

The Italian Superyacht Cruising Report

A REPORT WORTH READING

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Photo courtesy of Porto
Mirabello, La Spezia, Italy

TSR curates the most up-to-date advice from Italy's leading agents, corporate service providers and marina operators into a succinct report on this summer's cruising practicalities.



We invite experts from key regions of the country to clarify the summer 2020 situation for guests and operators alike...

Photo: Porto Mirabello, La Spezia, Italy



BY WILLIAM MATHIESON

Italy is, at one time, the world's most diverse geographical superyacht Market, and the one among the hardest hit by the COVID-19 crisis.

Its multifarious network of businesses thrives on a prolific cruising schedule among owners and charterers alike every summer. However, this key regional market was thrown into chaos with the onset of swingeing restrictions on movement to tackle the fast-spreading coronavirus. This took the form of the West's first national lockdown process, and last for two months. However, swift government action has been praised for seeing Italians return to work quicker

than other European economies and the superyacht industry has made great strides to ensure that a partial summer season is not just salvageable, but feasible and attractive to visitors.

The Italian Ministry of Transport and Infrastructure has published the rules to be observed for pleasure yachting, chartering, renting and for the management of ports and marinas this summer. This has been summarised by Italian law firm, PG Legal:

- Avoid close contact
- Proper sanitisation spaces
- Interpersonal space of at least one metre

- Nose and mouth protection for passengers.

Private pleasure yachts

The primary measure remains the "social distancing" of at least one metre unless the persons are part of the same family or live together. Even the relatives, if not living together, must respect the social distance of one person for each linear metre of the vessel. The provision of personal protective equipment for passengers and the use of surface sanitiser are also mandatory.

Charter

The same preventative rules for private vessels apply to yachts engaged in charter activities. Only persons living in the same family are allowed to stay in the same cabin.

The owner is obliged to sanitise all the areas - including the engine room and services - to provide adequate supplies of sanitising products as well as information signs, written in several languages, to make the charterer and his guests aware of the necessary hygienic measures to be taken.

As far as crew is concerned, there is an obligation to use masks and gloves and any other protective equipment depending on the type of the unit in particular, during mooring, unmooring, bunkering and towing operations. For the crew, moreover, since they are subjects called, in some cases, to carry out first aid manoeuvres (as in the case of the captain for whom the elementary first aid course and BLS is compulsory), there should be the obligation to undergo a preventative (before boarding) and periodical first aid test for COVID-19, the result of which must be kept on board. However, there should be a mandatory temperature measurement of crewmembers daily.

The crew must also take care to prevent access to the ship by external parties while in port or at sea.

For guests, the general rules on social distancing and interpersonal prevention measures apply, i.e. one person per metre of the linear length of the unit, including crewmembers, unless the guests live together.

Tourist ports and marinas

The managers of marinas must provide the ports with special information signs, in Italian and English, on the conduct measures to be respected, the use of personal protective equipment, the installation of sanitising dispensers on the docks, the limitation of movement, bans on gatherings and respect for social distancing.

Navigation and system rules

It is mandatory to comply with the regulations for travel within the region and between regions and the respect of international anti-contagion laws during navigation outside national territorial waters.

Industry body, Confindustria Nautica ushered in this sea change, with the following statement:

- When it comes to recreational sailing, users' individual responsibility remains the key factor in making sure the now well-known social distancing measures effective. On board private recreational boats, the same rules apply as those for residences. The primary measure, therefore, remains that of "social distancing", maintaining, that is, a distance of at least one metre between one another unless those onboard also share the same home.

- When leasing a recreational boat (without a crew) the same prevention measures apply as those for private boats. Individuals can share the same cabin if they share the same home. Personal protection equipment must be used during docking procedures, when setting sail, bunkering and for any form of dock assistance. Guests must also follow the same general social distancing and interpersonal contagion prevention measures.

- When providing crewed charters, measures include the sanitising of every unit after each use, the regular sanitising of the crew areas, the use of personal protective equipment at all times during docking procedures, when setting sail, bunkering and whenever a unit is towed by another of a marina's boats. As for personnel onboard, everyone must be tested for CoVid-19 before boarding, the results of which must be kept onboard, and have their temperature measured daily. Third parties must not be allowed access to charters.

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FRANCESCO LUISE



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SARA AMMANNATI

ALBERTO CADEDDU, DIRECTOR, NAUTICA ASSISTANCE (OLBIA, SARDINIA)

SARA AMMANNATI, ON BEHALF OF SOS YACHTING (VIAREGGIO, TOSCANA)

FRANCESCO LUISE, MANAGING PARTNER, LUISE GROUP ITALY (NAPLES, CAMPANIA)

ALESSANDRO DEMICHELIS, EVOLUTION YACHTING (WEST ITALY AND SICILY)

As the season begins in earnest, TSR interviewed some of the country’s key yachting agents, as well as leading corporate services providers, to establish how the national decree will apply to the superyacht industry, and how regional nuances may affect the interpretation of these rules.

Are current rules applicable to both foreign-flagged and Italian-flagged superyachts?

AC: These rules apply to all flags, no matter what. This is because the problem created by Coronavirus in the first place is not the vessel itself, but the people on board.

SA: Yes, but limited to vessels that can only come from the EU, Schengen and UK.

AD: Yes they are, and there are no particular restrictions other than having to request pilots (that adhere to health & safety requirements) for all yachts, regardless of whether they are coming from another Italian port. This however, may change from port to port.

Are there restrictions on the movement of persons that may impact crew or guests looking to cruise in Italy this summer?

FL: Not at all. As said, Italy is 100% operative in June. There is free circulation of EU citizens across all EU territories.

SA: It was dependent on the nationality,

at least before 3rd June, and afterwards, a ban remains for people coming directly from non-EU countries. But we expect an opening soon in July.

AD: Some ports such as Capri are allowing all guests to disembark only in the Marina Grande, where they are required to have their temperature taken. Once that is done, they are able to move around freely.

We are waiting for guidelines from the Campania region, to confirm that the yachts can navigate within Campania waters with full capacity of guests onboard.

The rules change so quickly, it is always really important to check for the latest updates per port of call prior to arrival.

For owners looking to cruise Italian waters this summer, what are you currently advising?

FL: To closely follow the main rules issued by the government.

SA: We suggest getting yourself updated with the latest national and regional rules, with particular attention to practical matters such as private flights restrictions.

AD: Our main piece of advice is to come and enjoy Italy. The whole country is very much open for business, and we are slowly getting back to normality. Despite there being some restrictions, guests will still be able to visit the same places and do the same things that they could pre-COVID-19. I think the most wonderful thing is that regardless of where they go, it will be like visiting Italy 30 years ago, with fewer tourists and this will be a very special experience.

And what about for those looking to charter their vessels?

AC: We believe this is going to be, more than at any other time, the ‘last-minute season’, as nobody really wants to give up the opportunity for a vacation on board their superyacht.

SA: It is possible. This activity has

also been ruled as appropriate by a national decree.

Are there any important considerations clients should make for bunkering?

AC: Bunkering is one of the primary concerns for any vessel. But we can assure everyone that this service will be guaranteed by every major bunkering station.

AD: Duty-free bunkering is complicated in Italy and difficult to summarise in one sentence. It very much depends on the flag, yacht registration, the port where the yacht is currently berthed and their next port of call. Each request is studied on a case by case basis, and we would highly recommend that yacht’s use a reputable agent to manage this for them.

Are you beginning to see an upturn in enquiries?

AC: We have had enquiries since April, but we are tired by saying ‘not yet’ to every captain who calls and asks, ‘When can we bring our boat to Sardinia?’ We are delighted to say that, now of course, this is improving rapidly.

AD: Absolutely yes!! It has taken a while, but since Europe opened up its borders the upturn has been significant. Yachts are already moving and coming to Italy.

What are your expectations for the rest of the summer?

AC: It is not going to be the best season for anyone. But if we are all smart, we can rescue a season that has been compromised. As a company, we are positive that we will make the most of it, and the end result will be good for us.

AD: Obviously, we are going to have a shorter season but we believe that yachts will definitely be coming and that potentially the season will last until September. We also think that guests will spend more time onboard and will be looking for different types of entertainment and experiences that we can organise for them.



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ALESSANDRO MENOZZI

CHARTERING IN ITALY AND THE APPLICATION OF VAT

On 15 June, Italian authorities provided confirmation on how the EU Commission’s newly-implemented pro rata application of VAT on charters will work in practice this year.

“The Italian Budget Law for 2020 (Law no. 160 of 27 December 2019) has amended the rules regulating the application of the Italian VAT on short term charters (within 90 days) of yachts, regulated by Article 7-quarter, paragraph e) of the Italian VAT Code (Italian Presidential Decree no. 633/72),” explains Gianfranco Puopolo of PG Legal. “Specifically, paragraph 725 of Article 1 of the Budget Law recognises “the delivery of the services” of the short-term lease or charter of yachts outside the European Union (and VAT exempted) only if the sailing outside the EU is proved adequately.”

As a result, the lump sum VAT criteria that was previously applied relating to the length of yachts (e.g. 6.6 per cent VAT for the charter of superyachts over 24m) will no longer be applicable, and the ordinary VAT of 22 per cent will be due unless it is proved that the superyacht in question was sailing outside of EU waters. On 15 June 2020, the Italian Tax Authority issues Provision n.234483 that clarifies how and by what means sailing outside EU waters can be proved adequately.

ALESSANDRO MENOZZI, FOUNDER AND PRINCIPAL, PORTO MIRABELLO (LA SPEZIA, LIGURIA)

As the ultimate barometer for gauging cruising activity levels, TSR also spoke to the principal of one of its top marinas who outlined his expectations at beginning of the revised start to the season...

What are the current rules for superyacht cruising in the region?

AM: Starting from the 3rd of June navigation has been allowed, and there is freedom of movement within the Schengen Area, while we wait for an additional extension worldwide. This activity must be carefully managed, in compliance with safety rulings, such as using PPE and respecting social distancing. We are satisfied with this outcome, and optimistic because our clients’ mood is currently really positive.

What is demand like for berths over the coming summer?

AM: [At the time of writing] we have great demand from both European and Italian clients, not only for the summer season but for longer periods too - such as annual and multi-year solutions. This is due to the fact that many Italian clients decided to stay in Italy for the longer-term, a trend that we haven’t seen in the past.

Are there any trends emerging among clients, such as size of vessel or a disparity between domestic/foreign client enquiries?

AM: There is not a specific trend we can identify at the moment. We are currently

reaping the benefits of the good work we have done in recent years. I can say that we genuinely work 365 days a year across all sizes of pleasure vessel to deliver what the clients need. Both Italian and foreign clients continue to perceive Porto Mirabello as an ideal home port, equipped with all the facilities they need, strategically located and extremely safe. This is a great satisfaction for us.

Are you expecting to see strong activity in marina occupancy among private or charter guests this year?

AM: Yes, we do, especially with private clients. Since there are no common European rules on charters yet, this sector’s performance this year is still more uncertain. But we are optimistic anyway.

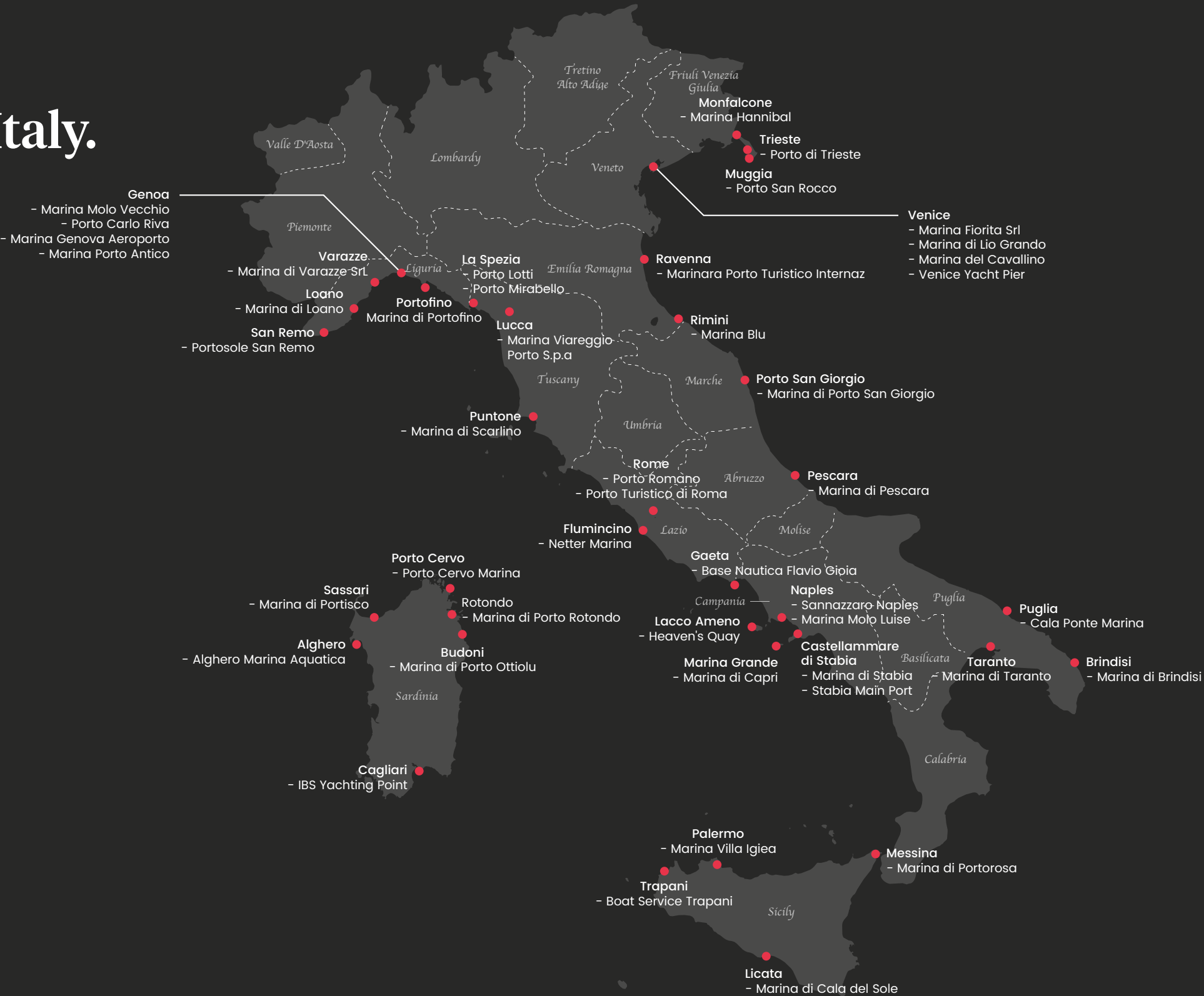
What is your expectation for the marina, and Italian superyacht cruising in general, for the remainder of this summer?

AM: The expectation is extremely positive! We feel, every day, that there is a great ‘sea desire’ among clients. They can’t wait to use their yachts and relax. The boat is perceived more and more as the safest and intimate place for owners, their families and friends to stay safe and have fun at the same time.

Photo: Porto Mirabello,
La Spezia, Italy



Overview of superyacht berthing in Italy.



Location	30m+ Berths
Abruzzo	25
Capri	4
Friuli-Venezia Giulia	5
Furnari	8
Latina	15
Liguria	209
Naples	48
Olbia-Tempio	18
Puglia	7
Rapallo	6
Ravenna	7
Rome	2
Sardinia	101
Scarlino	10
Sicily	55
Toscana	35
Trieste	12
Venice	10