

**MINUTES OF THE REGULATORY COMMITTEE
OF THE EUROPEAN BOATING ASSOCIATION
HELD IN PALMA DE MALLORCA ON 19 APRIL 2008**

INTRODUCTION

1. The Chairman welcomed those present and confirmed that the meetings of both the Technical Committee and the Regulatory Committee would again be held together but would be minuted separately.
2. The minutes of the previous meeting of the two Committees having already been circulated, these were agreed as a true record.

MATTERS ARISING

3. There were no matters arising from the minutes of the previous meeting.

TECHNICAL COMMITTEE

The minutes relevant to the technical aspects of the technical committee are annexed separately and are in the members area.

REGULATORY COMMITTEE

4. Sardinia Taxes

It was reported that the Italian Government had referred the issue of the Luxury Tax imposed by the Sardinian authorities to the Italian Constitutional Court. The Constitutional Court had decided that, although the application of the tax to properties in Sardinia was unconstitutional, the application to luxury yachts was not. As such, the tax would continue to be levied on private pleasure yachts visiting Sardinia during the summer. The Constitutional Court has referred the question of the application of the tax to charter yachts to the European Court of Justice on the basis that it might be anti-competitive.

It was confirmed that the secretariat would continue to monitor the situation in relation to charter vessels.

5. Local taxes on recreational craft

In the Netherlands there are currently no taxes on resident recreational vessels but the authorities are revisiting the issue. Feedback was therefore asked for from other EBA members about the taxes in their countries.

It was reported that Belgium imposed a 10% tax on initial registration, although the rate reduced according to the age of the boat on registration.

Norway imposed a tax on new boats according to the horsepower of a boat and a similar tax is applied to used boats imported into Norway.

It was reported that Denmark levied a tax on boat ownership of 1% of the value of the boat annually, the taxable value being related to the insured value of the boat.

In Germany it was noted that there was no ownership tax and it was confirmed that the same applied in France.

It was confirmed that Austria levied a purchase tax on new boats but noted that most Austrians simply exported their boats to Croatia, which was outside the EU, thus avoiding the tax.

Norway imposed its tax on visiting yachts staying longer than three months and this was a potential deterrent to visiting yachts.

6. ICC Amendments

A summary for those that were not at the previous day's inland waterways meeting was submitted was given regarding two proposed amendments to the ICC. The first proposed amendment was to remove the restriction on ICCs which only permitted its issue to citizens or residents of signatory states. The second proposal was for the ECE Working Group to list not only the signatories to Resolution 40 but also those states that were not signatories, in order to apply pressure to the non-signatories to sign up.

It was indicated that the proposals would be accepted, possibly at the June meeting.

It was observed that the essence of Resolution 40 was that it avoided any comparison between the relative standard of qualifications issued by signatory states, otherwise there would never be any agreement on what standard to adopt.

It was confirmed that the EBA's policy on the ICC would be recirculated so that delegates could refer it to their national Governments.

7. Maritime Policy "Blue" Paper

It was reported that the European Commission had published a communication on 10 October 2007, just before the previous meeting of this Committee, focussing on the following areas:-

- A European Maritime Transport Space without barriers
- A European Strategy for Marine Research
- National integrated maritime policies to be developed by Member States
- A European network for maritime surveillance
- A Roadmap towards maritime spatial planning by Member States
- A Strategy to mitigate the effects of Climate Change on coastal regions
- Reduction of CO₂ emissions and pollution by shipping
- Elimination of pirate fishing and destructive high seas bottom trawling
- A European network of maritime clusters
- A review of EU labour law exemptions for the shipping and fishing sectors

It was noted that there was little reference in the Blue Paper to recreation and tourism and there has been little from the Commission to develop the key principles, although it

was expected that the Commission was in the process of developing its communication.

Delegates were reminded that the proposed deadline for implementing the maritime policy was the end of 2009, although the impression was that this timescale had slipped considerably.

8. Italian IMO Proposals for Amended Collision Regulations

The Italian Government had submitted its proposals to IMO for consideration at NAV 54 in July 2008 and also that ISAF had submitted a paper in rebuttal. It was confirmed that both papers were consistent with proposals discussed at the last meeting of the Regulatory Committee. The New Zealand delegation has submitted a strong paper in rebuttal of the Italian Government's proposals. Delegates were reminded to encourage their Governments to express their support for the ISAF response to the Italian proposals.

Reference in the Technical Committee meeting that ISAF was considering adopting a policy (through IMO) of actively encouraging states to implement compulsory licensing of yacht skippers was referred to. The Committee was reminded that the EBA's policy was that such an issue was one that should be left to national Governments to determine and the Committee agreed that this should remain the EBA's policy

It was stated that the ISA's view was that the Irish Government should not be involved in setting the standards for skippers of recreational vessels although the ISA was keen to ensure that skippers were nevertheless competent and the ISA was exploring possible compromises whereby holding qualifications might lead to lower insurance premiums.

It was indicated that Denmark might be considering imposing minimum qualifications for skippers. It was also reported that KNBF had made submissions to the Norwegian Government regarding compulsory certification of skippers of yachts above a certain size, horsepower and speed and that KNBF actively supported the introduction of such certificates.

The question was asked what provision had been made for visitors to Norway to comply with the regulations and the response was that it was the Norwegian Government's view that it could not impose its minimum certification requirements on foreign-flagged vessels. It was asked how professional skippers' qualifications were checked in other delegates' states, the MCA was keen to enforce the qualification requirements for commercial skippers. It was confirmed that Germany imposed different levels of qualification depending on the area of operation and the number of passengers and it was indicated that Norway adopted a similar, albeit slightly simpler, system.

9. Loss of Red Diesel Derogation

It was explained that the UK's proposed solution was to continue to permit red diesel to be supplied to recreational vessels but with the full rate of duty levied and that the UK Government acknowledged that this would not solve the problem of non-acceptance of

red diesel in some EU states but that the continuing use of red diesel would preserve the availability of fuel to recreational craft in the UK.

It was doubted whether the Commission would accept the UK Government's proposals for self-declaration and reported that the Irish Government's solution would be to continue to allow recreational vessels to buy rebated diesel at the pumps and for boat owners to make a declaration and pay the duty at the end of the year.

The solution was acknowledged as a good one for boaters but there were doubts whether the German Government would accept it. It was forbidden in Germany to carry more than 20 litres in fuel in cans in a car so it was not an easy task to transfer fuel from vehicle fuel stations to recreational vessels.

It was asked whether the EBA could put pressure on the German Government to adopt a more pragmatic stance. Although a pragmatic solution had been reached for Norwegian boats visiting German it was wondered whether this might be applied to all visitors.

It was confirmed that the German position was that vessels coming from states where only red or green diesel is available could declare the contents of the main fuel tank on arrival.

It was observed that the UK has an enormous inland boating population that is dependent on the continued supply of red diesel as otherwise diesel would become widely unavailable waterside, as was becoming the case in France.

A Court ruling was acknowledged that permitted red diesel to be transported in a vessel's main tanks but it was pointed out that this was not universally accepted by national Governments.

10. Proof of VAT Payment

The possibility of a pan-European certificate for establishing VAT status of pleasure vessels was discussed and it was suggested that a formal proposal for the next meeting of the Committee might be drawn up.

11. Etnola Project

The Committee's attention was drawn to the recently created Etnola Project and it was mentioned that it was an internet-based forum but that the thematic tourism space had not yet been populated. It was proposed that the Secretariat should continue to monitor the site and consider in due course whether there was scope for the EBA to engage with it

It was asked whether the EBA was to continue to pursue the possibility of engagement with AMRIE but it was confirmed that at the plenary session on 18 April 2008 it had been decided that the EBA would not engage with AMRIE at this time.

AOB

12. Wind farms and exclusion zones were mentioned, which had been referred to the Environmental Committee, and it was asked whether this item might be discussed at the next meeting of the Regulatory Committee, particularly in light of a recent proposal for a wind farm in Dutch waters which would cover approximately 50 square kilometres and would effectively exclude vessels from the whole area. A chart was produced showing the proposed wind farms in German waters and it was agreed to circulate these. It was explained that the German proposals could allow smaller vessels to pass through the wind farms but require larger vessels to avoid the area.
13. It was also asked whether any other delegates had particular difficulties with kite-surfing. It was confirmed that it was closely regulated in Austria and it was confirmed the same for Germany. It was noted that Ireland adopted the same procedure as the UK in that there were no national regulations but local authorities were permitted to regulate by byelaws.