

**No. 83**

THE CUSTOMS AND EXCISE ORDINANCE 1969  
(Ordinance 12 of 1969 as amended by Ordinances 9 of 1971, 2 of 1975, 4 of 1977, 8 of 1977, 20 of 1977, 19 of 1989, 9 of 1991, 19 of 1999 and 19 of 2003)

**REGULATIONS MADE UNDER SECTION 35**

In exercise of the powers conferred upon him by section 35 of the Customs and Excise Ordinance 1969, the Administrator hereby makes the following Regulations:-

**Citation**

1. These Regulations may be cited as the Temporary Importation (Leisure Boats) Regulations 2003.

**Interpretation**

2.- (1) In these Regulations, unless the context otherwise requires –

“abroad” means any place outside of the Island of Cyprus;

“entitled person” means a person who may import a leisure boat temporarily without payment of duty in accordance with regulation 3;

“private use” in relation to a leisure boat means the use of the boat by the owner or the person in possession or in charge of the boat for private purposes and mainly for purposes other than the transport of passengers for consideration or the industrial or commercial transport of goods whether or not for consideration;

“leisure boat” means a private yacht or other boat used exclusively for leisure and includes the spare parts, accessories and equipment normally carried with it.

(2) For the purposes of these Regulations a person is established abroad if –

(a) being an individual, his usual place of residence is abroad; or

(b) being a body corporate, its registered office is abroad and its share capital is owned exclusively by persons established abroad:

Provided that a person’s usual place of residence at any time shall be deemed to be the place where, by reason of his personal ties and professional ties (if any), he has resided for a period exceeding 185 days, whether continuously or not, in the immediately preceding twelve-month period.

**Relief for temporary importation**

3.- (1) Duty shall not be payable on the importation of a leisure boat if the boat –

(a) is imported by a person who is established abroad;

(b) is registered abroad in the name of a person established abroad, or, if the leisure boat is not registered, it belongs to a person established abroad; and

- (c) is used for private purposes by an individual who is established abroad:

Provided that the Fiscal Officer may, in exceptional circumstances, allow an imported leisure boat which is being imported temporarily to be imported without payment of the duty chargeable thereon notwithstanding that subparagraphs (a) to (c) of this paragraph are not satisfied in relation to the leisure boat:

Provided further that a leisure boat shall not be delivered without the payment of duty if the importer or the person using the leisure boat maintains in the Island of Cyprus another leisure boat in respect of which relief from payment of duty is being afforded under these Regulations.

(2) Without prejudice to the first proviso to paragraph (1) above, relief from payment of duty shall not be granted under these Regulations in respect of a leisure boat which is owned wholly or partly by –

- (a) an individual established in the Island of Cyprus;
- (b) a body corporate registered in the Island of Cyprus which has its headquarters in the Island of Cyprus or which carries out activities in the Island of Cyprus; or
- (c) a body corporate having at least one shareholder who falls within subparagraph (a) or (b) above:

Provided that where the share capital of a body corporate is owned exclusively by a person established abroad on behalf of a person (“the beneficial owner”) who is established in the Island of Cyprus, the beneficial owner may not be afforded relief from payment of duty under these Regulations.

### **Spare parts, accessories and equipment**

4. Where spare parts, accessories or equipment are imported in order to be fitted in or used with a leisure boat in respect of which relief from payment of duty has been afforded under regulation 3 above, duty shall not be payable in respect of such spare parts, accessories or equipment and these Regulations shall apply to such spare parts, accessories and equipment as they apply to the leisure boat into which they are to be fitted or with which they are to be used.

### **Obligations of importer**

5. An importer who wishes to claim relief from payment of duty in respect of the temporary importation of a leisure boat shall, upon its importation –

- (a) produce the leisure boat to the proper officer for examination;
- (b) produce to the proper officer all documents that the importer has in his possession regarding the ownership, possession or registration abroad of the leisure boat, and any other documents which may be relevant for determining the importer’s right to import the leisure boat temporarily without payment of duty;

- (c) provide such security, whether by way of guarantee, deposit or otherwise, as the Fiscal Officer may require, for payment of the duty in the event that it should become payable, and that these Regulations will be complied with.

### **Obligations of importer during his stay in the Areas**

6. An entitled person who has imported a leisure boat in respect of which relief from payment of duty has been afforded under these Regulations shall, so long as the leisure boat remains in the Areas, comply with the following conditions in relation to it unless the Fiscal Officer otherwise allows -

- (a) he shall not lend, sell, pawn, hire, give, exchange or otherwise dispose of the leisure boat or use it to transport persons for consideration or offer the leisure boat for any of these purposes;
- (b) he shall ensure that the leisure boat is used only by himself, his spouse or his children established abroad, or with the Fiscal Officer's permission, by another person established abroad who is accompanying the entitled person or who has explicit written authorisation from the entitled person to operate or use the leisure boat;
- (c) he shall ensure that the leisure boat is operated only by a person falling within paragraph (b) above or by a Cypriot or foreign professional captain having a special authorisation for this purpose, and only on behalf of and in accordance with the instructions of the entitled person;
- (d) he shall ensure that the leisure boat is not used for any industrial or commercial purpose, whether or not for a consideration.

### **Duration of period of temporary importation**

7. An entitled person may retain in the Areas a leisure boat in respect of which he has been afforded relief from payment of duty for a period or periods not exceeding in aggregate six months in any year. However, the Fiscal Officer may in exceptional cases and upon application by the person concerned, allow a temporarily imported leisure boat to be retained in the Areas for a period not exceeding eighteen months. Upon the expiration of such period, the entitled person shall either re-export the leisure boat or anchor it for wintering:

Provided that the period of stay of a leisure boat for wintering in a marina shall not be taken into account when calculating the period referred to above:

Provided further that, the conditions contained in regulations 3 and 6 shall continue to apply in relation to the leisure boat.

### **Provision of information by the importer**

8. An importer of a leisure boat who has been afforded relief from payment of duty in respect of the temporary importation of his leisure boat shall, upon the re-exportation of the leisure boat –

- (a) produce the leisure boat and any documents relating to its importation to the proper officer; and
- (b) provide such information relating to the leisure boat and its use in the Areas as the proper officer may require.

**Disposal of leisure boat other than by re-exportation**

9. On an entitled person's application, the Fiscal Officer may, if he considers that the circumstances of the case justify it and subject to such conditions as he may impose, allow the entitled person to dispose of a leisure boat in respect of whose importation the entitled person has been relieved from payment of duty under these Regulations, otherwise than by re-exporting the leisure boat.

\_\_\_\_\_

Dated this 9th day of July 2003.

By the Administrator's Command,

W. M. Jessett

Chief Officer,

Sovereign Base Areas.

\_\_\_\_\_

(128/101)