

Tonnage tax regimes - Comparative tables

Cyprus	
<b>Source used</b>	<a href="https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf">https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf</a> <a href="https://www.dms.gov.cy/dms/shipping.nsf/all/8371FB68236C0934C225833D0027D01D?opendocument">https://www.dms.gov.cy/dms/shipping.nsf/all/8371FB68236C0934C225833D0027D01D?opendocument</a> <a href="https://www.offshore-energy.biz/cyprus-to-cut-annual-tonnage-tax-for-ships-that-reduce-their-environmental-impact/">https://www.offshore-energy.biz/cyprus-to-cut-annual-tonnage-tax-for-ships-that-reduce-their-environmental-impact/</a>
<b>Type of regime</b>	Greek regime
<b>Entry into force (year)</b>	2010
<b>Conditions of access</b>	
<b>Qualifying activities</b>	<ul style="list-style-type: none"> <li>- Any commercial activity that constitutes maritime transport or ship management (crew management and/or technical management) is considered a qualifying shipping activity.</li> <li>- Cable-laying activities.</li> <li>- Towage activities, provided that the ocean going tug is a Community ship and spends at least 50% of its time in towage or salvage activity at sea.</li> <li>- Dredging activities, provided that the dredger is self propelled, has carrying capacity for dredged material, is a Community ship and spends at least 50% of its time in the carriage of dredged goods.</li> </ul>
<b>Ancillary activities</b>	The definition of maritime transport includes also ancillary activities to maritime transport such as all hotel, catering, entertainment and retailing activities on board a qualifying ship, as well as the loading and unloading of cargo, the operation of ticketing facilities and passenger terminals.
<b>Qualifying entities</b>	- Any owner, charterer or ship manager who owns, charters or manages a qualifying ship in a qualifying shipping activity
<b>Qualifying vessels and ownership requirements</b>	<p><b>Qualifying vessels</b> Any seagoing ship certificated under the applicable international or national rules, but excluding: (1) Fishing and fish factory vessels; (2) Vessels used primarily for sport or recreation; (3) Inland waterway navigation vessels; (4) Harbour, estuary and river ferries and tug boats; (5) Fixed offshore installations (not used for maritime transport); (6) Non self-propelled floating cranes; (6) Non-ocean going tug boats. *Floating hotels, restaurants, casinos.</p> <p><b>Qualifying ownerships requirements</b> <b>Owners of Cyprus Ships, who:</b> (1) Owners of a Cyprus ship, who own a qualifying ship, which is engaged in a qualifying shipping activity. <b>Owners of a foreign ship, who:</b> (1) Are a tax resident of the Republic of Cyprus; (2) Have opted to be taxed under the tonnage tax scheme; (3) Own a qualifying ship, which is engaged in a qualifying shipping activity; (4) Comply with the "Community-Flagged Share" Requirement. <b>Charterer who charters ships under bareboat, demise, time or voyage charter and:</b> (1) Is a tax resident of the Republic of Cyprus; (2) Has opted to be taxed under the tonnage tax scheme; (3) Charters a qualifying ship, which is engaged in a qualifying shipping activity; (4) Complies with (i) Minimal Share of the Fleet in Ownership - Percentage of Chartered-in ships and (ii) "Community-Flagged Share" Requirement. <b>Ship managers who:</b> (1) Are a tax resident of the Republic of Cyprus; (2) Have opted to be taxed under the tonnage tax scheme <b>Provide ship management services (crew and/or technical management) to qualifying ships and meet at any time the following requirements:</b> (1) Maintains a fully fledged office in Cyprus; (2) Employs a sufficient in number and qualifications personnel; (3) At least 51% of the total number of its personnel must be EU/EEA citizens; (4) "Community-Flagged Share" Requirement; (5) Economic link of managed ships with the Community (EU/EEA). <b>The "2/3 Rule":</b> - Provision of crew management services in accordance with the Marine Labour Convention ("MLC") 2006 requirements for crew managers; - Certified under the ISM Code</p>
<b>Flag and registration requirements</b>	<p><b>Qualifying Community ship</b> is a qualifying ship which is registered and flying an EU or EEA (Norway, Iceland and Liechtenstein) flag.</p> <p><b>Qualifying non-Community ships</b> are eligible for the tonnage tax scheme if they are qualifying ships and comply with the following requirements:  <b>a)</b> are classed with a classification society recognised by the EU and  <b>b)</b> are duly certificated as appropriate in accordance with the international Conventions regulating maritime safety, security and protection of the environment which are in force at any time and  <b>c)</b> are manned by seafarers who are duly certificated in accordance with the Standards of Training, Certification and Watchkeeping of seafarers ("STCW") Convention.</p> <p>*For points b) and c) to be satisfied, the flag of the non-community ship must be recognized by both the International Maritime Organization ("IMO") and International Labour Organization ("ILO")</p> <p>Community-Flagged Share requirement:  - Min 60% of EU/EEA vessels required at time of opting  - Fleet continues to qualify with at least one EU/EEA vessel, but share of EU/EEA vessels will be monitored</p>
<b>Ship management activities</b>	<p><b>Crew management means:</b>  (a) selecting and engaging the vessel's crew, including payroll arrangements and insurances for the crew.  (b) ensuring compliance with the requirements of the law of the flag of the vessel in respect of manning levels, rank, qualification and certification of the crew.  (c) ensuring that the crew has undergone a medical examination and possesses a valid medical certificate issued in accordance with the appropriate flag State requirements.  (d) arranging transportation of the crew, including repatriation.  (e) training of the crew and supervising their efficiency.</p> <p><b>Technical management means:</b>  (a) the provision of competent personnel to supervise the maintenance and general efficiency of the vessel.  (b) the arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the vessel to the standards required by the law of the flag of the vessel and of the places where she trades, and all requirements and recommendations of its classification society.  (c) the arrangement of the supply of necessary stores, spares and lubricating oils. The qualifying ships under management do not necessarily have to be engaged in maritime transport.</p> <p>*The rates applicable to ship managers are 25% of the rates applicable to the Owners and Charterers.</p>
<b>Taxation regime</b>	
<b>Method of calculation</b>	<ul style="list-style-type: none"> <li>- Cyprus uses 5 size groups and applies a 30% and 60% increase for non-community vessels flying a flag in the Grey list and Black list respectively of the Paris Memorandum of Understanding. In Cyprus, tonnage tax is calculated based on the net tonnage of the vessels.</li> <li>- Laid up ships: If the ship is laid up for a period of at least 3 consecutive months the tonnage tax payable is reduced by 75% for the period during which the vessel is laid-up, provided that the Deputy Ministry is duly notified not later than 3 months from the commencement of the lay-up period.</li> <li>- Inoperative ships: If the ship is rendered inoperative for a period of at least three months due to her judicial arrest, or by act of piracy, or armed robbery, or by force majeure, then the tonnage tax payable is reduced by 75% for the period during which the vessel is inoperative.</li> </ul>

Cyprus																									
<b>Taxable tonnage tax profit</b>	<p>Tonnage tax rates for qualifying owners and charterers of Cyprus and foreign ships</p> <table border="1"> <thead> <tr> <th>Tonnage in NT</th> <th>Fixed amount (EUR/100NT)</th> </tr> </thead> <tbody> <tr> <td>0-1,000</td> <td>36,50</td> </tr> <tr> <td>1,001-10,000</td> <td>31,03</td> </tr> <tr> <td>10,001-25,000</td> <td>20,08</td> </tr> <tr> <td>25,001-40,000</td> <td>12,78</td> </tr> <tr> <td>Exceeding 40,001</td> <td>7,30</td> </tr> </tbody> </table> <p>Any residual tonnage of less than 100 units of net tonnage shall be charged proportionally.</p> <p><b>Tonnage tax rates for qualifying ship managers of Cyprus and foreign ships</b></p> <table border="1"> <thead> <tr> <th>Tonnage in NT</th> <th>Fixed amount (EUR/100NT)</th> </tr> </thead> <tbody> <tr> <td>0-1,000</td> <td>36,50</td> </tr> <tr> <td>1,001-10,000</td> <td>31,03</td> </tr> <tr> <td>10,001-25,000</td> <td>20,08</td> </tr> <tr> <td>25,001-40,000</td> <td>12,78</td> </tr> <tr> <td>Exceeding 40,001</td> <td>7,30</td> </tr> </tbody> </table> <p>Any residual tonnage of less than 400 units of net tonnage shall be charged proportionally</p>	Tonnage in NT	Fixed amount (EUR/100NT)	0-1,000	36,50	1,001-10,000	31,03	10,001-25,000	20,08	25,001-40,000	12,78	Exceeding 40,001	7,30	Tonnage in NT	Fixed amount (EUR/100NT)	0-1,000	36,50	1,001-10,000	31,03	10,001-25,000	20,08	25,001-40,000	12,78	Exceeding 40,001	7,30
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<b>Lock-in periods</b>																									
<b>At entry</b>	<ul style="list-style-type: none"> <li>- Mandatory system for vessels flying the Cypriot flag</li> <li>- Qualifying owners of foreign ships, qualifying charterers and qualifying ship managers have the right to opt into the system</li> <li>- Option is valid for 10 years</li> </ul>																								
<b>At exit</b>	<ul style="list-style-type: none"> <li>- Upon adoption of the tonnage tax regime, the taxpayer must stay in the system for at least 10 years unless there is a valid reason for exit.</li> <li>- In case of opting out before the 10 year period, taxpayer is liable to pay the difference between the tax which it would have been liable to pay under the CIT and the amount of relevant tax which should have been paid if it had remained under the tonnage tax scheme</li> </ul>																								
<b>Capital gains</b>																									
<b>Tonnage tax applies (Yes/No)</b>	No																								
<b>If no, please specify</b>	-No deferred tax liabilities arise																								
<b>Incentives</b>																									
<b>Environmental incentives</b>	Yes																								
<b>Other</b>	- From FY 2021, annual tonnage tax will be reduced by 30% for each vessel that demonstrates proactive measures to reduce its environmental impact (e.g., use of cleaner fuels, deployment of relevant fuel infrastructure, electrification of ships, use of energy-efficient technologies, etc.)																								
<b>Treatment of losses</b>																									
<b>What are regime's actions for losses?</b>	N/A																								

Denmark											
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<b>Type of regime</b>	Dutch regime										
<b>Entry into force (year)</b>	2002										
<b>Conditions of access</b>											
<b>Qualifying activities</b>	<ul style="list-style-type: none"> <li>- The entity must operate at least one vessel of minimum 20 gross tonnage used for commercial transportation of passengers or cargo between different destinations or hire out such vessels on time charter contracts for the same purpose.</li> <li>- The strategic and commercial management of the vessels is carried out from Denmark.</li> <li>- From income years starting 1 January 2020 or later, it will be possible to apply the provisions of the Tonnage Tax Scheme even when the vessels are to some extent being commercially and/or technically operated from another EU/EEA member state.</li> </ul>										
<b>Ancillary activities</b>	<ul style="list-style-type: none"> <li>- From income years starting 1 January 2020 or later, turnover from ancillary activities (e.g., usage of containers, loading activities, rental of ship space of board, etc.) may be included in the Tonnage Tax Scheme if they account for less than 50% of the total turnover from business. Note: turnover includes income from sales of vessels.</li> </ul>										
<b>Qualifying entities</b>	<ul style="list-style-type: none"> <li>- Danish shipping entities organized as limited liability companies (A/S or ApS)</li> <li>- Foreign shipping companies with the place of management and control in Denmark</li> <li>- Permanent establishments of EU resident shipping companies</li> </ul>										
<b>Qualifying vessels and ownership requirements</b>	<p><b>Qualifying vessels:</b></p> <ul style="list-style-type: none"> <li>- The ships are owned by the shipping company.</li> <li>- The ships are chartered on either (i) bareboat terms of a period not exceeding three years and where the capacity leased out is temporary excess capacity or (ii) one-to-seven year time-charter contracts with a call/buy option by the company. Certain restrictions apply for ships chartered on a time-charter basis without a call/buy option. The ships must be strategically and commercially managed from Denmark.</li> <li>- New vessels included: (i) guard, supply and construction vessels; (ii) ice management vessels (every type of ice handling at sea); (iii) offshore installation vessels (also including laying, inspection and repair of pipelines and cables); (iv) accommodation and support vessels (housing of employees, spare parts, workshop facilities, etc.)</li> <li>- Ships used for exploration, diving, fishing, towing, sand dredging, etc. are <u>exempt</u> from the Tonnage Tax Scheme. The same applies for barges, floating docks, etc.</li> <li>- EU or European Economic Community (EEC) registered ships used for towage activities at sea (i.e. ,not in and around ports) during at least 50% of their operating time during the income year may be included in the Tonnage Tax Scheme.</li> </ul> <p><b>Qualifying ownership conditions:</b></p> <ul style="list-style-type: none"> <li>- No more than 80% of the fleet's tonnage may consist of time chartered-in vessels without purchase options (if a time charter vessel has a purchase option it is regarded as an owned vessel)</li> </ul>										
<b>Flag and registration requirements</b>	<ul style="list-style-type: none"> <li>- Vessels must be Danish and registered in the Danish International Register of Shipping (DIS).</li> <li>- From income years 1 January 2020 or later, the DIS registration requirement has been eased: seafarers working onboard vessels registered in another EU/EEA member state and under sailing under EU/EEA flag may also be comprised in the DIS scheme if certain conditions are fulfilled.</li> </ul>										
<b>Ship management activities</b>	<ul style="list-style-type: none"> <li>- Ship management companies may also use the Tonnage Tax Scheme. A ship manager is defined as a company doing business with crew management and technical management of ships qualified for use in the Tonnage Tax Scheme. It is a requirement that the ship manager has taken over the full operating responsibility and all obligations and responsibilities according to the International Safety Management codex.</li> <li>- Performing technical and crew management for another company may qualify.</li> </ul>										
<b>Taxation regime</b>											
<b>Method of calculation</b>	<ul style="list-style-type: none"> <li>- Tonnage tax is calculated by multiplying a daily profit figure by the number of days in an accounting period that each qualifying ship is operated</li> <li>- Denmark uses 4 size groups and applies a fixed amount of tax per group</li> </ul>										
<b>Taxable tonnage tax profit</b>	<p><b>Rates applicable for income year 2020</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Ship net ton (NT)</th> <th style="text-align: left;">Fixed amount/day (DKK/100NT)</th> </tr> </thead> <tbody> <tr> <td>0-1,000</td> <td>10.26</td> </tr> <tr> <td>1,001-10,000</td> <td>7.37</td> </tr> <tr> <td>10,001-25,000</td> <td>4.41</td> </tr> <tr> <td>Exceeding 25,001</td> <td>2.90</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>- Income that does not qualify is taxed according to the general tax provisions in Denmark.</li> <li>- Deduction for losses derived from other income can be offset against the income calculated under the Tonnage Tax Scheme.</li> <li>- Losses from consolidation with group companies and, to a certain extent, financial expenses, are deductible under the Tonnage Tax Scheme.</li> </ul>	Ship net ton (NT)	Fixed amount/day (DKK/100NT)	0-1,000	10.26	1,001-10,000	7.37	10,001-25,000	4.41	Exceeding 25,001	2.90
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1,001-10,000	7.37										
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Exceeding 25,001	2.90										
<b>Lock-in periods</b>											
<b>At entry</b>	10 years										
<b>At exit</b>	No additional information										
<b>Capital gains</b>											
<b>Tonnage tax applies (Yes/No)</b>	No										
<b>If no, please specify</b>	<ul style="list-style-type: none"> <li>- Capital gains on the sale of ships (or contracts for vessels) that have not been used in the scheme prior to 1 January 2007 are tax exempt.</li> <li>- Capital gains on the sale of ships used in the scheme in prior years are taxable.</li> </ul>										
<b>Incentives</b>											
<b>Environmental incentives</b>	No										
<b>Other</b>	N/A										
<b>Treatment of losses</b>											
<b>What are regime's actions for losses?</b>	<ul style="list-style-type: none"> <li>- Income that does not qualify for the Tonnage Tax Scheme is taxed according to the general tax provisions in Denmark, thus expenses are deductible. Consequently, deduction for losses derived from other income can be offset against the income calculated under the Tonnage Tax Scheme.</li> <li>- Furthermore, losses from tax consolidation with group companies and, to a certain extent, financial expenses are deductible under the Tonnage Tax Scheme. However, deductibility for financial expenses is subject to various capping rules and implies that gains/losses are not derived from financial instruments entered into in order to secure the shipping income.</li> <li>- The calculated tonnage taxed income is taxed at the ordinary Danish corporate income tax rate (22% from 2016 and onwards).</li> </ul>										

France											
<b>Source used</b>	<a href="http://www.rif.mer.developpement-durable.gouv.fr/en/tonnage-tax-taxation-system-r69.html">http://www.rif.mer.developpement-durable.gouv.fr/en/tonnage-tax-taxation-system-r69.html</a> <a href="https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf">https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf</a> <a href="https://bofip.impots.gouv.fr/bofip/8127-PGP.html/identifiant%3DBOI-IS-BASE-60-40-20-20160601">https://bofip.impots.gouv.fr/bofip/8127-PGP.html/identifiant%3DBOI-IS-BASE-60-40-20-20160601</a> <a href="https://bofip.impots.gouv.fr/bofip/8124-PGP.html/identifiant=BOI-IS-BASE-60-40-10-20150701">https://bofip.impots.gouv.fr/bofip/8124-PGP.html/identifiant=BOI-IS-BASE-60-40-10-20150701</a>										
<b>Type of regime</b>	Dutch regime										
<b>Entry into force (year)</b>	2003										
<b>Conditions of access</b>											
<b>Qualifying activities</b>	<ul style="list-style-type: none"> <li>- Only companies deriving at least 75% of their turnover from qualifying ship operations can opt for the French tonnage tax regime</li> <li>- The operations directly linked to the use of qualifying ships means the operations necessary to carry out maritime transport operations of passengers or goods, including when they are linked to any other activities carried out at sea, as well as maritime operations of towage on the high seas, sea rescue, other maritime assistance activities, or the exercise of any other activities that need to be provided at sea</li> <li>- Certain 'incidental operations' which are not necessary to the fulfilment of the maritime operations mentioned above are excluded from qualifying operations</li> <li>- Eligibility is reserved for commercial vessels that are managed from France from a strategic and commercial point of view (this condition is deemed to be fulfilled if the vessel flies French flag)</li> </ul>										
<b>Ancillary activities</b>	N/A										
<b>Qualifying entities</b>	- Only legal entities subject automatically or under option to French CIT can opt for the tonnage tax system (to be confirmed for French permanent establishments of foreign companies)										
<b>Qualifying vessels and ownerships requirements</b>	<p><b>Qualifying vessels:</b>  Eligibility is reserved for commercial vessels:</p> <ol style="list-style-type: none"> <li>1. That have a gross tonnage equal to or greater than 50 UMS (Universal Measurement System).</li> <li>2. That are either fully owned or co-owned with the exception of those vessels chartered on a bareboat basis to companies that are neither directly or indirectly affiliated, nor to affiliated companies that have not themselves opted for the system, or that are bareboat or time chartered.</li> <li>3. That are allocated for transporting passengers or goods, towing on the high seas, sea rescue, or other maritime assistance activities or the exercise of any other activities that need to be provided at sea.</li> <li>4. That have not been purchased from companies that are directly or indirectly associated during the election period to this regime and that have not themselves opted for this system</li> <li>5. Ships used for fishing, marine culture or leisure are exempt from the Tonnage Tax Scheme.</li> </ol>										
<b>Flag and registration requirements</b>	<ul style="list-style-type: none"> <li>- Originally, the scheme limited the eligibility of time chartered ships not flagged in the EU to no more than 75% of the fleet of a tonnage taxpayer</li> <li>- As of 2015, French tonnage taxpayers are required to have at least 25% of their fleet, by tonnage, EEA flagged</li> </ul>										
<b>Ship management activities</b>	- Ship management activities are considered as part of the "commercial and strategic management of vessels from France" ( <i>...la gestion commerciale des navires est également assurée à partir de la France en fonction d'éléments tels que le lieu d'élaboration des plans de navigation, de gestion de l'avitaillement des navires, de prises de commande, de gestion du personnel, de gestion technique des navires (décisions relatives à l'entretien, réparation, etc.), d'implantation des établissements.</i> )										
<b>Taxation regime</b>											
<b>Method of calculation</b>	<ul style="list-style-type: none"> <li>- Tonnage tax is calculated by multiplying a daily profit figure by the number of days in an accounting period that each qualifying ship is operated. The number of days in an accounting period must not be reduced by the period of unavailability of the vessels (e.g., maintenance, repair, etc.)</li> <li>- France uses 4 size groups and applies a fixed amount of tax per group</li> </ul>										
<b>Taxable tonnage tax profit</b>	<table border="1"> <thead> <tr> <th>Tonnage in UMS</th> <th>Fixed amount/day (EUR/100UMS)</th> </tr> </thead> <tbody> <tr> <td>0-1,000</td> <td>0.93</td> </tr> <tr> <td>1,001-10,000</td> <td>0.71</td> </tr> <tr> <td>10,001-25,000</td> <td>0.47</td> </tr> <tr> <td>Exceeding 25,001</td> <td>0.24</td> </tr> </tbody> </table> <p>UMS stands for Universal Tonnage</p>	Tonnage in UMS	Fixed amount/day (EUR/100UMS)	0-1,000	0.93	1,001-10,000	0.71	10,001-25,000	0.47	Exceeding 25,001	0.24
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Exceeding 25,001	0.24										
<b>Lock-in periods</b>											
<b>At entry</b>	10 years										
<b>At exit</b>	- The tonnage tax regime is applicable upon election. Once the option is granted, it is valid for 10 years with penalties for abandoning the scheme before the end of the ten year period										
<b>Capital gains</b>											
<b>Tonnage tax applies (Yes/No)</b>	Yes										
<b>If no, please specify</b>	<ul style="list-style-type: none"> <li>- Capital gains are subject to the regular statutory tax rate.</li> <li>- The determination of the gain/loss resulting from the sale of vessels eligible to the French tonnage tax regime is subject to certain specific rules</li> </ul>										
<b>Incentives</b>											
<b>Environmental incentives</b>	No										
<b>Other</b>	N/A										
<b>Treatment of losses</b>											
<b>What are regime's actions for losses?</b>	N/A										

Germany											
<b>Source used</b>	<a href="https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf">https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf</a> <a href="https://www.deutsche-flagge.de/en/financial-matters/tonnage-tax-1/tonnage-tax">https://www.deutsche-flagge.de/en/financial-matters/tonnage-tax-1/tonnage-tax</a> <a href="https://www.deutsche-flagge.de/de/redaktion/dokumente/dokumente-sonstige/bmf_anwendungsschreiben_tonnagesteuer.pdf">https://www.deutsche-flagge.de/de/redaktion/dokumente/dokumente-sonstige/bmf_anwendungsschreiben_tonnagesteuer.pdf</a> <a href="http://www.gesetze-im-internet.de/estg/_5a.html">http://www.gesetze-im-internet.de/estg/_5a.html</a> <a href="https://www.wfw.com/articles/20-years-german-tonnage-tax-regime/#:~:text=Currently%2C%20the%20applicable%20income%20tax,the%20effective%20income%20tax%20amount.">https://www.wfw.com/articles/20-years-german-tonnage-tax-regime/#:~:text=Currently%2C%20the%20applicable%20income%20tax,the%20effective%20income%20tax%20amount.</a>										
<b>Type of regime</b>	Dutch regime										
<b>Entry into force (year)</b>	1999										
<b>Conditions of access</b>											
<b>Qualifying activities</b>	<ul style="list-style-type: none"> <li>- Operation of merchants ships in international traffic</li> <li>- Transport of passengers or cargo</li> <li>- The management is located in Germany</li> <li>- The vessel is registered in a German shipping register</li> <li>- The operation of the vessel is managed from the German territory. This comprises the following activities: (i) concluding contracts that concern the ship; (ii) equipping and provisioning the vessel, (iii) hiring masters and ship officers (iv) freighting the ship (v) concluding contracts for bunkers and lubricant (vi) maintaining the ship (vii) concluding insurance contracts for ship and equipment (viii) keeping the books and financial accounting</li> </ul>										
<b>Ancillary activities</b>	N/A										
<b>Qualifying entities</b>	- Only legal entities that elect to enter in the tonnage tax regime and satisfy the requirements										
<b>Qualifying vessels and ownerships requirements</b>	<p><b>Qualifying vessels:</b></p> <ul style="list-style-type: none"> <li>- The operation of own or chartered merchant ships engaged in international traffic.</li> <li>- The use and chartering of in-chartered vessels is considered as operation of merchant ships in international traffic only if own or bareboat chartered ships are operated at the same time.</li> <li>- Vessels are mainly registered in a German shipping register.</li> <li>- Vessels are mainly used for the transportation of people and goods with or between domestic and foreign ports, within a foreign port or between a foreign port and the high seas.</li> <li>- Vessels are managed on the German territory.</li> </ul>										
<b>Flag and registration requirements</b>	<ul style="list-style-type: none"> <li>- Flying the German flag is not a prerequisite for determining taxable income according to tonnage tax. Tonnage tax may be used for flagged-out ships</li> <li>- Vessels need to be registered in a German ship register during the business year</li> </ul>										
<b>Ship management activities</b>	- Performing technical and crew management for another company may qualify										
<b>Taxation regime</b>											
<b>Method of calculation</b>	<ul style="list-style-type: none"> <li>- Tonnage tax is calculated by multiplying a daily profit figure by the number of days in an accounting period that each qualifying ship is operated.</li> <li>- An operating day is basically every calendar day after the ship is put into service (also in the case of repair, waiting and other downtimes), so that the number of operating days is regularly 365 operating days (in a leap year 366).</li> <li>- Germany uses 4 size groups and applies a fixed amount of tax per group.</li> </ul>										
<b>Taxable tonnage tax profit</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Tonnage in NT</th> <th style="text-align: left;">Fixed amount/day (EUR/100NT)</th> </tr> </thead> <tbody> <tr> <td>100-1,000</td> <td>0.92</td> </tr> <tr> <td>1,001-10,000</td> <td>0.69</td> </tr> <tr> <td>10,001-25,000</td> <td>0.46</td> </tr> <tr> <td>Exceeding 25,001</td> <td>0.23</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>- The total of the valuation based on net tonnage has to be multiplied by the number of operational days to calculate the tax base. Said result is subject to ordinary income taxation and trade tax.</li> </ul>	Tonnage in NT	Fixed amount/day (EUR/100NT)	100-1,000	0.92	1,001-10,000	0.69	10,001-25,000	0.46	Exceeding 25,001	0.23
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10,001-25,000	0.46										
Exceeding 25,001	0.23										
<b>Lock-in periods</b>											
<b>At entry</b>	10 years										
<b>At exit</b>	- Application to the tonnage tax is irrevocable, election is binding for a period of 10 years										
<b>Capital gains</b>											
<b>Tonnage tax applies (Yes/No)</b>	No										
<b>If no, please specify</b>	No additional information										
<b>Incentives</b>											
<b>Environmental incentives</b>	No										
<b>Other</b>	N/A										
<b>Treatment of losses</b>											
<b>What are regime's actions for losses?</b>	<ul style="list-style-type: none"> <li>- Tonnage tax is not a tax but rather a method for determining taxable income. By this the taxable income is calculated as a lump sum depending on the size (net tonnage) of the ship, independent of the actual earnings (profit or loss). Normally, the taxable income as calculated by this method is considerably lower than the actual profit.</li> <li>- Profits generated by the operation of merchant ships in international traffic before the merchant ship is put into service are not taxable in this case; Losses can neither be compensated nor offset. The taxpayer is bound to the determination of profits according to general regulations for ten years from the beginning of the financial year in which he withdraws the application.</li> </ul>										

Greece																									
<b>Source used</b>	<a href="https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf">https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf</a> <a href="https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Energy-and-Resources/gx-e-and-r-2015-shipping-tax-guide.pdf">https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Energy-and-Resources/gx-e-and-r-2015-shipping-tax-guide.pdf</a> <a href="https://ec.europa.eu/competition/state_aid/cases/245406/245406_1730463_191_2.pdf">https://ec.europa.eu/competition/state_aid/cases/245406/245406_1730463_191_2.pdf</a> <a href="https://www.orbitax.com/news/archive.php/Greece-Clarifies-Ancillary-Act-32971">https://www.orbitax.com/news/archive.php/Greece-Clarifies-Ancillary-Act-32971</a> <a href="https://core.ac.uk/download/pdf/236165686.pdf">https://core.ac.uk/download/pdf/236165686.pdf</a>																								
<b>Type of regime</b>	Greek regime																								
<b>Entry into force (year)</b>	1975																								
<b>Conditions of access</b>																									
<b>Qualifying activities</b>	<ul style="list-style-type: none"> <li>- Qualification depends on ownership, not activities</li> <li>- Foreign ship owning companies with vessels flying a foreign flag, the maintenance of a ship management office in Greece is important</li> </ul>																								
<b>Ancillary activities</b>	<p>Circular 1159 of August 3, 2018</p> <p>Eligible ancillary activities performed by shipowners include:</p> <ul style="list-style-type: none"> <li>- Provision of accommodation, food, entertainment, retail and other passenger care activities provided on-board and exclusively by the shipowner</li> <li>- Operation of facilities for the issuance of tickets and terminals</li> <li>- Transport of goods and freight and the loading and unloading of cargo, including movement of containers by the shipowner within the port area immediately before/after a voyage</li> <li>- The rental of space onboard for business operations of third parties for the sale of goods and services, and certain other operations</li> </ul>																								
<b>Qualifying entities</b>	<ul style="list-style-type: none"> <li>- In principle, qualification depends on ownership, not on activities</li> <li>- However, for foreign ship owning companies with vessels flying a foreign flag, the maintenance of a ship management office in Greece is important</li> </ul>																								
<b>Qualifying vessels and ownership requirements</b>	<p><b>Qualifying Vessels:</b></p> <p><b>A' Category Vessels:</b></p> <ul style="list-style-type: none"> <li>- Bulk carriers, tankers and reefers of at least 3,000 GRT (Gross Tonnage)</li> <li>- Steel dry or wet cargo ships, as well as reefers of between 500 and 3,000 GRT, which undertake voyages to foreign ports or navigate exclusively between foreign ports.</li> <li>- Passenger ships that undertake voyages to foreign ports or navigate between foreign ports.</li> <li>- Passenger ships of more than 500 GRT that have undertaken, following a public announcement, regular trips exclusively for leisure purposes for a period of at least six months during the previous year (cruise ships).</li> <li>- Floating rigs of a displacement exceeding 5,000 GRT, as well as floating refineries and oil store of at least 15,000 GRT used for exploration, drilling, pumping, refining and storage of oil or natural gas.</li> </ul> <p><b>B' Category Vessels:</b></p> <p>Small boats, sailing vessels and small crafts in general not listed under Category A</p> <p><b>Qualifying ownership conditions:</b></p> <ul style="list-style-type: none"> <li>- Individual ship owner or ship-owning companies managing vessels flying the Greek flag, irrespective of the tax residence of their individual or corporate owners</li> <li>- Individual ship owner or ship-owning companies of vessels flying a foreign flag provided that vessels are operated/managed by offices established in Greece</li> </ul>																								
<b>Flag and registration requirements</b>	<ul style="list-style-type: none"> <li>- Greek and foreign flagged vessels qualify. In the case of foreign flagged vessels, a ship management office engaged in ship management activities should be established in Greece</li> </ul>																								
<b>Ship management activities</b>	<ul style="list-style-type: none"> <li>- Ship management activities are not taxed if put under a special regime</li> </ul>																								
<b>Taxation regime</b>																									
<b>Method of calculation</b>	<ul style="list-style-type: none"> <li>- Greece uses 5 size groups and for both Greek- and foreign-flag vessels and there are different exemptions for the two categories (please find them below)</li> <li>- The taxable tonnage is calculated by multiplying coefficients by taxable gross tonnage; subsequently, the tax is calculated using the tax rate that corresponds to the age of the vessel</li> </ul> <p><b>Greek flag exceptions:</b></p> <ul style="list-style-type: none"> <li>- Vessels built in shipyards in Greece, under a Greek flag, are exempt from tax for the first 6 years</li> <li>- 50% reduction for vessels operating regular routes between Greek/foreign ports or solely between foreign ports</li> </ul> <p><b>Foreign flag exceptions:</b></p> <ul style="list-style-type: none"> <li>- Vessel's lay-up due to repair works, lack of work or any other reason for a period of at least 2 consecutive months during the previous year or the current year, by an amount corresponding to the days that the vessel ceased flying, and/or</li> <li>- Vessels of any age following regular routes by 50%.</li> </ul>																								
<b>Taxable tonnage tax profit</b>	<p>Greek-flag vessels, A category (2015 scales):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Actual Gross Tonnage</th> <th style="text-align: left;">Taxable Tonnage Rates</th> </tr> </thead> <tbody> <tr> <td>100-10,000</td> <td>1.2</td> </tr> <tr> <td>10,001-20,000</td> <td>1.1</td> </tr> <tr> <td>20,001-40,000</td> <td>1</td> </tr> <tr> <td>40,001-80,000</td> <td>0.45</td> </tr> <tr> <td>Exceeding 80,001</td> <td>0.2</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Age of vessel</th> <th style="text-align: left;">Rates (\$/ton)</th> </tr> </thead> <tbody> <tr> <td>0-4</td> <td>0.407</td> </tr> <tr> <td>5-9</td> <td>0.730</td> </tr> <tr> <td>10-19</td> <td>0.714</td> </tr> <tr> <td>20-29</td> <td>0.676</td> </tr> <tr> <td>Exceeding 30</td> <td>0.522</td> </tr> </tbody> </table>	Actual Gross Tonnage	Taxable Tonnage Rates	100-10,000	1.2	10,001-20,000	1.1	20,001-40,000	1	40,001-80,000	0.45	Exceeding 80,001	0.2	Age of vessel	Rates (\$/ton)	0-4	0.407	5-9	0.730	10-19	0.714	20-29	0.676	Exceeding 30	0.522
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<b>At entry</b>	<ul style="list-style-type: none"> <li>- There is a mandatory system for vessels flying the Greek flag, foreign ship companies with vessels flying a foreign flag are only subject to Greek tonnage if they elect to establish a ship management company in Greece</li> </ul>																								
<b>At exit</b>	No additional information																								
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<b>Tonnage tax applies (Yes/No)</b>	No																								
<b>If no, please specify</b>	<ul style="list-style-type: none"> <li>- Capital gains on the sale of vessels flying a Greek flag are not taxed. However, there is no similar explicit exemption for vessels flying a foreign flag. On the other hand, capital gains arising on the sale of shares held in all vessel owning companies are not taxable</li> </ul>																								
<b>Incentives</b>																									
<b>Environmental incentives</b>	No																								
<b>Other</b>	N/A																								
<b>Treatment of losses</b>																									
<b>What are regime's actions for losses?</b>	<ul style="list-style-type: none"> <li>- There is no possibility to profit from accelerated depreciation and be exempt from taxation in the periods of losses.</li> <li>- Any losses from operating Greek flagged ships cannot be offset against the ship-owner's or ship-owning company's net profits from other activities.</li> </ul>																								

Malta																			
<b>Source used</b>	<a href="https://www.dixcart.com/maltese-shipping-the-tonnage-tax-system-and-advantages-for-shipping-companies/">https://www.dixcart.com/maltese-shipping-the-tonnage-tax-system-and-advantages-for-shipping-companies/</a> <a href="http://publications.europa.eu/resource/cellar/e0c1b7d7-9bd2-11e9-9d01-01aa75ed71a1.0006.03/DOC_1">http://publications.europa.eu/resource/cellar/e0c1b7d7-9bd2-11e9-9d01-01aa75ed71a1.0006.03/DOC_1</a> <a href="https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf">https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf</a> <a href="https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Energy-and-Resources/gx-e-and-r-2015-shipping-tax-guide.pdf">https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Energy-and-Resources/gx-e-and-r-2015-shipping-tax-guide.pdf</a>																		
<b>Type of regime</b>	Greek regime																		
<b>Entry into force (year)</b>	1973																		
<b>Conditions of access</b>																			
<b>Qualifying activities</b>	<ul style="list-style-type: none"> <li>- 'Shipping Activities' are defined as 'the international carriage of goods or passengers by sea or the provision of other services to or by a ship as may be ancillary thereto or associated therewith including the ownership, chartering or any other operation of a ship engaged in all or any of the above activities or as otherwise may be prescribed'</li> <li>- Towing and dredging may also apply subject to certain conditions</li> <li>- Other activities may also qualify in line with EU guidelines and practice</li> <li>- Bareboat chartering out</li> <li>- Time/voyage chartering (there is currently no explicit rule as to minimum EEA flagging requirement for new entrants into the tonnage tax scheme.)</li> <li>- Ancillary revenues</li> </ul>																		
<b>Ancillary activities</b>	<p>Certain ancillary activities that are closely connected to shipping activities (capped at max 50% of a ship's operating revenue)</p> <p>Ancillary activities are:</p> <ul style="list-style-type: none"> <li>- All hotel, catering, entertainment and retailing activities on board of a qualifying ship</li> <li>- The operation of office facilities in connection with shipping activities subject to tonnage tax</li> <li>- The operation of ticketing facilities and passenger terminals in connection with shipping activities subject to tonnage tax</li> <li>- The provision of excursion for passengers of qualifying ships, where any cabin for the passenger remains available for his exclusive use</li> </ul>																		
<b>Qualifying entities</b>	<ul style="list-style-type: none"> <li>- A legal entity, qualified as a 'licensed shipping organization' (Limited liability company, partnership, whether 'en nom collectif' or 'en commandite', trust or foundation, any foreign body corporate or other entity enjoying legal personality which has established a place of business in Malta) qualifies for the tonnage tax regime</li> <li>- In terms of Maltese law, the tonnage tax regime is mandatory for vessel owners only in the sense that the registration fee and annual tonnage tax are payable irrespective of whether or not the vessel owner/charterer makes use of the benefits and concessions contained in the Maltese tonnage tax regime</li> </ul>																		
<b>Qualifying vessels and ownership requirements</b>	<p><b>Qualifying vessels:</b></p> <ul style="list-style-type: none"> <li>- All types of vessels from pleasure yachts to oil rigs may be registered under the Malta flag. It is in fact the policy of the Maltese authorities to encourage interest in shipping and to promote the whole range of maritime services Malta has to offer</li> </ul> <p><b>Qualifying ownership conditions:</b></p> <ol style="list-style-type: none"> <li>1. Citizens of Malta;</li> <li>2. Bodies corporate established under, and subject to the laws of, Malta;</li> <li>3. Citizens of EU Member States residing in Malta;</li> <li>4. Bodies corporate or entities established outside Malta and which enjoy, to the satisfaction of the Registrar-General of Shipping, legal personality in terms of the law under which they have been established or constituted, and satisfy the Registrar-General that they can and will ensure due observance of the laws of Malta relating to merchant shipping. For this purpose, a local registered agent must be appointed; Or</li> <li>5. Citizens of EU Member States not residing in Malta. For this purpose, a local registered agent must be appointed.</li> </ol>																		
<b>Flag and registration requirements</b>	<ul style="list-style-type: none"> <li>- EU/EEA flagged vessels qualify</li> <li>- Non-EU flagged vessels may also qualify, if: <ul style="list-style-type: none"> <li>- The licensed shipping organisation owns, manages or operates at least 60% of its total tonnage under an EU/EEA flag</li> <li>- The % of EU/EEA flagged tonnage of the beneficiary company has not decreased over a period of three years or such lesser period in which the tonnage tax beneficiary was in existence</li> <li>- Additional thresholds apply</li> </ul> </li> </ul>																		
<b>Ship management activities</b>	- Ship management activities are also eligible, provided the applicable conditions are satisfied.																		
<b>Taxation regime</b>																			
<b>Method of calculation</b>	<ul style="list-style-type: none"> <li>- Malta charges an annual tonnage tax in the form of a lumpsum</li> <li>- Malta uses 8 size groups and applies a fixed amount of tax per group plus an amount of tax for exceeding tonnage</li> </ul>																		
<b>Taxable tonnage tax profit</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Ship net ton (NT)</th> <th style="text-align: left;">Annual tonnage tax (Fixed amount + cost per NT)</th> </tr> </thead> <tbody> <tr> <td>0-2,500</td> <td>1,000</td> </tr> <tr> <td>2,500-8,000</td> <td>1,000 + plus 40 cents/per NT in excess of 2,500NT</td> </tr> <tr> <td>8,000-10,000</td> <td>3,200 + plus 19 cents/per NT in excess of 8,000NT</td> </tr> <tr> <td>10,000-15,000</td> <td>3,580 + plus 14 cents/per NT in excess of 10,000NT</td> </tr> <tr> <td>15,000-20,000</td> <td>4,280 + plus 12 cents/per NT in excess of 15,000NT</td> </tr> <tr> <td>20,000-30,000</td> <td>4,880 + plus 9 cents/per NT in excess of 20,000NT</td> </tr> <tr> <td>30,000-50,000</td> <td>5,780 + plus 7 cents/per NT in excess of 30,000NT</td> </tr> <tr> <td>Exceeding 50,000</td> <td>7,180 + plus 5 cents/per NT in excess of 50,000NT</td> </tr> </tbody> </table> <p>The standard rate is adjusted depending on the age of the ship. The standard rate is only applied to ships that are 10-15 years old. Ships older than 15 years are subject to a surcharge up to a maximum of 50 %. For ships aged 0-5 years a reduction of 30 % applies, for those aged 5-10 years the reduction is 15 %</p> <ul style="list-style-type: none"> <li>- Malta commits that shipping companies (except ship management companies) will not benefit from tonnage tax (except for ship management companies (2)) unless they: <ol style="list-style-type: none"> <li>(a) have at least 60 % of the tonnage of their fleet (3) under the flag of a Member State of the Union or of a State party to the EEA Agreement on entering the scheme; or</li> <li>(b) maintain or increase the share of tonnage of their fleet that they operated under the flag of a Member State of the Union or of a State party to the EEA Agreement at the moment that they entered the scheme.</li> </ol> </li> </ul> <p>In any event, by the third year of operation the organisation must have at least 60 % of the tonnage taxed fleet EEA-flagged.</p>	Ship net ton (NT)	Annual tonnage tax (Fixed amount + cost per NT)	0-2,500	1,000	2,500-8,000	1,000 + plus 40 cents/per NT in excess of 2,500NT	8,000-10,000	3,200 + plus 19 cents/per NT in excess of 8,000NT	10,000-15,000	3,580 + plus 14 cents/per NT in excess of 10,000NT	15,000-20,000	4,280 + plus 12 cents/per NT in excess of 15,000NT	20,000-30,000	4,880 + plus 9 cents/per NT in excess of 20,000NT	30,000-50,000	5,780 + plus 7 cents/per NT in excess of 30,000NT	Exceeding 50,000	7,180 + plus 5 cents/per NT in excess of 50,000NT
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<b>Lock-in periods</b>																			
<b>At entry</b>	<ul style="list-style-type: none"> <li>- A vessel is first registered provisionally under the Malta flag for a period of six months (extendible to one year) during which all documentation must be finalised</li> <li>- Payment of tonnage tax and registration fees are mandatory</li> </ul>																		
<b>At exit</b>	- A shipping company may opt out of the Tonnage Tax Regulations and its income would be subject to the normal CIT rate. Election to opt out is irrevocable																		
<b>Capital gains</b>																			
<b>Tonnage tax applies (Yes/No)</b>	No																		
<b>If no, please specify</b>	<ul style="list-style-type: none"> <li>- No deferred tax liabilities arise</li> <li>- Any gains arising upon the liquidation, redemption, cancellation, or any other disposal of shares, securities or any other interest, including goodwill, held in any licensed shipping organisation owning, operating, administering or managing a tonnage tax ship while she was a tonnage tax ship are exempt from tax in Malta.</li> </ul>																		
<b>Incentives</b>																			

Malta	
<b>Environmental incentives</b>	Yes
<b>Other</b>	<ul style="list-style-type: none"> <li>- Malta provides a reduction from the standard tonnage tax rate where the vessel is less than 10 years old.</li> <li>- At the same time, Malta increases the tonnage tax payable when the vessel is 15 years old or more.</li> <li>- The purpose of this rule is to encourage shipowners and operators to register younger (and therefore more efficient and environmentally-friendly) vessels and discourage them from registering older vessels. Since newer vessels are in general likely to be safer, more secure, more efficient and more environmentally friendly than older vessels, such a rule is considered to support the first objective listed in section 2.2 of the Maritime Guidelines, that is, 'improving a safe, efficient, secure and environment friendly maritime transport'. This also contributes towards the 2020 targets on the mitigation of greenhouse gas emissions adopted by the EU.</li> </ul>
<b>Treatment of losses</b>	
<b>What are regime's actions for losses?</b>	<ul style="list-style-type: none"> <li>- A shipping organisation cannot decide to opt in or out of the Maltese tonnage tax system depending on whether it has taxable profits or losses</li> <li>- Losses from activities subject to income tax cannot be offset against the tonnage tax liability</li> </ul>

Netherlands													
<b>Source used</b>	<a href="https://niflag.nl/shipping-policy-tax/dutch-tonnage-tax-scheme">https://niflag.nl/shipping-policy-tax/dutch-tonnage-tax-scheme</a> <a href="https://www.tax-consultants-international.com/read/The_Dutch_tonnage_tax_regime">https://www.tax-consultants-international.com/read/The_Dutch_tonnage_tax_regime</a> <a href="https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf">https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf</a> <a href="https://www.pwc.nl/en/insights-and-publications/tax-news/pwc-special-budget-day/tonnage-tax-regime-tightened-per-1-january-2020.html">https://www.pwc.nl/en/insights-and-publications/tax-news/pwc-special-budget-day/tonnage-tax-regime-tightened-per-1-january-2020.html</a>												
<b>Type of regime</b>	Dutch regime												
<b>Entry into force (year)</b>	1996												
<b>Conditions of access</b>													
<b>Qualifying activities</b>	<p>- Eligible shipping activities:</p> <ol style="list-style-type: none"> <li>1. The international transport of goods or passengers overseas.</li> <li>2. The transport of goods and passengers overseas for the purpose of exploring or exploiting natural resources at sea. This category includes for instance transport ships and supply ships used in the offshore industry.</li> <li>3. Towing activities or the provision of general assistance to ships at sea. Ships whose activities mainly consist of towage services in ports are excluded.</li> <li>4. Sea-dredging services. Ships eligible are those whose operational activities consist for more than 50% of transportation at sea.</li> <li>5. Exploration of the seabed (research ships).</li> <li>6. Cable and pipe-laying on the seabed.</li> <li>7. Tackle and lifting activities at sea (crane ships).</li> </ol> <p>- For income years starting 1 January 2020, a profit cap for non-transport activities of up to 50% of the annual profit (e.g. relevant for cruiseships) has been introduced.</p>												
<b>Ancillary activities</b>	- Profits from ancillary activities directly related to the qualifying activities are included in the tonnage tax scheme, provided that the ancillary activities do not exceed 50% of the overall annual gross revenue (both ship-specific and other). These include loading and unloading (stevedoring) as well as ship-brokering activities carried out by the taxpayer itself.												
<b>Qualifying entities</b>	- The company which owns or co-owns the vessel, with the exception of ships chartered out on a bareboat charter basis, or holds the vessel under a bareboat charter.												
<b>Qualifying vessels and ownership requirements</b>	<p><b>Qualifying vessels:</b></p> <p>- The tonnage tax regime includes seagoing vessels, cable and pipe laying vessels, research vessels and crane vessels.</p> <p><b>Qualifying ownership conditions:</b></p> <p>- In addition to what Dutch regime foresees, if the shipping company conducts the commercial management of a ship owned by another company or if it operates a ship in time or voyage charter it may still qualify for the tonnage tax regime, provided that the shipping company also owns a certain volume of net tonnage itself through ownership or co-ownership (taxpayer's share is at least 5%) of the vessels or ships under bareboat charter.</p>												
<b>Flag and registration requirements</b>	<p>- The ship has to be registered in one of the EU/EEA Member States, which means that it should sail under an EU/EEA flag (exceptions are available for ships under "third flag" that will join an existing fleet).</p> <p>- For self-owned vessels and ship managers, if a vessel is put into service after 1 January 2020, at least one vessel in the fleet must fly an EU/EEA flag. In addition, a limit will be introduced for time or voyage chartered vessels that do not fly an EU/EEA flag.</p> <p>- In the following situations an exception with respect to the flag requirement may be applicable, provided that the tax payer operates at least one qualifying ship with an EU/EEA flag:</p> <ol style="list-style-type: none"> <li>1. If, prior to operating the new ship, the percentage of the qualifying ships with an EU/EEA flag has not been reduced in relation to January 17th 2004 (reference date). This calculation will be based on the net tonnage, to be judged in relation to the entirety of the taxpayer's fleet that qualifies for the tonnage tax. For taxpayers that have applied for the tonnage-tax scheme after January 17th 2004, the fleet at the year-end of the first year for which the taxpayer qualified for the tonnage tax scheme, will serve as the reference date;</li> <li>2. If, prior to operating the new ship, the net tonnage of qualifying ships with an EU/EEA flag already operated by the taxpayer, amounts to at least 60% of the proportion of the taxpayer's total qualifying fleet;</li> <li>3. If in the calendar year a ship is being first used by the taxpayer, the three-year average percentage of all qualifying EU/EEA ships of the total qualifying Dutch fleet in the relevant fiscal year has not decreased in comparison to the preceding three-year average*;</li> </ol> <p>Towing and dredging activities do not qualify for the exceptions to the flag requirements.</p>												
<b>Ship management activities</b>	<p>- Performing commercial, technical and crew management for another company may qualify</p> <p>- Companies that perform crewing and technical/naval ship management activities in the Netherlands on behalf of a third party may benefit from the tonnage tax regime, provided that the ship flies an EU/EEA flag</p>												
<b>Taxation regime</b>													
<b>Method of calculation</b>	<p>- Tonnage tax is calculated by multiplying a daily profit figure by the number of days in an accounting period that each qualifying ship is operated.</p> <p>- Interruptions that do not represent an encroachment of operations, such as maintenance, repairs, or periods in which the ship was out of services because of unfavorable market circumstances, cannot be deducted</p> <p>- Netherlands uses 5 size groups and applies a fixed amount of tax per group</p>												
<b>Taxable tonnage tax profit</b>	<table border="1"> <thead> <tr> <th>Ship net ton (NT)</th> <th>Fixed amount/day (EUR/1000NT)</th> </tr> </thead> <tbody> <tr> <td>0-1,000</td> <td>9.08</td> </tr> <tr> <td>1,001-10,000</td> <td>6.81</td> </tr> <tr> <td>10,001-25,000</td> <td>4.54</td> </tr> <tr> <td>25,001-50,000</td> <td>2.27</td> </tr> <tr> <td>Exceeding 50,001</td> <td>0.50*</td> </tr> </tbody> </table> <p>*The reduced rate of €0,50 per day per 1,000 net tons for vessels with a net tonnage over 50,000 is augmented to a rate of € 1,77 per day per 1,000 net tons, unless a vessel was:</p> <p>-First registered under a flag after 31 December 2008 and for which the profits were set on the basis of the Dutch tonnage tax, or</p> <p>-Flying a non-EU/EEA flag in the five years prior to the application of the tonnage-bases profit calculation</p>	Ship net ton (NT)	Fixed amount/day (EUR/1000NT)	0-1,000	9.08	1,001-10,000	6.81	10,001-25,000	4.54	25,001-50,000	2.27	Exceeding 50,001	0.50*
Ship net ton (NT)	Fixed amount/day (EUR/1000NT)												
0-1,000	9.08												
1,001-10,000	6.81												
10,001-25,000	4.54												
25,001-50,000	2.27												
Exceeding 50,001	0.50*												
<b>Lock-in periods</b>													
<b>At entry</b>	<p>- 10 years</p> <p>- The decision to opt for the tonnage tax scheme has to be made in the first year that taxable profit from shipping operations is made, or in every tenth year thereafter</p> <p>- Upon approval of the application, the tonnage tax scheme is applicable for 10 years; after each 10-year period, a company may continue in the scheme for another 10 years or revert to the regular system of taxation</p>												
<b>At exit</b>	No additional information												
<b>Capital gains</b>													
<b>Tonnage tax applies (Yes/No)</b>	No												
<b>If no, please specify</b>	No additional information												
<b>Incentives</b>													
<b>Environmental incentives</b>	No												
<b>Other</b>	- If the taxpayer is responsible for the entire crewing and technical/naval management of a vessel that is owned by a third party, the taxable profit will be reduced by 25% of the taxable profit calculated according to the table above												
<b>Treatment of losses</b>													
<b>What are regime's actions for losses?</b>	- Application of the tonnage tax regime will amongst other imply that qualifying shipping activities can basically never result in tax losses, tax depreciation of the vessels is not allowed and a capital gains or losses incurred on the vessels are tax neutral.												

Norway											
<b>Source used</b>	<a href="https://www.skatteetaten.no/en/business-and-organisation/reporting-and-industries/industries-special-regulations/shipping/">https://www.skatteetaten.no/en/business-and-organisation/reporting-and-industries/industries-special-regulations/shipping/</a> <a href="https://taxsummaries.pwc.com/norway/corporate/taxes-on-corporate-income">https://taxsummaries.pwc.com/norway/corporate/taxes-on-corporate-income</a> <a href="https://www.eftasurv.int/cms/sites/default/files/documents/decision-214-17-COL.pdf">https://www.eftasurv.int/cms/sites/default/files/documents/decision-214-17-COL.pdf</a> <a href="https://www2.deloitte.com/global/en/pages/energy-and-resources/articles/changesi-n-norwegian-tonnage-tax-regime.html">https://www2.deloitte.com/global/en/pages/energy-and-resources/articles/changesi-n-norwegian-tonnage-tax-regime.html</a>										
<b>Type of regime</b>	Dutch regime										
<b>Entry into force (year)</b>	1996										
<b>Conditions of access</b>											
<b>Qualifying activities</b>	<ul style="list-style-type: none"> <li>- Eligible activities are ownership, leasing and operation of vessels, whether directly owned or chartered in</li> <li>- There is no general strategic management requirement, it is not required that vessels under the tonnage tax scheme be strategically and commercially managed from within the EEA</li> <li>- However, from 1 January 2018, there are limitations on chartering out vessels on bareboat. The following limitations apply for bareboat chartering out in the offshore sector (i.e., maritime activities taking place offshore):               <ol style="list-style-type: none"> <li>1. Chartering out on bareboat terms may not exceed 50% of the company's fleet during an income year, alternatively over a period of four years.</li> <li>2. Bareboat chartering out must not exceed a contract period of five years, with a possibility to extend the contract by another three years.</li> <li>3. The strategic management of vessels chartered out on bareboat terms must be carried out from an EEA state.</li> </ol> </li> <li>- From 1 January 2018, to exclude pure ship lessors, the following restrictions are applied to bareboat chartering in the traditional shipping sector:               <ol style="list-style-type: none"> <li>1. Chartering out on bareboat terms may not exceed 40% of the fleet per income year, alternatively over a period of four years.</li> <li>2. The chartering period may not exceed one half of the vessel's life-time.</li> <li>3. The strategic management of vessels chartered out on bareboat terms must be carried out from an EEA state.</li> </ol> </li> </ul>										
<b>Ancillary activities</b>	<p>The following activities are considered ancillary activities falling within the scope of the tonnage tax scheme:</p> <ul style="list-style-type: none"> <li>- loading and unloading of goods,</li> <li>- temporary storage of goods at or near the harbor, pending further transport,</li> <li>- leasing out of containers,</li> <li>- door-to-door transport for the maritime leg of the transport only</li> <li>- transport of goods and persons in the port area</li> <li>- embarking and disembarking persons</li> <li>- sale of goods and services for consumption on board</li> <li>- operation of ticket offices and passenger terminals</li> <li>- hiring out premises on board of vessels</li> </ul> <p>There is not cap on the revenue from the ancillary activities. However, according to the Norwegian authorities, there is only a theoretical possibility that non-core revenues would amount to more than 50% of a vessel's total gross revenues.</p> <p>The above-mentioned activities can only be performed for vessels owned or chartered in by the shipping company itself and vessels owned or chartered in by associated companies within the tonnage tax scheme</p>										
<b>Qualifying entities</b>	<ul style="list-style-type: none"> <li>- Private and public limited liability companies may qualify for the tonnage tax regime</li> <li>- Partnership shares may be qualifying/legal assets for a tonnage taxed company</li> <li>- A tonnage taxed company is not allowed to have income from non-tonnage-taxed activities, except for financial income</li> </ul>										
<b>Qualifying vessels and ownerships requirements</b>	<p><b>Qualifying vessels:</b></p> <ul style="list-style-type: none"> <li>- Generally, Norway has a liberal regime with regard to types of vessels, including a range of offshore vessels.</li> <li>- As of income year starting 1 January 2017, vessels engaged in the construction, maintenance, repair and disassembly of windmills at sea are eligible to tonnage tax</li> <li>- Non-self-propelled barged are eligible for tonnage tax with effect from 1 January 2018 if certain conditions are met</li> </ul> <p><b>Qualifying ownerships requirements:</b></p> <ul style="list-style-type: none"> <li>- To be tonnage-taxed, a company must own at least one qualifying asset (i.e., vessel, etc.), new building contracts, a 3% ownership share in another tonnage-taxed limited company, or a 3% ownership interest in a partnership or CFC company that has at least one qualifying asset</li> </ul>										
<b>Flag and registration requirements</b>	<ul style="list-style-type: none"> <li>- As a starting point, the tonnage tax scheme requires a link with the flag of one of the EEA states in order for the company groups to be eligible for tonnage tax</li> <li>- Eligible companies commit themselves to increase or at least maintain the share of tonnage operated under the flag of one of the EEA states</li> <li>- Tugboats and barges are required to be EEA flagged</li> <li>- Chartering in of vessels on time-charter terms is, with effect from 1 January 2018, limited to 90% of non-EEA flagged vessels</li> </ul>										
<b>Ship management activities</b>	<ul style="list-style-type: none"> <li>- Ship management companies are not eligible under the tonnage tax scheme</li> <li>- Strategic and commercial management, including daily technical operations and maintenance of vessels owned or chartered in by the shipping company itself and vessels owned or chartered in by associated limited companies, associated partnerships and associated CFCs, are eligible activities</li> </ul>										
<b>Taxation regime</b>											
<b>Method of calculation</b>	<ul style="list-style-type: none"> <li>- Tonnage tax is calculated with reference to the net tonnage of each of the vessels operated by a company, at the following rates per day</li> <li>- Norway uses 4 size groups and applies a fixed amount of tax per group</li> </ul>										
<b>Taxable tonnage tax profit</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Ship net ton (NT)</th> <th style="text-align: left;">Fixed amount/day (NOK/1.000NT)</th> </tr> </thead> <tbody> <tr> <td>0-1,000</td> <td>9</td> </tr> <tr> <td>1,001-10,000</td> <td>18</td> </tr> <tr> <td>10,001-25,000</td> <td>12</td> </tr> <tr> <td>Exceeding 25,001</td> <td>6</td> </tr> </tbody> </table>	Ship net ton (NT)	Fixed amount/day (NOK/1.000NT)	0-1,000	9	1,001-10,000	18	10,001-25,000	12	Exceeding 25,001	6
Ship net ton (NT)	Fixed amount/day (NOK/1.000NT)										
0-1,000	9										
1,001-10,000	18										
10,001-25,000	12										
Exceeding 25,001	6										
<b>Lock-in periods</b>											
<b>At entry</b>	<ul style="list-style-type: none"> <li>- 10 years</li> <li>- An eligible company belonging to a group of companies in which certain group companies have opted for the tonnage tax regime, is obliged to enter the tonnage tax regime as well</li> </ul>										
<b>At exit</b>	<ul style="list-style-type: none"> <li>- A shipping company may exit the regime on a voluntary basis or may be obligated to do so after breaching specific company requirements within the tonnage tax system.</li> <li>- If a company exits prior the end of the period, the company may not re-enter before the expiry of the ten-year period</li> </ul>										
<b>Capital gains</b>											
<b>Tonnage tax applies (Yes/No)</b>	No										
<b>If no, please specify</b>	<ul style="list-style-type: none"> <li>- Gains upon disposal of vessels and new building contracts are exempt from taxation</li> <li>- No claw-back on capital gains realised during the lock-in period</li> <li>- Upon entry into the tonnage tax system, the difference between market value and tax value of the company's assets (including vessels, new building contracts, ownership interests in partnerships, and shares in CFCs/tax exempt assets) is taxed as a capital gain (22%) that can be transferred to the gain and loss account. 20% of the balance will be entered as income each year (balance method). There is continuity for financial assets and assets covered by the tax-exemption rules (qualifying shares and derivatives).</li> </ul>										
<b>Incentives</b>											
<b>Environmental incentives</b>	Yes										
<b>Other</b>	- The tonnage tax may be reduced by up to 25% based on the environmental rating of the vessel in question. The criteria for determining the environmental rating of a ship range from 1 to 10										
<b>Treatment of losses</b>											
<b>What are regime's actions for losses?</b>	N/A										

Singapore	
<b>Source used</b>	<a href="https://www.mpa.gov.sg/web/portal/home/maritime-companies/setting-up-in-singapore/programmes-to-support-your-maritime-business/maritime-sector-incentive">https://www.mpa.gov.sg/web/portal/home/maritime-companies/setting-up-in-singapore/programmes-to-support-your-maritime-business/maritime-sector-incentive</a> <a href="https://sso.agc.gov.sg/Act/ITA1947?ProvIds=P1IV-">https://sso.agc.gov.sg/Act/ITA1947?ProvIds=P1IV-</a> <a href="https://www2.deloitte.com/global/en/pages/energy-and-resources/articles/shipping-tax-guides.html">https://www2.deloitte.com/global/en/pages/energy-and-resources/articles/shipping-tax-guides.html</a> <a href="https://sso.agc.gov.sg/Act/MSA1995">https://sso.agc.gov.sg/Act/MSA1995</a>
<b>Type of regime</b>	Shipping incentives
<b>Entry into force (year)</b>	N/A
<b>Conditions of access</b>	
<b>Qualifying activities</b>	<p>Shipping enterprises operating Singapore registered ships will enjoy tax exemption on income derived from the operation of Singapore ships outside the limits of the port engaging in:</p> <ul style="list-style-type: none"> <li>- Carriage of passengers, mails, livestock or goods</li> <li>- Towing or salvage operations</li> <li>- The charter of ships</li> <li>- The use of ship as a dredger, seismic ship or ship used offshore for oil and gas activity</li> <li>- FX and risk management activities carried out in connection and incidental to the operation of Singapore ship</li> <li>- Etc.</li> </ul> <p>For foreign ships, tax exemption applies to the income derived from the carriage of passengers, mails, livestock or goods uplifted from Singapore, except where such carriage arises solely from the transshipment to Singapore or is only within the limits of the port of Singapore</p>
<b>Ancillary activities</b>	<p>Qualifying supporting shipping activities:</p> <ul style="list-style-type: none"> <li>- Ship management, ship agency, and freightforwarding/logistics services;</li> <li>- Ship broking and forward freight agreement trading;</li> <li>- Qualifying corporate services (such services should be rendered to qualifying approved related parties who are carrying on business of shipping-related activities)</li> </ul>
<b>Qualifying entities</b>	- Shipping enterprises operating Singapore-registered and foreign ships enjoy tax exemptions on certain types of shipping income
<b>Qualifying vessels and ownership requirements</b>	<p>Ship means any kind of vessel used for navigation in water, however propelled or moved and includes:</p> <ul style="list-style-type: none"> <li>- A barge, lighter or floating vessel</li> <li>- An air-cushion vehicle, or other similar craft, used wholly or primarily in navigation by water</li> <li>- An off-shore industry mobile unit</li> </ul>
<b>Flag and registration requirements</b>	<p>Singapore Registry of Ships enables quick and easy registration (2 hours). Only the following may be registered as owners of Singapore vessels:</p> <ul style="list-style-type: none"> <li>- Singapore citizens or Singapore permanent residents</li> <li>- Companies incorporated in Singapore (foreign or locally owned)</li> <li>- If owned by a foreign company, the vessel may be registered in Singapore if certain conditions are fulfilled</li> </ul>
<b>Ship management activities</b>	<p>Ship management activities are included as ancillary activities. Ship management activities include:</p> <ul style="list-style-type: none"> <li>- Making or purchase or sale of it, or a decision regarding its ownership</li> <li>- Deciding on ist flag and registry</li> <li>- Sourcing for or deciding on financing its acquisition</li> <li>- Securing its employment or its cargo</li> <li>- Planning its route and tonnage, including issuance of voyage instructions</li> <li>- Etc.</li> </ul>
<b>Taxation regime</b>	
<b>Method of calculation</b>	<ul style="list-style-type: none"> <li>- Singapore does not have a tonnage tax regime but offers maritime incentives</li> <li>- The current Singapore CIT rate is 17%; however, shipping companies can benefit from a reduced tax rate of 0% under the Maritime Sector Incentives</li> </ul>
<b>Taxable tonnage tax profit</b>	N/A
<b>Lock-in periods</b>	
<b>At entry</b>	<p>The tax exemption on qualifying shipping income can be enjoyed for either:</p> <ul style="list-style-type: none"> <li>- A 10 year renewable period; or</li> <li>- A 5-year non-renewable period with the option of graduating to the 10-year renewable award at the end of the 5-year period</li> </ul>
<b>At exit</b>	N/A
<b>Capital gains</b>	
<b>Tonnage tax applies (Yes/No)</b>	No
<b>If no, please specify</b>	- Qualifying ship owners or ship lessors will automatically be granted tax exemption on gains from the disposal of vessels, gains from the disposal of vessels under constructions and gains on disposal of foreign vessels for ship lessors under the Maritime Sector Incentives
<b>Incentives</b>	
<b>Environmental incentives</b>	Yes
<b>Other</b>	- Special incentives not necessarily coupled with Maritime Sector Incentive, such as: Green Ship Programme
<b>Treatment of losses</b>	
<b>What are regime's actions for losses?</b>	- If a company incurs a loss during the tax exempted period, the loss should be either deducted or shall only be deducted against the income referred to in any of the referred paragraphs, and the balance of such loss shall not be available as a deduction against any other income, except that any balance remaining unabsorbed at the end of the tax exempt period shall be available as a deduction against any other income for the year of assessment which relates to the basis period in which the tax exemption ceases and for any subsequent year of assessment in accordance with the particular section (Section 37).

United Kingdom	
<b>Source used</b>	<p><a href="https://www.gov.uk/hmrc-internal-manuals/tonnage-tax-manual">https://www.gov.uk/hmrc-internal-manuals/tonnage-tax-manual</a></p> <p><a href="https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Energy-and-Resources/gx-e-and-r-2015-shipping-tax-guide.pdf">https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Energy-and-Resources/gx-e-and-r-2015-shipping-tax-guide.pdf</a></p> <p><a href="https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf">https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf</a></p> <p><a href="https://www.clydeco.com/en/insights/2017/05/uk-tonnage-tax#:~:text=The%20tonnage%20tax%20regime%20was,are%20based%20in%20the%20UK.">https://www.clydeco.com/en/insights/2017/05/uk-tonnage-tax#:~:text=The%20tonnage%20tax%20regime%20was,are%20based%20in%20the%20UK.</a></p> <p><a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/906170/Tonnage_tax_minimum_training_document.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/906170/Tonnage_tax_minimum_training_document.pdf</a></p>
<b>Type of regime</b>	Dutch regime
<b>Entry into force (year)</b>	2000
<b>Conditions of access</b>	
<b>Qualifying activities</b>	<p>Core qualifying activities include:</p> <ul style="list-style-type: none"> <li>- Activities of operating qualifying ships</li> <li>- Other ship related activities that are necessary and integral part of the business of operating those qualifying ships</li> </ul> <p>Core qualifying activities exclude:</p> <ul style="list-style-type: none"> <li>- Activities that are merely customary or desirable</li> <li>- Activities carried out on behalf of other companies in the same tonnage tax group</li> </ul> <p>- Apart from the required qualifying activities, a company entering into the tonnage tax regime must meet a minimum training obligation, requiring companies to agree and uphold training plans in respect of ships benefiting from the tonnage tax regime. There are penalties which can be levied in the case of non-compliance including, ultimately, the refusal of a renewal election made by a company which has been issued with a certificate of non-compliance in this respect.</p> <p>- A company is deemed to be operating a ship (with certain exceptions), if it is:</p> <ol style="list-style-type: none"> <li>a) used by the company; or</li> <li>b) time or voyage chartered-out; or</li> <li>c) bareboat chartered-out to another UK group member or, in some circumstances, bareboat chartered-out to a third party where there is short-term over-capacity and the charter does not exceed three years.</li> </ol> <p>(N.B. A singleton company or group cannot elect to apply the tonnage tax regime if more than 75% of its net tonnage is time or voyage chartered-in from outside the group.)</p>
<b>Ancillary activities</b>	<p>Qualifying secondary activities include:</p> <ul style="list-style-type: none"> <li>- Support services to fellow group members' ships that would be qualifying core or secondary activities if carried out for own ships</li> <li>- Carriage of passengers or cargo beyond the sea-eg of an inclusively priced journey where the transport is bought from a third party</li> <li>- Administration and insurance activities</li> <li>- Embarkation and disembarkation of passengers</li> <li>- Loading and unloading of cargo</li> <li>- Excursions for passengers where cabin remains available to passenger</li> <li>- Normal sales and services to and entertainment of passengers</li> <li>- Similar services to third parties where use of surplus capacity</li> </ul>
<b>Qualifying entities</b>	<p>A company is a 'qualifying company' for tonnage tax purposes if:</p> <ol style="list-style-type: none"> <li>1. It is within the charge to corporation tax,</li> <li>2. It operates one or more qualifying ships, and</li> <li>3. Those ships are strategically and commercially managed in the United Kingdom</li> </ol> <p><b>Exception - temporarily ceasing to operate qualifying ships.</b></p> <p>The only exception to this definition is that a company that temporarily ceases to operate qualifying ships may continue to be a qualifying company if certain conditions are met .</p> <p><b>Non-residents</b></p> <p>A non-resident company trading in the UK through a permanent establishment (branch or agency) is within the charge to Corporation Tax, and can be a qualifying company if the other conditions are satisfied.</p>
<b>Qualifying vessels and ownership requirements</b>	<p><b>Qualifying vessels:</b></p> <p><u>A qualifying ship must be:</u></p> <ol style="list-style-type: none"> <li>a) Seagoing - a ship is seagoing if it is certificated for navigation at sea by a competent authority of any country and part of the normal commercial operations of the ship are carried out at sea;</li> <li>b) at least 100 gross tons; and</li> <li>c) used for: <ol style="list-style-type: none"> <li>(i) Carriage by sea of passengers; or</li> <li>(ii) Carriage by sea of cargo; or</li> <li>(iii) Towing, salvage or other marine assistance carried out at sea; or</li> <li>(iv) Transport by sea in connection with other services of a kind necessarily provided at sea.</li> </ol> </li> </ol> <p><b>Vessels that are excluded include:</b></p> <ol style="list-style-type: none"> <li>a) Fishing vessels or factory ships;</li> <li>b) Pleasure craft (this does not include cruise liners, which do qualify);</li> <li>c) Harbour or river ferries;</li> <li>d) Offshore installations;</li> <li>e) Tankers dedicated to a particular oil field;</li> <li>f) Certain tugs;</li> <li>g) Certain dredgers; and</li> <li>h) A vessel the main purpose of which is to provide goods or services normally provided on land (e.g. floating hotel or supermarket).- No more than 75% of the fleet's tonnage may be time chartered-in</li> </ol> <p><b>Qualifying ownership requirements:</b></p> <ul style="list-style-type: none"> <li>- Vessels may be owned by the company or chartered to the company</li> </ul>
<b>Flag and registration requirements</b>	<ul style="list-style-type: none"> <li>- Condition 1: The flagging rules have to be considered at the time when a company starts to operate a ship for the first time</li> <li>- Condition 2: Proportion of the company's total tonnage that is flagged on a relevant register (EU/EEA plus UK and Gibraltar) is on average 60% over a period beginning with the start of the financial year and ending on the day the company begins to operate a new ship (% calculated as aggregate tonnage of ships registered in relevant register x 100 / aggregate tonnage of all relevant ships)</li> <li>- Condition 3: if the % in condition 2 is either the same or has increased since a certain reference date (i.e. 17 January 2004 or last day of accounting period in which company qualified for tonnage tax), then condition does not apply</li> </ul>
<b>Ship management activities</b>	<ul style="list-style-type: none"> <li>- Ship management operations (such as purchasing fuel and hiring crew) are considered as a "necessary and integral part of operating qualifying ships" and qualify for tonnage tax</li> </ul>
<b>Taxation regime</b>	
<b>Method of calculation</b>	<ul style="list-style-type: none"> <li>- Tonnage tax profits are calculated by multiplying a daily profit figure by the number of days in an accounting period that each qualifying ship is operated (for a normal year: 365)</li> <li>- United Kingdom uses 4 size groups and applies a fixed amount of tax per group.</li> </ul>

United Kingdom	
<b>Taxable tonnage tax profit</b>	<p>Ship net ton (NT)      Fixed amount/day (GBP/1NT)</p> <p>100-1,000                      0.60</p> <p>1,001-10,000                      0.45</p> <p>10,001-25,000                      0.30</p> <p>Exceeding 25,001                      0.15</p>
	<p>The profits covered by the tonnage tax profit include those from:</p> <p>1) core qualifying activities in operating its own ships;</p> <p>2) other necessary ship-related activities integral to the above;</p> <p>3) qualifying secondary activities;</p> <p>4) qualifying incidental activities, not exceeding 0.25% turnover from qualifying core and secondary activities;</p> <p>5) distributions from overseas shipping companies (which only operate qualifying ships);</p> <p>6) loan relationship profits and foreign exchange gains, which would otherwise be trading income; and</p> <p>7) gains on the disposal of tonnage tax assets.</p>
<b>Lock-in periods</b>	
<b>At entry</b>	<p>- 10 years</p> <p>- If a 'qualifying company' wishes to elect to apply the tonnage tax regime, they must do so within a specified time period.</p> <p>- A company that is new to the regime, as it has just become a qualifying company, must make the election, before the end of the period of twelve months beginning with the day on which the company became a qualifying company.</p>
<b>At exit</b>	<p>- Exits from the regime can be voluntary (including when an election expires, a withdrawal notice takes effect, a company ceases to be qualifying, or, in certain cases, where a merger takes place) or forced (because of tax avoidance, failing to meet the 75% test on charters in, or, in certain cases, where a merger takes place).</p> <p>- Where a qualifying company or group exit the tonnage tax regime, they are permanently excluded from re-electing into the regime. However, the exception to this is if HM Treasury provided for a further window of opportunity for entry into the regime, and a period of ten years had passed since a company or group previously exited the regime.</p> <p>- If a company elects to apply the tonnage tax regime, this election will be for a period of ten years. If the company wishes to re-elect to continue applying the regime they can do so at any point during the ten year period, at which point the clock will start running again, for another ten years.</p>
<b>Capital gains</b>	
<b>Tonnage tax applies (Yes/No)</b>	No
<b>If no, please specify</b>	- No deferred tax liabilities arise
<b>Incentives</b>	
<b>Environmental incentives</b>	No
<b>Other</b>	N/A
<b>Treatment of losses</b>	
<b>What are regime's actions for losses?</b>	<p>- No detail on treatment of losses</p> <p>- Upon exit from the tonnage tax regime: in the instance of capital losses having been incurred, no relief is available. If balancing charges arose on disposals in the six years preceding the exit from the regime that were mitigated by the claw back provisions described above, the total of the reductions also becomes taxable.</p>

United States																																																					
<b>Source used</b>	<a href="https://www.law.cornell.edu/cfr/text/19/4.20#fn4_tbl1">https://www.law.cornell.edu/cfr/text/19/4.20#fn4_tbl1</a> <a href="https://www.govinfo.gov/content/pkg/CFR-2011-title19-vol1/pdf/CFR-2011-title19-vol1-sec4-20.pdf">https://www.govinfo.gov/content/pkg/CFR-2011-title19-vol1/pdf/CFR-2011-title19-vol1-sec4-20.pdf</a> <a href="https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf">https://www.pwc.com/kr/ko/publications/industry/pwc-choosing-your-course.pdf</a>																																																				
<b>Type of regime</b>	Dutch regime																																																				
<b>Entry into force (year)</b>	2004																																																				
<b>Conditions of access</b>																																																					
<b>Qualifying activities</b>	<p>The US does not qualify the following vessels/activities:</p> <ol style="list-style-type: none"> <li>1. Drill ships and/or drilling rigs</li> <li>2. Anchor handling tug vessels and platform supply vessels</li> <li>3. Seismic vessels</li> <li>4. Floating production storage and offloading vessels (FPSO's)</li> </ol> <p>Three categories of income are deemed covered and are excluded from the taxpayer's normal gross income: core income, secondary income and incidental income:</p> <ol style="list-style-type: none"> <li>1. Core income is income from operating qualifying vessels in the U.S. foreign trade.</li> <li>2. Secondary income is limited to an amount equal to 20% of core income, and includes income from management or operation of non-qualifying vessels, the provision of cargo related facilities to any person and other activities integral to operating qualifying vessels in the U.S. foreign trade.</li> <li>3. Incidental income is limited to 0.1% of core income and includes shipping related income that is not secondary income.</li> </ol>																																																				
<b>Ancillary activities</b>	Secondary income is limited to an amount equal to 20% of core income, and includes income from management or operation of non-qualifying vessels, the provision of cargo related facilities to any person and other activities integral to operating qualifying vessels in the U.S. foreign trade.																																																				
<b>Qualifying entities</b>	- Only corporate legal entities can opt for the tonnage tax system																																																				
<b>Qualifying vessels and ownerships requirements</b>	<p><b>Qualifying vessels:</b></p> <ul style="list-style-type: none"> <li>- A ship is any vessel used in navigation. Navigation is the art or science of conducting a ship from one point to another. The phrase 'used in navigation' conveys the concept of transporting passengers or goods by water to an intended destination.</li> <li>- No more than 75% of the fleet's tonnage may be time chartered-in.</li> <li>- Qualifying vessels must be at least 6,000 deadweight tons</li> </ul> <p><b>Qualifying ownerships requirements:</b></p> <ul style="list-style-type: none"> <li>- A qualifying operator is one who has owned or bareboat chartered at least 25% of its qualifying vessels in the previous year. "Qualifying operators" are not limited to vessel owners. Up to 75% of the qualifying vessels could be under time charter or management agreements and the qualifying operator would be eligible for the tonnage tax election.</li> <li>- Multiple operators of a single vessel are recognized. Thus, on a vessel there could be a bareboat charterer, a time charterer and an operator under an operating agreement, and each of them can make the tonnage tax election with respect to that vessel if they otherwise qualify. The notional income for each party from that vessel will be allocated based upon the parties' respective interest in the vessel.</li> </ul>																																																				
<b>Flag and registration requirements</b>	<ul style="list-style-type: none"> <li>- Qualifying vessels for purposes of the US tonnage tax must be registered under a US flag</li> <li>- The documentation requirement for a qualifying vessel is set at the lowest level of US citizenship, sometimes referred to as "registry citizenship": the vessel need not be built in the US and none of the shareholders of the owning corporation need to be US citizen; officers and crew on the vessel must be US citizens</li> </ul>																																																				
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<b>Taxable tonnage tax profit</b>	<p>- A regular tonnage tax or duty of 2 cents per net ton, not to exceed in the aggregate 10 cents per net ton in any 1 year, shall be imposed at each entry on all vessels which shall be entered in any port of the United States from any foreign port or place in North America, Central America, the West Indies, the Bahama Islands, the Bermuda Islands, the coast of South America bordering on the Caribbean Sea (considered to include the mouth of the Orinoco River), or the high seas adjacent to the U.S. or the above listed foreign locations, and on all vessels (except vessels of the U.S., recreational vessels, and barges, as defined in § 2101 of Title 46) that depart a U.S. port or place and return to the same port or place without being entered in the United States from another port or place.</p> <p>- A regular tonnage tax of 6 cents per net ton, not to exceed 30 cents per net ton per annum, shall be imposed at each entry on all vessels which shall be entered in any port of the United States from any other foreign port.</p> <table border="1"> <thead> <tr> <th>Vessel classes</th> <th>Regular tax</th> <th>Special tax</th> <th>Light money</th> </tr> </thead> <tbody> <tr> <td>1. Under provisional register, without regard to citizenship of others</td> <td>0.02 or 0.06</td> <td>0</td> <td>0</td> </tr> <tr> <td>2. All others:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>  a. If all officers are citizens</td> <td>0.02 or 0.06</td> <td>0</td> <td>0</td> </tr> <tr> <td>  b. If any officer is not a citizen</td> <td>0.02 or 0.06</td> <td>0.50</td> <td>0.50</td> </tr> <tr> <td>  Undocumented vessels which are owned by citizens</td> <td>0.02 or 0.06</td> <td>0.50</td> <td>0.50</td> </tr> <tr> <td>3. Foreign vessels:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>  a. Of nations whose vessels are exempted from special tax or light money</td> <td>0.02 or 0.06</td> <td></td> <td></td> </tr> <tr> <td>  b. all others:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>    (i) Built in the US</td> <td>0.02 or 0.06</td> <td>0.30</td> <td>0.50</td> </tr> <tr> <td>    (ii) Not built in the US</td> <td>0.02 or 0.06</td> <td>0.50</td> <td>0.50</td> </tr> <tr> <td>    (iii) In addition to (i) or (ii) of</td> <td></td> <td></td> <td></td> </tr> <tr> <td>      3. Foreign Vessels, when entering from a foreign port or place where vessels of the U.S. are not ordinarily permitted to enter and trade</td> <td>0.02 or 0.06</td> <td>2</td> <td>0.50</td> </tr> </tbody> </table> <p>*For the exemptions, please consult the sources.</p>	Vessel classes	Regular tax	Special tax	Light money	1. Under provisional register, without regard to citizenship of others	0.02 or 0.06	0	0	2. All others:				a. If all officers are citizens	0.02 or 0.06	0	0	b. If any officer is not a citizen	0.02 or 0.06	0.50	0.50	Undocumented vessels which are owned by citizens	0.02 or 0.06	0.50	0.50	3. Foreign vessels:				a. Of nations whose vessels are exempted from special tax or light money	0.02 or 0.06			b. all others:				(i) Built in the US	0.02 or 0.06	0.30	0.50	(ii) Not built in the US	0.02 or 0.06	0.50	0.50	(iii) In addition to (i) or (ii) of				3. Foreign Vessels, when entering from a foreign port or place where vessels of the U.S. are not ordinarily permitted to enter and trade	0.02 or 0.06	2	0.50
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<b>At entry</b>	<ul style="list-style-type: none"> <li>- Making the tonnage tax election is done by simply notifying the IRS that the election has been made</li> <li>- An election made before the due date for filing a return will be effective for that year and subsequent years until it is revoked</li> </ul>																																																				
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