

# CASH IN YOUR SHIPS

INVESTORS have been hot on the heels of one of the most exciting, and perhaps unusual investment opportunities in recent times – investing in ships.

Shipping companies, who operate with state-of-the-art tankers and container ships often cut their costs by inviting private buyers to invest in a share of the ship.

And with enough buyers, they can cover the ship's mortgage – while handing back a return of the profits that the ship makes while trading to their investors.

Ships are usually chartered up to seven years in advance and depending on how much holding a buyer has in the business, influences how much power they have when voting on key business decisions.

## **INVESTING**

German tax breaks means that investing in the shipping industry can be a financially favourable way of investing, with tax on returns being as low as one and a half percent of the original investment, and not the profit returned.

There are two main forms of participation. Those known as Kommanditgesellschaft (KG) are the businesses to look for, because under German law, these are private businesses with restricted liability.

This means that only the money invested is at risk – not any of the buyers other possessions.

## **by Henry Bojdys**

A 'GbR' business on the other hand holds unrestricted liability, and where profits may be slightly higher, each shareholder's possessions are at risk of being reclaimed if the business goes under.

## **EARNING**

Hapag-Lloyd have insisted that the risk doesn't lie in whether or not the ship sinks, but effective loss of earnings through mechanical breakdown, because if the ship isn't sailing, the ship isn't earning.

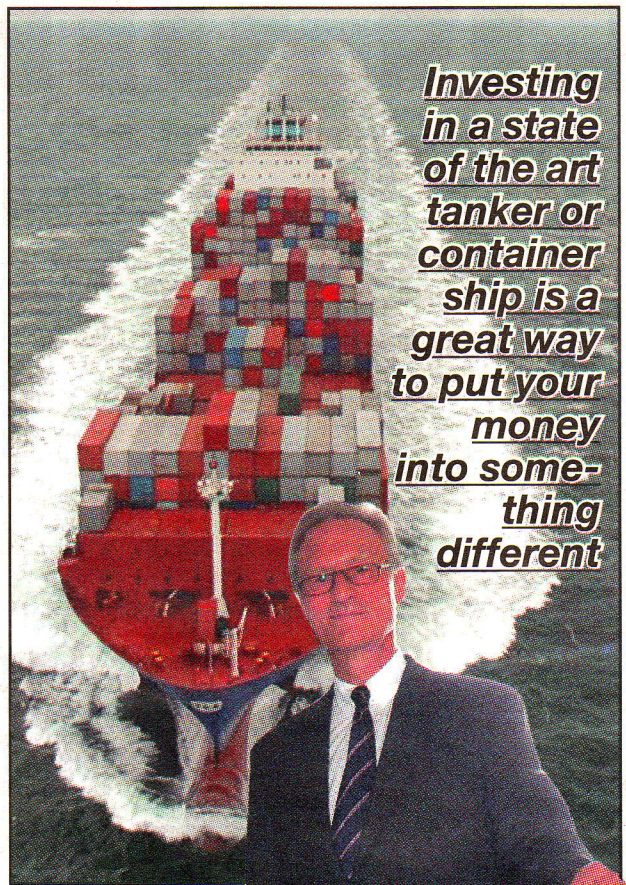
Bearing in mind that initial investments cover the mortgage payments, returns jump from roughly seven to seventeen percent each year.

Many Germans are aware this kind of a scheme could easily boost their pensions, and it might just be the perfect plan for you.

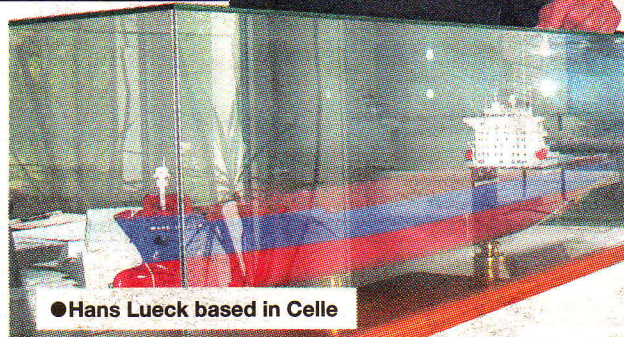
Hans Lueck is an advisor on Ship Participations. Armed with a Law Degree, he started with Deutsche Werft, the large German shipyard in Hamburg.

There his interest in shipping started and as the head of their finance department he got to know the business from the inside out.

Born in 1945 he read Law at Hamburg University and now runs his own consultancy in Celle. For further information you can contact him on 05141 888797 or speak to your local German bank manager.



***Investing in a state of the art tanker or container ship is a great way to put your money into something different***



● Hans Lueck based in Celle