

The Faroe Islands International Ship register declared “Flag of Convenience” by the ITF

After a meeting on the 16th November 2011 the ITF FoC steering group has decided to declare the Faroe Islands International Ship Register (FAS) a “Flag of Convenience” with effect from the 1st December 2011. The declaration is preliminarily in force for one year.

The Faroese Maritime Authority strongly rebuts the claim that FAS can be conceived as a Flag of Convenience registry. Furthermore, the Faroese Maritime Authority strongly refutes the claim that FAS serves as a register of sub-standard shipping, as well as the alleged intention of becoming such a registry in any fashion.

The decision made by the ITF FoC steering group can only be seen as a result of the successful efforts by the Nordic deck personnel unions to attain the right to negotiate wages for deck personnel on former Norwegian and Swedish ships, an area naturally covered by the highly capable Faroese Maritime Unions.

To achieve this objective the Norwegian and Swedish have claimed that there is a lack of genuine link between the Faroe Islands and the beneficiary owners of the ships in question.

The Faroese Maritime Authority also strongly rebuts this claim on the grounds that Faroese legislation requires the owner of a Faroese vessel to be either 1) a resident of the Faroe Islands, or 2) a Faroese limited company, which is obligated by law to have its financial statements audited and approved by a certified public accountant licensed by the Faroese Government.

As a consequence, there is an indisputable and genuine link between the vessels flying the Faroese Flag, and the legal entities, companies and/or persons controlling the ownership of these vessels.

Conversely, after this decision by the ITF, the other Nordic international registers (the Danish DIS and the Norwegian NIS) are also in danger of being declared flags of convenience by the ITF due to a fundamental structural similarity between the mentioned flags and the FAS.

On a national level, the Faroe Islands has a long history of legislation, often inspired by other Nordic Countries including Norway, aimed at protecting the social rights of workers.

On the international level, Faroese maritime legislation conforms to all relevant international conventions and codes, such as SOLAS, MARPOL, the STCW Tonnage Convention, Load Lines and others. At present, the Faroese Maritime Authority is also preparing the implementation of the ILO's new Maritime Labour Convention (MLC) and the new edition of the IMO's STCW convention.

Moreover, in November 2011 the Faroese Maritime Authority has submitted to IMO's voluntary audit for the assessment of compliance with IMO conventions and requirements. The conclusion of the audit was very favourable, and, indeed, it asserts the Faroese maritime administration to be well prepared and in a good position to offer its flag state services in the international shipping market. With no more than two minor non-conformities the Faroese administration has proven a very capable and well co-ordinated administration. What's more, the report points to a number of best practice attributes, which demonstrate the advantages of a small administration with a close and efficient co-operation between the various ministries and institutions.

The Faroese Maritime Authority does not recognise the term Flag of Convenience. It is a definition conceived by the ITF, a private organisation, and the concept has no validity in the framework of international maritime labour law that the flag state of Faroe Islands has committed to uphold and further develop.

With the instruments listed below, the Faroese Maritime Authorities, the Shipowners' Association together with the Faroese Unions stand side by side in order to hold on to and further develop the Faroe Islands International Ship Register as a quality ship register and beacon of quality shipping in the North Atlantic:

- For half a century the Faroe Islands has had its own merchant fleet – at current representing the better part of the 68 ships in FAS
- The Faroe Islands' Parliament has proclaimed an official Merchant Policy Paper - with resolute aims for a Faroese Maritime Cluster
- The Faroe Islands has just undertaken the IMO Flag State Audit with excellent results – *reflecting the fact that IMO conventions acceded by the Faroe Islands have been fully implemented into Faroese law and regulations.*
- The legal instruments are available and actively utilized to refuse ships and shipowners with a doubtful history from entering the FAS register.
- Requirements to working conditions are in accordance with updated international rules and regulations; wages and social rights in accordance with Scandinavian standards
- The majority of the FAS fleet is manned by Faroese – Officers as well as Deck Personnel

If the news concerning the declaration from the ITF causes concern, or creates a need for further clarification amongst the shipowners affiliated with FAS and the FMA, the Authority urges that they contact the Administration.

Tórshavn, 17th November, 2011
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Director General