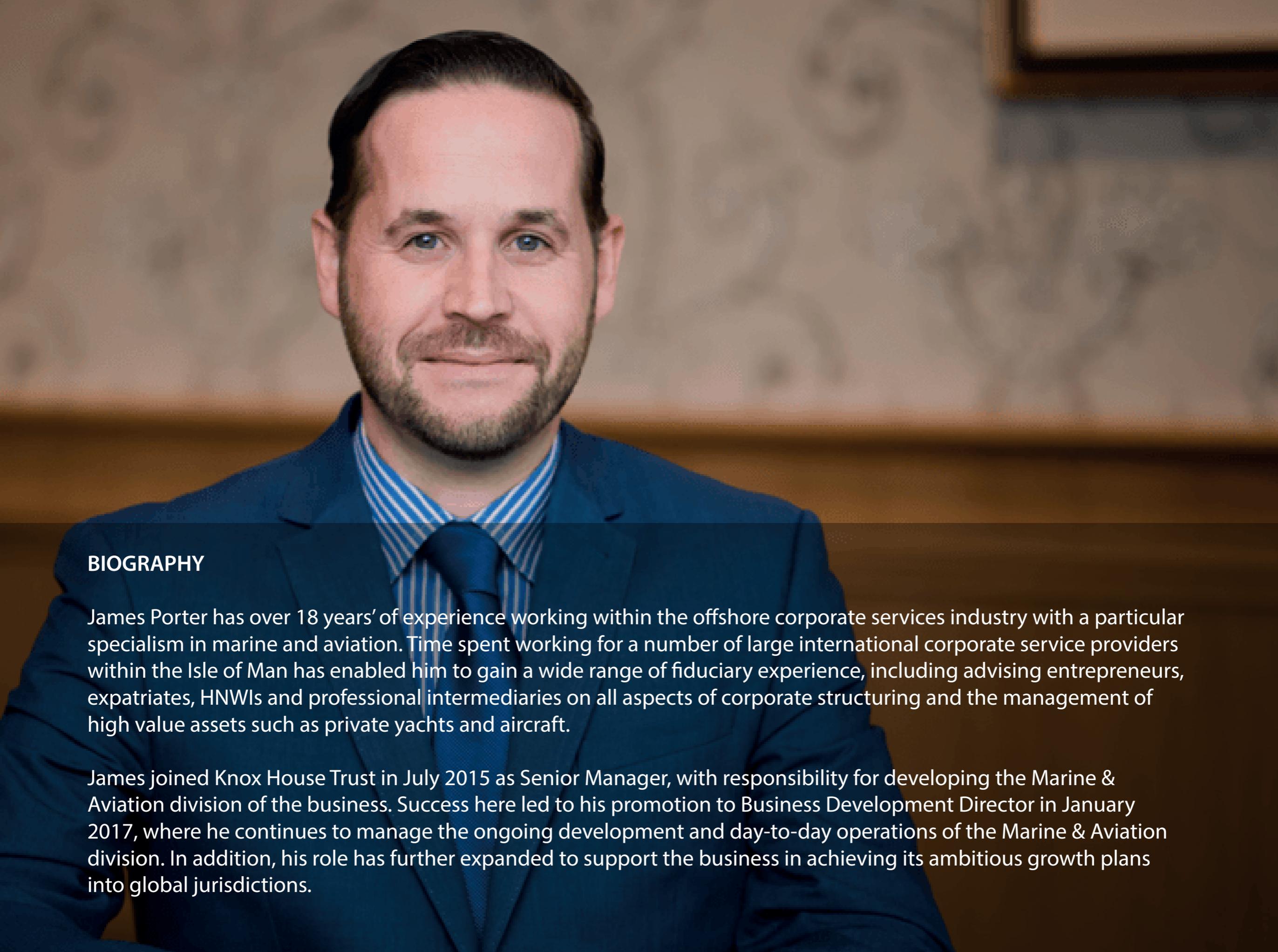


Tailored expertise

In a Q&A with World Commerce Review, James Porter of Knox House Trust (KHT) discusses how the company's ethos of putting clients at the heart of everything they do has led to innovation, industry accolades and an ever expanding global client base within their business sector



BIOGRAPHY

James Porter has over 18 years' of experience working within the offshore corporate services industry with a particular specialism in marine and aviation. Time spent working for a number of large international corporate service providers within the Isle of Man has enabled him to gain a wide range of fiduciary experience, including advising entrepreneurs, expatriates, HNWIs and professional intermediaries on all aspects of corporate structuring and the management of high value assets such as private yachts and aircraft.

James joined Knox House Trust in July 2015 as Senior Manager, with responsibility for developing the Marine & Aviation division of the business. Success here led to his promotion to Business Development Director in January 2017, where he continues to manage the ongoing development and day-to-day operations of the Marine & Aviation division. In addition, his role has further expanded to support the business in achieving its ambitious growth plans into global jurisdictions.

What is the back story of KHT?

Knox House Trust (KHT) was established in 2011. We are an independent, privately owned trust and corporate services provider offering corporate and fiduciary services to a diverse and expanding global client base. KHT forms part of the dynamic Knox group of companies that collectively employs over 350 people, with assets under management and administration approaching £3 billion.

Being part of the wider group enables us to combine our services with those offered by the collective group, including investment, property services and financing. KHT also has a particular strength in Family Office management and runs a professional multi-family office which offers clients a 24/7 concierge service.

Our services further extend through our Knox House Marine & Aviation division, which was established in 2015. Today we proudly manage a large and diverse portfolio of aircraft and yachts. Yachts range from world renowned 70+metre charter vessels and private superyachts, to the more adventurous 20+ metre explorer, sail and racing yachts.

We have been recognised by the industry for our innovative approach to the creation of truly bespoke solutions designed to the exact needs of our clients.

How we help our clients?

We place great emphasis on getting to know clients and advisers in the first instance. Fully understanding their circumstances from the outset enables us to develop effective strategies that not only protect but can also enhance assets. This is even more important in today's global marketplace where business has much more of an

entrepreneurial nature, and can transcend international borders, making it vital to have people who understand the ever-changing landscape.

Within the business our team of experts have crafted a robust and comprehensive range of services, which address the complex and sophisticated needs of high net-worth individuals. Our appeal is further strengthened by our independence, which enables us to act in a responsive and agile manner, and helps to drive our innovation and our desire to exceed expectations at all times.

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All our relationships are director-led with the director having day-to-day responsibility for the client's affairs.

Part of my role is to get out on the road to promote our existing services and also to meet with industry leaders and advisers. Prestigious industry events such as Monaco Yacht Show, Corporate Jet Investor and EBACE (European Business Aviation Convention and Exhibition) are among those I annually attend. By doing so, we gain instant feedback on our service offering from both clients and industry leaders, and it's also invaluable in helping us to identify any service gaps or new opportunities within the marketplace.

Tell us about the introduction of your new Crew Services?

Much of our service evolution has come from client or adviser feedback, and their wish to use more of our services. Within our Marine & Aviation business this is no exception, as we continue to try to exceed expectations and offer a truly bespoke service.

We launched our Crew Payroll service in December 2017, which offers a wide range of payroll solutions. All are fully compliant with the ILO Maritime Labour Convention 2006 (MLC), which was created to establish international minimum working and living standards for seafarers.

Our team also manage all aspects of employer tax and social security liabilities through our fully automated payroll system. As with the yachting industry in general, it is an ever-changing landscape. Our team are continually monitoring the regulatory and legal landscape to stay ahead of the game and be aware of any emerging issues.

In July 2018 we further expanded our Marine offering with the launch of our Crew Recruitment service, which offers employment opportunities at every level from deckhand through to captain.

What experience does KHMA have within the Crewing sector?

We understand that the crew are the most important working part of any yacht. This ethos, together with our industry knowledge and proven experience, is what helps set us apart. Our team has over 20 years' of experience working within the marine sector. During this time they have developed an extensive network of industry contacts and in-depth knowledge of legislation, practice and technical knowledge.

A proactive approach to monitoring the legal and regulatory landscape also ensures we are well aware of any emerging issues before they happen, enabling us to stay that one vital step ahead for our clients.

On a daily basis we interact with wealthy individuals, entrepreneurs, corporations and wealthy families, all of whom expect the highest levels of service excellence and commercial integrity from us, and within our crewing division this is no exception. Our ongoing attention to detail in managing client's affairs ensures that we continually deliver peace of mind and outstanding personal service.

You have also launched a Shipping service – tell us why?

We are based in the Isle of Man, which boasts one of the world's leading registers of ships and superyachts, so establishing a shipping service was a natural progression for us. The service requirements are of a similar nature to yachting, and our experienced team work closely with the Isle of Man Ship Registry to assist ship owners and charter companies with a range of corporate and specialist services.

The registry also provide advice and regulatory oversight for the vessels on the register and take a partnership approach to doing business – something which aligns to our core values in terms of a collaborative approach.



We favour working with both clients and their professional advisers to ensure we fully understand their requirements and personal circumstances. We can therefore create tailored solutions to meet specific needs.

Our Shipping services include; applications for Ship Officer Certificate Endorsements, along with our ability to act as the Isle of Man representative person, for a wide range of ships, including offshore vessels, tankers, car carriers, cargo ships and many more.

You recently attended the prestigious Monaco Yacht Show – how was the show this year?

The Monaco Yacht Show has continued to go from strength to strength, attracting the elite of the yachting industry for over 28 years now. It brings together experts in the areas of naval architecture, marinas and shipyards as well as yacht brokers, marine suppliers and media for a whirlwind four days at the end of September each year.

Visitors this year were able to admire 120 of the world's finest superyachts on display in Port Hercules; 40 making their worldwide debut.

For us personally, 2018 proved to be the busiest and most important yacht show of the year. In what was the 28th edition of the show, 2018 also saw a number of uncertainties and potential changes for the industry, including Brexit and the challenge of the Maltese and Cypriot leasing structures.

It is well known within the yachting industry that the EU Commission issued a notice to Malta and Cyprus in March of this year, advising that they intended to commence infraction proceedings against them in relation to their leasing structures. Malta robustly defended the structure while agreeing to revisit the general terms.

What we do understand is that guidelines to the new Malta Leasing structure have been drafted, but delays with formalising these guidelines continue. Attending the show allows the KHMA team to meet with new owners, client representatives and industry contacts to deliberate and discuss the challenges facing our industry, while also gaining first hand insights.

The yacht market is thriving and yacht sales continue to rocket, with many companies stating that 2018 has been the most successful year on record. Our contacts in the industry have suggested that the US high-net-worth economy, which has had a lift from President Trump's tax breaks, is the source of some of this increased activity.

With more deals signed and a sense of increased market activity afoot, the docks of Monaco were teeming with positive vibes. In summary, the 2018 Monaco Yacht Show was, by our account, a very successful show and the team are already putting plans in place for the Monaco Yacht Show 2019.

More recently you attended the Superyacht Forum Conference – what were your key takeaways?

Developments in recent years have seen this conference featuring a core theme for each edition, and this year was no different, with The Perfect Customer Journey taking centre stage as the focal point.

The four-day event covered a series of topics, workshops and presentations from keynote speakers that analysed the current customer experience and debated better ways of engaging and connecting with future owners. In addition, there were several high-calibre industry speakers who presented on some of the most pertinent industry issues impacting on the yachting marketplace. Particular highlights for me included:

A panel of the industry's brightest minds who explored how, in the current climate of ever-increasing transparency, both public and legal perception of various taxation structures has changed, as well as how various jurisdictions have had to evolve their practices in order to benefit the superyacht owner.

During a session called 'The Insurance Market', the industry explored the factors that created the insurance market's race to the bottom, as well as analysing where the market is going and how this translates into tangible benefits for superyacht owners.

Another highlight was the 'Business of Ownership' workshop which discussed flagging regulation, finance and management from the perspective of professional service companies, and covered all aspects of ownership and use of superyachts.

However, the 'Future of Brokerage' stole all the limelight! We heard from three passionate yacht owners who explained how their smart initiatives are reinventing models of ownership and charter.

Ahoy Club and Yotha are challenging conventional models of ownership and charter. Ahoy Club who are bringing in a digital platform for chartering, promoted their guarantee, which seeks to offer the lowest booking rates in the market that will smash the current 20% model currently offered by the majority of yacht charter brokers. Both Ahoy Club and Yotha have naturally met with resistance from the marketplace, with many traditional brokerage houses and experts speaking out against the platforms.

The Superyacht Forum covered all aspects of 'The Perfect Customer Journey' and discussed how the market can continue to improve. The conversations with owners addressed many issues that the industry still needs to work on

in the future and also reaffirmed some of what we are already hearing and experiencing with our own yacht owner clients.

On a final note – what do you see being the main challenges in 2019 for the Marine & Aviation industry?

In one word – Brexit! The decision to leave the European Union has led to a great deal of uncertainty. Despite widespread conjecture, we are all still in the dark as to what the consequences of this historic vote will bring, or how it will impact the superyacht market and the marine industry overall. That said, our team of Marine specialists continue to monitor developments and discussions as they unfold.

We will continue to attend high profile industry events and conferences, not only to seek out new business opportunities, but more importantly in these times of uncertainty, to stay connected with leading industry figures and decision makers within the industry. This will allow us to remain informed and to play a part in the industry debates and discussions as they take place so that we can decipher the challenges and opportunities to come.

Rest assured, whether we face a 'deal' or 'no-deal' Brexit outcome, existing and potential owners will continue to need the expertise and advice relating to all aspects of yacht ownership from businesses such as ours – and our team will be here to carry on with business as usual seeking out the best solutions for each and every client. ■

For more information about Knox House Marine & Aviation visit www.knoxhoustrust.com