

GUIDANCE NOTE 05/2026 (Rev.1.0)**CAYMAN ISLANDS SHIPPING REGISTRY YACHT ENGAGED IN TRADE
(YET)**

To: OWNERS, MANAGERS, OPERATORS AND MASTER OF CAYMAN ISLANDS YACHTS
OF 24m IN LENGTH AND OVER.

This Guidance Note Replaces Shipping Notice 03/2017 Rev. 1.0

DEFINITIONS

For the purpose of this Guidance Note:

'Customs Broker' – means a person who is licensed by the local customs authorities to act as a professional-agent for an importer or exporter, prepares and submits all documents for clearing goods through customs and is paid customs-brokerage.

'Importer / Exporter' – means a local entity established in a non-EU territory that may represent the yacht for Customs purposes. A yacht owner may serve as an Importer / Exporter.

'Temporary Certificate of British Registry for a Yacht Engaged in Trade [temp CoBR YET]' – means the temporary Certificate of British Registry for Yacht Engaged in Trade (temp CoBR YET) that is issued by the Administration each time the pleasure yacht engages in trade activities for a period not exceeding 84 days per year. The temp CoBR YET will supersede and suspend the "Pleasure Yacht" Certificate of British Registry during its validity dates which shall coincide with the dates of each charter agreement.

'Owner / Owning Company' - means the registered owner of the yacht / the company owning the yacht, as the case may be.

'Ultimate Beneficial Owner' - means the natural person(s) who ultimately owns or controls the company owning the yacht.

"Length" is as defined in Article 2(8) of the Load Lines Convention.

1. BACKGROUND

- 1.1 The purpose of this Guidance Note is to define the procedure to be followed for a Pleasure Yacht, maintaining compliance with the Red Ensign Group Yacht Code, to obtain Yacht Engaged in Trade (YET) certification.

The YET certification includes: -

- 1.1.1. A YET Certificate of Compliance (**YET COC**); and
 - 1.1.2. A temporary Certificate of British Registry for a “Yacht Engaged in Trade (YET)”; referred to as a **temp CoBR YET**, enabling the yacht to charter up to 84 days per calendar year.
- 1.2. This Guidance Note is applicable to all Cayman Islands registered pleasure yachts of 24m in length and over that seek to primarily charter in EU waters, which have a VAT paid status or operate under Temporary Admission regime in EU waters. Yachts must be fully compliant with the requirements of this Guidance Note, the Red Ensign Group (REG) Yacht Code and all other applicable international, national or local requirements.

2. THE YACHT ENGAGED IN TRADE (YET) PROGRAMME DEVELOPMENT

- 2.1. The regime allowing commercial yachts to switch within in the EU from “Commercial Vessel” registration status for charter periods to “Pleasure Yacht” registration for the Owner’s private use, and vice versa, came to an end.
- 2.2. This led to the development of the Yacht Engaged in Trade (YET) program. The objective was to continue to allow owners the flexibility to operate their yacht privately within the EU with the option to charter their yacht for up to 84 days per year while satisfying EU VAT and Port State Control requirements.
- 2.3. The YET program is only available for large commercial yachts (i.e. those certified fully compliant to the Red Ensign Group Yacht Code).
- 2.4. Charters under the YET program were initially limited to Monaco and French waters, but Cayman Registry will facilitate this process for any jurisdiction that has adopted the same framework. A customs broker will be able to advise whether this is the case. It is the operator’s responsibility to ensure that the YET program is available in a given jurisdiction.
- 2.5. The remit of a Flag State within the YET program is limited to ensuring that the vessel is certified to the same requirements as a permanently registered “Commercial Vessel”.
- 2.6. Guidance on local charter licensing/permits and customs/tax arrangements, including charter commencement/guest drop off arrangements are beyond the remit of a Flag State; professional specialist advise should be sought on such matters.

3. ADVANTAGES APPLICABLE TO YACHTS ENGAGED IN TRADE (YET)

- 3.1. Ultimate Beneficial Owners can privately use their yacht without losing the option to charter the yacht on an occasional basis to offset the annual running costs.
- 3.2. Eliminates the need for switching between pleasure and commercial registration every time the yacht is to change its mode of operation and use.
- 3.3. Eliminates the need to proceed to export / import formalities and the need to leave the EU and visit a third country port each time the yacht is to switch between pleasure and commercial use.
- 3.4. Ultimate Beneficial Owners do not need to sign a charter agreement when using their own yacht on a private basis.
- 3.5. Ultimate Beneficial Owners do not need to pay VAT on their own use.
- 3.6. No risk of substantial penalties for extensive pleasure use.
- 3.7. VAT Exemption are available on works for non-VAT paid yachts (inward processing relief regime).
- 3.8. The 18-month Temporary Admission allowance period is paused each time the yacht is used as a Yacht Engaged in Trade (YET) and placed under Temporary Admission for Commercial Activity (TACA YET).

4. ELIGIBILITY FOR A YACHT ENGAGED IN TRADE (YET)

- 4.1. The yacht must maintain a valid **REG YC CoC** with no significant outstanding deficiencies from the last annual survey.
- 4.2. The yacht must have been issued a with a Yacht Engaged in Trade Certificate of Compliance (**YET COC**) harmonised with the REG YC CoC.
- 4.3. The YET COC is subject to annual surveys and remains valid as long as the REG YC CoC remains valid.
- 4.4. Commercial operations / charters are limited to a maximum of 84 days per calendar year.
- 4.5. Charters were initially limited to Monaco and French waters, but CISR will facilitate this process for any jurisdiction that has adopted the same framework. Your customs broker/fiscal adviser will be able to advise whether this is the case.
- 4.6. Owner's private pleasure use is not allowed during the period of validity of the temporary Certificate(s) of British Registry for a Yacht Engaged in Trade (temp CoBR YET).
- 4.7. A signed Master's Limited Trade Declaration for a Yacht Engaged in Trade (YET) shall be made and retained for inspection on board.
- 4.8. Yachts certified as Yachts Engaged in Trade are not entitled to apply for any VAT exemptions on fuel or supplies.

5. APPLICATION PROCEDURE FOR YACHT ENGAGED IN TRADE (YET) CERTIFICATION

- 5.1. The registered owner of the yacht must submit registration application form [CISR 857](#) and complete the 'Master's Limited Trade Declaration for a Yacht Engaged in Trade', form [CISR 3912](#) to caymanregistry@cishipping.com .
- 5.2. The yacht owner shall arrange for EU customs formalities to be addressed by the Customs Broker in the name of the Importer/Exporter.

5.2.1. The yacht must either:

- Be in possession of a Value Added Tax (VAT) paid certificate or other document proving that the yacht has a VAT paid status; or
- Operate in EU waters under the Temporary Admission (TA) regime in accordance with EU regulations which allows the yacht to enter and stay in EU waters for a period of up to 18 months without being liable to pay VAT on the hull. This option is only available to yachts ultimately owned by non-EU residents and owned by non-EU Companies.

- 5.2.2 It should be noted that a Customs Broker is only required to carry out customs formalities on behalf of the Importer/Exporter for yachts operating under Temporary Admission (TA).

The procedure includes:

- The yacht being placed under Temporary Admission (TA) followed by Temporary Admission for Commercial Activity for a Yacht Engaged in Trade (TACA YET);
- Issuance of the relevant oral declaration for the placement of the yacht under Temporary Admission (TA);
- Issuance of the relevant import/export forms to provide clearance in and out for the yacht from the Temporary Admission for Commercial Activity for a Yacht Engaged in Trade (TACA YET) regime, during the period trade activities are undertaken.

- 5.3. At the end of the charter, the Importer / Exporter shall remove the yacht from the Temporary Admission for Commercial Activity for a Yacht Engaged in Trade (TACA YET) regime.

6. DOCUMENTATION FOR A YACHT ENGAGED IN TRADE (YET)

- 6.1. Before the commencement of each charter, the "Pleasure Yacht" CoBR shall be removed from the yacht's certificate folder and filed in a safe location on board. The following documents shall be added to the yacht's certification folder:

- ✓ Yacht Engaged in Trade Certificate of Compliance (**YET CoC**);
- ✓ temporary Certificate of British Registry for a Yacht Engaged in Trade (**temp CoBR YET**);
- ✓ Customs documentation for the placement of the Yacht under Temporary Admission for Commercial Activity (**TACA YET**);
- ✓ Charter Agreement;
- ✓ Master's Limited Trade Declaration for a YET (form CISR 3912); and
- ✓ At the end of the charter; customs documentation for the removal of the Yacht from Temporary Admission for Commercial Activity (**TACA YET**).

NB. At the end of each charter the above documents shall be removed from the certification folder and filed together in a safe location on board. The "Pleasure Yacht" CoBR shall also be returned to the yacht's certificate file.

7. CONDITIONS FOR MAINTAINING YACHT ENGAGED IN TRADE (YET) STATUS

7.1. To maintain Yacht Engaged in Trade status the yacht must:

- 7.1.1. Not be used as a pleasure yacht by the ultimate beneficial owner during the period of validity of the temp CoBR YET;
- 7.1.2. Carry on board the temp CoBR YET issued by Cayman Registry for the duration of the charter or for the commercial promotion period as applicable. Whilst operating under the temp CoBR YET, the previous "Pleasure Yacht" CoBR is invalid for the duration of the validity of the temp CoBR YET;
- 7.1.3. Maintain a valid YET CoC by complying at all times with the REG Yacht Code as applicable to commercial yachts and all other national and international requirements as applicable, whether or not the yacht is engaged in trade;
- 7.1.4. Undergo annual surveys to verify that the yacht; its crew and certification issued to the yacht is compliant with the requirements with the REG Yacht Code and any international conventions, as applicable;
- 7.1.5. Maintain on board the original Master's Limited Trade Declaration for a YET wherein the Master has acknowledged his/her understanding of the operational controls and limitations imposed.

8. PORT STATE CONTROL AND YACHTS ENGAGED IN TRADE (YET)

8.1. Pleasure yachts holding a YET CoC and operating under temp CoBR YET should expect to be considered by Port State Control authorities as "commercial yachts" and subject to inspection and control measures under the Paris Memorandum of Understanding.

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