

JAFFA & CO

Superyacht & Aviation Lawyers



Welcome to the Summer 2025 edition of the Jaffa & Co newsletter!

As ever, I cannot quite believe how fast the months slip by and, more to the point, how much ground Jaffa & Co seems to cover. Our Fort Lauderdale office is now in full swing, but the Middle East is the region keeping us the busiest. More on that below.

As I type this, the global economic environment seems to be settling down, with trade agreements seemingly in place between the Trump administration and Europe. That can only be good for aircraft and superyacht sales, whether you are looking to buy, or thinking of selling.

Having said that, I am not entirely sure the uncertainties of recent times have had a negative impact on the market as a whole. We have still been very busy, and the aggregate value of our annual transactions has remained steady.

The team has been enjoying the summer season, whether that involves competing in the Fastnet Race (in Harriet Parker's case), to-ing and fro-ing to Greece (Chrysa Kitsou), touring French vineyards (Matt Potts), zipping between the Farnborough and Monaco offices (me), or simply enjoying the uncommonly warm British summer weather.

In the blink of an eye, the September season of boat shows will be upon us, with back-to-back trips to Cannes and Monaco, and then onwards to the Fort Lauderdale International Boat Show in October. I am always slightly torn when I see advertisements for the yacht shows in the June and July issues of magazines... the season for yacht shows is one of my favourites, but just as we are getting into the swing of summer, we are reminded of Autumn!

I hope all of our clients are enjoying their yachts to the full this summer, and using their aircraft to get there in comfort, style and (above all) quickly and safely.

Thank you all for your continued support, which is much appreciated and never taken for granted.

Until next time...

James Jaffa
Managing Partner



Market Overview

My view has not changed markedly since our Spring 2025 newsletter, but I confess the market (and I!) seem to be a little confused.

The market for sub-€/ \$10m assets remains soft, and the US market is certainly quiet. By comparison, clients hailing from the Middle East cannot seem to buy and build yachts and jets fast enough...

We are busier than ever, but my 'concern' is that it generally involves very high-value assets, or brand new assets. I worry this cannot be sustained, but perhaps I am wrong. Perhaps there will be an unending supply of young, first-time buyers spending €/\$50m and more... we are seeing plenty of them.

The aircraft manufacturers are still selling aircraft for delivery in three years' time, which means prices for new aircraft are not softening. Indeed, we are seeing OEMs apply their usual, annual price increases with vigour, and not being willing to offer 'last year's prices' to customers who are still negotiating, even if they are likely to sign on the dotted line in the coming days or weeks. Putting it another way, the OEMs are confident enough they will sell their stock that they don't need to be overly accommodating of customers who are teetering on the edge of signing.

We are now seeing clients take delivery of newbuild yachts they ordered 3 years ago (in August we took delivery of multiple yachts from the same shipyard, on the same day, which was...busy!). These yachts were ordered when shipyard prices were depressed as the COVID boom wore off. Those clients who were sensible (or brave!) enough to place an order in 2022/23 are now being told that the same yacht would cost 25% more in 2025.

We have a particularly modest client who took delivery of a substantial newbuild yacht in July. He tried to convince me he was 'very lucky' with his 2022 pricing, but this is not the case at all. He was wise enough to sell his existing yacht during the COVID boom, for more than he paid to build her, and was patient enough to wait for the next downturn to order his replacement. Now he is being rewarded.

Now does seem to be a good time to make an offer for assets valued around €/\$5m - 10m. This segment of the market continues to struggle, and we are beginning to see 'offers' being accepted in return for fast closings on an as-is-where-is basis.

At the upper end of the market, and certainly in the aviation sector, very little seems to have changed. Clients in the market for a top-end jet are still buying, and we still receive a steady (and very welcome) stream of clients trading the usual variety of Globals, Gulfstream and larger Challengers.

Traditionally, Q3 and Q4 are the busiest months for both aircraft and yacht transactions, and our feeling is that 2025 will be no exception. Let's see...

James Jaffa
Managing Partner





A Few Things We've Learned

Superyachts

Shipowner's lien over yachts carried as cargo

We recently assisted an owner whose yacht was being transported across the Atlantic on a heavy-lift cargo carrier. The contract was made with a well-known yacht carriage company (YCC), which in turn contracted with the shipowner. Freight was paid to YCC but not paid on to the owner.

When the vessel arrived at the discharge port, it had not received freight payment, so it exercised a carrier's lien against each of the yachts on board, thereby forcing most of the yacht owners to pay again.

Such liens are very traditional as a means of protecting the shipowner, but of course create an injustice for cargo owners, who end up paying twice and then seek to recover against a YCC that may be insolvent. Because the rules about the exercise of such liens are legally complex, the rights should be challenged and justified in each case.

Refit

Despite being in the midst of the charter season, thoughts will be turning to the need for commercial vessels to have a refit in the autumn or winter, depending on whether a Caribbean season is contemplated.

It is best to secure an early slot at a reputable refit yard so that contractual arrangements can be settled well in advance of the yacht's arrival at the berth, particularly where a combination of warranty, insurance, and private works are contemplated.

Most yards contract on amended ICOMIA forms, and we have substantial experience in negotiating these so that the refit operation proceeds in an organised and predictable fashion.

Paul Dickie

Partner



Registration of a newbuild superyacht

In taking delivery of a newbuild superyacht, we were reminded of the complexity of the registration processes. As is normal, a shipyard will not want to provide the undefaced Builder's Certificate (which acts as the Bill of Sale and therefore transfers title) until it is paid in full. However, the final payment is made when the yacht is fully ready for handover, for which all the vessel certificates must be issued. However, the technical certificates require details such as the Official Number, for the yard to complete them. But for that you need a ship registration. And for that you need the Builder's Certificate. And so it goes on.

The practical answer is a Provisional Certificate of Registry, but this causes issues for the export from Europe (to mitigate VAT), because shipyards and customs officials want to act on full, operational Certificates of Registry.

In the end, the shipyard was accommodating and the export occurred with a Provisional CoR, the BVI registry issued the Official Number in advance to enable the yacht's certificates to be issued, delivery took place very late at night and our longstanding client was onboard the following day to celebrate a very special milestone birthday!

James Foley-Comer

Partner



Aviation

The Royal International Air Tattoo 2025 in Fairford this July was a rare opportunity for some of the aviation team to don their anoraks and watch the Lockheed U-2 'Dragon Lady' in action during its flying display.

The U-2 was first flown in 1955 and, seventy years later, it still provides the United States Air Force with high-altitude aerial reconnaissance. It is one of the oldest aircraft still in service – a staggering thought, when you consider that the Wright brothers first cracked powered flight a mere fifty-two years earlier, in 1903. The leap in progress in less than a single lifetime is extraordinary! Our thanks to Gulfstream Aerospace for the kind invitation to join them at RIAT 2025.

Katie Bancroft

Senior Associate



Some of our recent transactions...

Superyachts

- Advising a UAE-based client on the purchase of a nearly-new 62-metre yacht.
- Advising an estate on the lease of a UK-based client's yacht pending probate, with an option to buy later.
- Advising an HK-based client on the sale of a high value, bespoke 17-metre chase boat.
- Negotiating the contract for a substantial, 100+ metre vessel.
- Taking delivery of multiple vessels, all between 30 and 100-metres, for different clients but from the same shipyard, on the same day.



Litigation cases

- Advising an Owner on a liquidated damages claim against a Shipyard in connection with the late delivery of their 47-metre new build yacht.
- Advising an Owner on a liquidated damages claim against a Shipyard in connection with the late delivery of their 35-metre new build yacht.
- Advising an Owner on a breach of contract/misrepresentation claim against a previous owner in connection with the arrest of their vessel.
- The Appellants in the detention of "*Phi*" case are awaiting judgment from the Supreme Court (Dalston Projects Ltd and others (Appellants) v Secretary of State for Transport (Respondent)).

Jets

- Advising a European flag carrier on the novation of an aircraft lease of an A320 aircraft, arising from a change of lessor.
- Advising an aviation finance lender in respect of financing two light aircraft falling outside of the Cape Town Convention.



- Advising on the re-finance of a fleet of 13 aircraft for a charter operator, with a value exceeding \$100m.

Featured Jaffa & Co team member of the month



Harriet Parker, Senior Paralegal

Harriet recently completed the notorious Fastnet Race in just over 3 days, with a rotation of 2 hours on watch, 2 hours rest, and 2 hours on standby.

She arrived in Cherbourg, France, in the early hours on 16 July, in search of a good meal, a dry bed and a shower (not necessarily in that order).

Until next time...



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