipulate as well the acceptance of the sale by the buyer. The Notary's signature must, after that, be authenticated by a Panamanian Consulate or by apostille.



Important:

If these authentications and legalizations are not completed, the document will have no legal value in Panama.

In the case of the builder's certificate should clearly say that the vessel was built for and delivered to the owners, that the price has been paid for it, and an expression to the effect that title is being passed by the certificate in question, with the relevant description of the vessel. This document must also be notarized and legalized before a Panamanian Consulate or by apostille.

In either case, the registration may be accomplished by the preliminary registration procedure.

Other documents to be filed within the same period, if done in Panama, and with the request for provisional registration, are:

- **Power of Attorney**

We will provide you the form of power of attorney to be signed by the owner of the vessel and legalized by a Panamanian Consulate, empowering our law firm to represent the owners in the handling of all legal affairs of the vessel before the Panamanian authorities.

- **Certificate of / or Consent to Deletion**

The Client or vessel owner must provide us with a certificate of deletion or a consent to deletion from the pertinent authorities from the prior country of registration, and it must be duly legalized by a Panamanian Consulate or apostille.

2. Super Yacht Charters in Panama

As of 8 January 2021, the Panama Maritime Authority issued Resolution No.088-2020, wherein yacht charter licenses have become available for foreign-flagged superyachts to charter and operate in Panamanian national waters. The Operations License for Yacht Charters is part of a strategy to exponentially grow superyacht activity in Panama, its main purpose is to regulate and promote nautical tourism and all the benefits that superyacht activity confers on national and local populations.

“I have been trying to promote Panama as a yachting destination, especially for the superyacht community, for a number of years now. However, the problem has always been that various individuals and authorities have failed to appreciate the numbers involved in this business and what it can do for a country,” starts Juan José Espino, partner at Pardini & Associates. “After a number of years the Maritime Chamber of Commerce got on board, as did the marina owners, and finally this governmental administration and the tourism board created a Nautical Tourism Committee.”



The issue of proving the superyacht industry’s worth to economies around the globe is an all too familiar story. In recent years a number of countries, including Australia and Thailand, to name a couple, have struggled to prove to their relative governments how beneficial being open to the superyacht market can be. However, as more data has become available and the superyacht model has been proven around the world, governments are finally waking up to the benefits of having national waters that are open to superyacht charters, both Australia and Thailand are now open to foreign-flagged charters and Panama is the most recent country to get on board with the trend. As more countries open their doors to yachting business, the superyacht industry takes another step towards becoming truly global.

“It took about four years to finally have the resolution passed,” continues Espino. “Due to Panama’s geographical position and the canal, 35 per cent of our gross domestic product comes from maritime-related activity. Therefore, it is only logical that we should look beyond the merchant marine world for opportunities. Superyachts are constantly using the canal, but many of them fail to stop in Panama, either because the charter rules have been prohibitive, or because they are simply unaware of how beautiful Panama’s navigational waters are. Between our two coastlines, we have over 400 beautiful islands.”

Panama's natural beauty has long been known, and indeed many privately-owned superyachts have already been able to experience it, however, prohibitive charter regulations are often the reason that domestic superyacht markets are unable to grow organically. Espino hopes that the amendments to the charter regulations will be the catalyst to attract more superyacht business to the region.

ABOUT THE FIRM

Pardini & Asociados is an international law firm with headquarters in Panama with 43 years of tradition and experience advising foreign clients and corporations of all sizes.

Pardini & Asociados was founded in 1982 with an original practice in Corporate, Commercial, Admiralty and Maritime law, which still continues today.

Since then, our law firm has been at the forefront of many innovative legal developments and during the past 15 years, the law firm has developed a highly specialized practice in all areas listed below.

CORE STRENGTHS

We offer legal services linked to a broad scope of business needs. Our clients look for us for our experience and knowledge in any of these practice disciplines, our innovation and cost-effective results.

Our team is composed for the best legal specialists in different areas with a deep expertise in all major business sectors.

HOW WE CAN HELP YOU

- Aviation
- Antitrust, Trade & Competition
- Banking & Finance
- Commercial
- Corporate & Transactional
- Crypto & Blockchain
- Employment
- Energy
- Foreign Investments
- Hotels, Resorts & Casinos
- Immigration & Residence
- Infrastructure & Construction
- Insurance & Reinsurance
- IP
- Litigation & Arbitration
- Maritime & Shipping
- Mining, Petroleum & Natural Resources
- Online Gaming
- Private Client
- Real Estate
- Succession
- Telecommunications & Information Technology

RANKING & AWARDS





For more information, please contact

Juan José Espino

Partner

Pardini & Asociados

Plaza 2000 Tower, 10th floor

Panama City, Panama

Tel. +507 223 7222

Email: jjes@padela.com

WWW.PARDINILAW.COM

