

## **AP & GENERALIS GUIDE**

# **Purchasing a yacht in Greece**

### **I. Buying a yacht**

The acquisition of a yacht in Greece is a dream for many sea lovers who visit our country and find the ease of escaping by boat to the dozens of Greek islands, beaches and the beautiful coastline. Greece offers an interesting variety of marine ecosystem for marine exploration enthusiasts, different sailing conditions for sailing enthusiasts and beautiful cosmopolitan islands in destinations with luxury accommodation and high-quality culinary delights for yachting enthusiasts.

AP & Generalis, through its specialization in the field of tourism in Greece and its partners' love for the sea and the maritime tradition of Greece, provides services for the purchase/sale of boats in Greece and the establishment of a nautical company (NEPA).

In this guide we provide you with the necessary information for buying a yacht in Greece.

The process is divided into seven phases

1. Vessel selection procedure
2. Negotiation with the seller/ Boat inspection by a mechanic
3. Preparation of LOI/payment of advance
4. Establishment of a NEPA (if required for commercial exploitation)
5. Collection of the necessary documents for the transfer
6. Definitive transfer contract/submission to the competent tax office
7. Actions after the purchase of the vessel

## **1. Vessel selection procedure**

At this stage, the prospective buyer will need to research and find the boat that suits their needs, whether it is a personal pleasure boat or a boat that will be used as a business boat. Depending on the buyer's intention, the following should be investigated

- The type of vessel (Sailing/Motorboat)
- The length of the vessel
- The age of the vessel
- The marketability of the vessel in order to maintain the resale value
- The equipment of the vessel
- The location where the vessel is kept (Drydock or Marina)

## **2. Negotiation with the seller/ Boat inspection by a mechanic**

Once a suitable vessel has been selected in accordance with the above, the prospective buyer should inspect the vessel (visual inspection and testing in the water) in the presence of a qualified engineer, who is familiar with the specific type of vessel. The vessel should in any case have an up-to-date repair/maintenance record and/or, depending on its type and length, a logbook. The above is of particular importance in determining the purchase price. At the same time, the buyer's lawyer will check the vessel's documents and the vessel's file with the competent port authority. The findings of the inspection will determine the price and the payment of the corresponding deposit. It should be noted here that the costs of the engineer's inspection of the vessel and any costs of moving the vessel or lifting the boat out of the water are to be borne by the buyer. If there is a trailer, it is now compulsory to have plates, registration and insurance and is therefore listed as a separate asset to be transferred and charged separately. It is transferred to the Ministry of Transport in the same way as a vehicle transfer.

It is worth noting that in case the vessel employs staff, part of the legal control is the staff contracts and informing the prospective buyer about their maintenance or not (depending on the intention of the new owner).

Also important in the choice of the boat is the location where it is kept, whether it is a marina (docking) or a dry dock and the costs of storage / docking. If the boat is to be

moved to another location, a search should be made in advance for availability of spaces and price, as there is a phenomenon of parking/marinas being full and therefore the options are reduced. The geographically correct location of the vessel is important for its subsequent operation in the event of its lease.

### **3. Preparation of LOI/advance payment**

Once the purchase price has been agreed between the seller and the buyer, it is customary to pay the seller an amount of 10% by signing an LOI where the buyer commits to buy the vessel. The agreement outlines the next steps in the process, the timing of the final contract, the conduct of a sea trial and explanation of the vessel's details. The amount of the deposit may be paid either directly to the seller or retained by the broker or lawyer accompanying the transaction, in the capacity of escrow agent, and paid to the seller on drawing up the final transfer agreement.

### **4. Establishment of a NEPA (if required for commercial use)**

In cases where the vessel is intended for commercial operation, the creation of a NEPA (Leisure Yacht Shipping Company) is recommended. The NEPA can be set up by one or more partners and provides the privileges of proper accounting and tax treatment of the vessel (income/expenditure accounting), while the vessel is the sole asset of the company. In this way, in the event of a transfer of the vessel, this is easily done by transferring shares in NEPA to the new acquirer. For more on setting up a NEPA company, our law firm has a separate guide. If the vessel to be purchased is already a NEPA asset, the purchase process follows the company or share deal process based on a comprehensive legal due diligence.

### **5. Collection of the necessary documents for the transfer**

In this phase, the buyer's lawyer collects the necessary documents, fees and copies for the transfer of the vessel, with the care and at the buyer's expense. In case the boat is purchased with a loan or any kind of financing, the lawyer informs the banking institution, forwards the documents and makes sure that the amount for the purchase of the boat is available, which should be paid upon signing the final contract.

## **6. Ownership transfer contract**

After the above procedures have been completed, the necessary approvals have been given by the buyer's technical advisors, the relevant transfer contract is drawn up by the buyer's lawyer, with the correct description of the vessel to be transferred and any trailers and the parties go to the competent tax office (of the place of registration of the vessel) in order to have the transfer value estimated by the tax inspector and to pay the corresponding transfer tax (amount approx. 3%).

The transfer of the boat takes place as soon as the final contract is signed by the seller and the buyer, validated by the tax authority and reaches the hands of the buyer. At that time, unless otherwise provided for in the preliminary contract, the final price must also be paid to the seller.

For foreign buyers who usually do not have a bank account in Greece there are two options

- Opening a bank account in Greece and issuing a bank cheque from the Greek account
- Payment of the price by same day Valeur transfer from the buyer's bank account abroad to the seller's usual Greek account in Greece

Since opening a bank account in Greece requires several documents and certifications from institutions abroad, it is important that the relevant actions are taken in good time.

## **7. Actions after the purchase of the vessel**

After the purchase of the vessel, the buyer's lawyer should update the file at the competent Port Authority, insure the vessel immediately in the name of the new owner, conclude a new contract with the vessel's storage provider (marina or dry dock), transfer the trailer license (if any), conclude new contracts with the charter/operating company and amend any crew contracts. Finally, once all the above is completed, the physical delivery of the vessel should take place, where a protocol should be drawn up for the delivery/acceptance of the vessel with all its accessories (trailers, lifeboats, equipment, etc.).

## II. Services of AP & Generalis

Our company accompanies you in the purchase and sale of your boat in all the above stages, from the selection of the right boat, to the financing process, the issuance of Greek VAT and the handling of the post-purchase activities.

For your convenience, we provide:

- The power of attorney to our law firm directly in German or English,
- Receiving a VAT number of a foreign resident since it does not exist
- Translation of all documents necessary for your purchase and sale into German or English,
- In case you do not have your own, we can recommend an accountant, engineer, insurance advisor and shipping agent who will facilitate the operation of your vessel while our qualified lawyer will arrange for the interpretation or automatic translation of any document required into German or English.

If you would like more information about the issue and the process in Greece, our partners are at your disposal for a fuller briefing through a first meeting at our offices or via Teams.



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