



# Your trusted partner for Shipping Services



Your first port of call for shipping services. Centralis Group is a market-leading outsourced corporate services provider. Our team of highly-qualified experts deliver innovative, effective solutions that will exceed your expectations.

## ABOUT US

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Centralis specialises in providing a wide range of corporate, general management, accounting, risk management, debt administration and infrastructural support to multinational organisations, private equity houses, aviation leasing platforms, international fund structures, real estate firms and private individuals. With a team of highly-driven specialists, we are able to offer the best outsourcing and cross-border structuring solutions across diversified areas of business expertise.

## OUR VALUES

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We appreciate that you are looking for more than just a service provider. You need a partner with exemplary technical know-how, a can-do attitude, integrity and unrivalled communication skills. Centralis delivers all of this and more, providing tailored solutions to even the most demanding clients.

We are committed to building lasting relationships and with this in mind, take the time to understand your business and values. Each client is different and our flexible, individual approach, with dedicated points of contact, allows us to deliver personalised solutions every time.

## MARITIME PROJECTS IN LUXEMBOURG

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The Luxembourg regulatory, tax and legal environment is invaluable for an complex and evolving industry. Several leading world players have established businesses in Luxembourg, both upstream and downstream from the actual shipping activity itself.

While certain countries have implemented preferential “tonnage tax” systems, Luxembourg applies the general provisions of their tax legislation. This offers several advantages:

- Accelerated depreciation
- Investments tax credits
- Research grants and incentives
- Repair & maintenance provisions allowed
- Roll-over of capital gains

The Luxembourg maritime administration is one of the few administrations that maintain a quality management system leading to ISO 9001. A shipping license will be granted to a company who has secured the services of a director who is accredited by the Minister in charge of maritime affairs.

## HOW IT WORKS

### Income tax

A Luxembourg shipping company is subject to tax on its worldwide income. Corporate income tax rate ranges from 20% to 22% depending on the income level. In addition, a surcharge of 4% is payable to the unemployment fund. The effective tax rate amounts to approximately 22.88%. Taxable income is based on the annual financial statements prepared in accordance with generally accepted accounting principles.

Losses can be carried forward without limitation

### Roll-over of capital gains on the sale of vessels

Capital gains realized on the disposal of a qualifying vessel will be subject to tax at standard rate.

Neutralisation of a capital gain allowable for ships operated in international traffic by transferring it to assets acquired with the proceeds of the sale. The vessel must have been held for at least five years before sale.

### Depreciation of vessels

Depreciation is based on the useful life of vessel; Luxembourg income law tax provides for two types of depreciation:

- **Linear depreciation:** for a vessel whose useful life is 12 years, the depreciation will amount to 8.33% of the purchase price per year
- **Accelerated depreciation:** can be accelerated to three times the linear depreciation rate without exceeding 30%. Therefore, for a ship with a useful life of 12 years, the initial depreciation could be increased to 25%.

### Large-repair and maintenance work on ships

Luxembourg allows reasonable provisions concerning large scale repair and maintenance work on ships as tax deductible in the year they are booked even if the work is not carried out in the same year.

## WHY CENTRALIS

In addition to the standard corporate administrative services, Centralis can provide the following services specific to clients engaged in maritime activities:

- Provision of in-house accredited Maritime Directors
- Liaise with legal and tax advisors who are experienced in the establishment of maritime structures.
- Assistance in obtaining the business licence
- Preparation of detailed depreciation calculations
- Administration of payroll for crews
- Assistance administering repair and maintenance projects
- Registration of crews with the Luxembourg authorities
- Provide local infrastructure: office, part-time employees, IT, etc.
- Liaise with the Commissariat aux Affaires Maritimes

## CONTACT US



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