

LEGAL TIPS FOR A SUCCESSFUL YACHT REFIT

REFIT SPECIAL

You may have owned your yacht for a number of years are envisaging an update, an upgrade and/refreshing it together with maintenance work. You may be about to purchase a superyacht in which case you will be considering sending her for a refit in order carry out the necessary work, update, upgrade and modify any items necessary to what will suit her new usage. This is what you need to know:

1 Use the yacht before sending her to the shipyard! You will often get this useful advice from your manager or the shipyard which will do the refit. This is a very wise thing to do even when considering legal implications.

2 Refit Agreement: don't consider the standard agreements as the accepted form. Every Owner, every yacht and therefore every refit is different. Standard forms are often terms that are acceptable to the shipyard and less to the clients. You can negotiate your refit agreement with the assistance of your yacht lawyer.

3 Payment terms: ensure payment is linked to the successful completion of the works at the relevant time.

4 Specification: the more detailed the agreement the less uncertainty there is regarding compliance by the shipyard.

5 Change orders: your agreement should provide for a detailed procedure dealing with changes whether by the shipyard or the Owner. Change orders must be correctly documented and agreed. This will reduce disputes with regard to delays and variation in refit prices.



Superyacht lawyer Anouch Sedef started her career ten years ago and has since seen her fair share of refits. Here she gives ten tips to make sure your refit goes according to plan.

6 Delays & Penalties: defining clearly what will constitute delays and its consequences will not only assist the shipyard in scheduling the different works realistically but give the incentive to work within the legal framework.

7 Subcontractors: the shipyard should be responsible for them and warranty their work. The agreement should clearly reflect this.

8 Minor Defects: The shipyard will not want you to reject the re-delivery of the yacht on the basis of minor defects remaining. Minor defects should be clearly defined so as to not prevent the owner's right to reject the vessel for defects that are not acceptable.

9 Re-Delivery: The Re-delivery date should be set out in the refit agreement and amended if subject to delays. The Re-delivery must be prepared and documented (list of uncompleted items and their value, protocol of delivery and acceptance, agreement on how to deal with the uncompleted items and who will bear the costs)

10 Shipyard Warranty: the refit agreement should provide for a shipyard warranty which generally would not be less than 12 months. Such will start the moment the yacht was re-delivered. The agreement will expressly define what is covered and/or not covered by the warranty together with the warranty procedure that must be agreed with the Owner.

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