

Contents

1.	INTRODUCTION	3
	Purpose of this module	3
	Current Challenge	3
	Criteria for successful completion of the module	3
2.	SOURCES OF FINANCE AVAILABLE TO THE BROKER AND THE DECISION CRITERIA	4
	Introduction	4
	Where can my clients get the money to pay for the boat?	4
	Cash (Legal)	5
	Cash (tied to other loans)	5
	Cash (Illegal)	5
	Standard Bank Loan	6
	Marine Mortgage	7
	Corporate Loan to the purchaser	9
	Corporate Purchase	9
	Family Loan	9
	Shared Purchase funds	10
	Some other sources	11
	Most Important Question	11
3.	TITLE REGISTRATION AND THE INFLUENCE ON OPTIONS FOR FINANCE	12
	Introduction	12
	Small Ships Register (SSR Part III)	12
	Full Registration (Part I)	13
	Provisional/Temporary Registration	14
4.	LIENS AND ENCUMBRANCES	15
	Introduction	15
	Checking for outstanding Liens and Encumbrances	15
	If there is a mortgage	16
	Limitations on actions when boat is mortgaged	17
	Other encumbrances	17
5.	VALUE ADDED TAX - VAT	18
	Introduction	18
	UK HMRC Notice 8 - Sailing your pleasure craft to and from the United Kingdom	19
	VAT payments/receipts in other EU countries	26
	Switzerland	26

6. CORPORATE OWNERSHIP AND THE RATIONALE	27
Introduction	27
How can corporate ownership work?	27
7. FINANCIAL SERVICES AUTHORITY (FSA)	28
Introduction	28
Are you required to be authorised by the FSA to carry out your business?	28
What does this mean in practice?	30
What do I have to do next?	30
Getting Authorised	30
8. CLIENT FUNDS, TRUST, DEPOSITS & ESCROW ACCOUNTS	31
Introduction	31
Boats – where does the deposit/funds go?	31
What happens if all this goes wrong?	31
Absence of Deposit Protection	32
Protection of Clients money with importers, builders or suppliers	32
9. MISCELLANEOUS FINANCE TOPICS	33
Lease options – ways around rules	33
Surveys	33
CE Markings and the RCD	33
Selling or buying foreign currency	33
10. TUTOR MARKED ASSIGNMENT	36
Scenario	36
Assignment	36
APPENDIX 1 – USEFUL SOURCES OF ADVICE	38
APPENDIX 2 – FSA DEFINITION OF DEPOSIT	40