

FAS REGISTRY ADDS ONLINE SERVICES TO BOOST APPEAL

With new digital services introduced to improve handling of data and increase ease of use for clients, FAS—the Faroe Islands International Ship Register—continues to build its position as a reputable, competitive ship registry that grows slowly but surely.

FAS – The Faroe Islands International Ship Register

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FAS is a growing international ship registry under the jurisdiction of the Faroe Islands.

FAS was originally established in 1992 and has proven to be an excellent alternative to other open ship registries. FAS offers a number of financial advantages including flexible, efficient, and uncomplicated public administration.

The Faroeese flag, known as Merkið, is internationally recognized.

The Faroe Islands is an Associate Member of the International Maritime Organization (IMO).

The relevant IMO/ILO conventions are in force in the Faroe Islands.

WITH 90 VESSELS enlisted as of April 2017, the Faroe Islands International Ship Register (FAS) is growing in stature at slow but steady pace. Using new technology to introduce online services is part of the FAS strategy to offer international merchant fleets a fiscally advantageous and business friendly flag jurisdiction, according to Director General Hans Johannes á Brúgv, of the Faroeese Maritime Authority (FMA).

Financially attractive elements of the FAS include a tonnage tax regime that features low rates and a straightforward and simple computation formula. Another item is a cash flow friendly wage tax refund system, in which the employer is promptly repaid the crew's income taxes a few days after payment of salaries.

“Our tonnage tax system is internationally competitive as is also the case with the whole fiscal regime associated with the FAS,” Mr. á Brúgv said. “To have a vessel registered with FAS is a relatively simple process, regardless of the fact that we maintain the highest standards of quality and have a rigorous screening process to make sure that all vessels under the Faroese flag comply with our specific requirements.”

Meanwhile, the number of Faroese service providers for international merchant vessels has long been growing.

“The Faroe Islands has a strong tradition as a nation of seafarers,” Mr. á Brúgv noted. “What was lacking earlier, and which has been addressed effectively in recent years, is the availability of a wider array of services for the maritime industry, in particular the merchant fleets. These services range from

- Vessels up to 1,000 NT:
6 DKK per 100 NT per on-hire day.
- Vessels over 1,000 NT
up to 10,000 NT:
4 DKK per 100 NT per on-hire day.
- Vessels over 10,000 NT
up to 25,000 NT:
3 DKK per 100 NT per on-hire day.
- Vessels over 25,000 NT:
1 DKK per 100 NT per on-hire day.

legal to financial to technical, and include the educational sector, where we've seen tremendous development. All of this combines to create a business environment that is competitive in the world of merchant shipping.”

A further point of attraction is seen in the absence of cumbersome administrative requirements and procedures.

VIABLE ALTERNATIVE

“You may say that Faroese legislation is essentially Nordic however often much more simple in various ways,” Mr. á Brúgv said.

“As for the legislation covering the FAS,” he added, “the emphasis is largely on international conventions and protocols. At the same time, there is the unique Faroese side to all of this, which really gives the FAS an edge—there's nothing quite like the Faroes when it comes to accessibility vis a vis authorities, which again brings a whole dimension of competitive advantages like time efficiencies and customer friendliness, because in a country of only 50,000 inhabit-

ants, you won't have big bureaucracies. Also worth noting, is the fact that the Faroese population is generally highly educated while the penetration of new technology and internet connectivity is among the highest in the world. So all of this translates into massive efficiency gains for international shipowners; and it's all part of the reason why the FAS is earning increasing renown amongst shipping professionals, who consider it a well-functioning registry with great customer service, very limited levels of bureaucracy, and a friendly, uncomplicated attitude.”

Mr. á Brúgv said: “We are pleased with the fact that this registry continues to grow—albeit slowly but steadily. We currently have 90 vessels in the registry and expect to surpass the 100 mark soon. The fact that the FAS is succeeding the way it does is, to me, a sure validation of a sound strategy.”

Recently online document handling was introduced to make it easier for officers and crew members on FAS-registered vessels to submit and retrieve certificates, endorsements and applications. Furthermore, in the Faroese domestic registry, signing on ships can now be taken care of online.

Besides the compelling tax incentives of the FAS, its business environment offers excellent recruitment opportunities: a high percentage of the Faroese population are seafarers, with skilled navigators and engineers accounting for around one-tenth of the total workforce.

Mr. á Brúgv further pointed out that the FAS adheres to international standards in line with UN bodies such as the International Maritime Organization (IMO), of which the Faroe Islands is an associate member. The FAS also complies with the regulations of the International Labour Organization (ILO). “All relevant IMO and ILO conventions are in place,” the Director General said.

Established in 1991 to bolster the domestic Faroese merchant fleet, FAS was revised in 2008 and 2009 with an eye on the international market. Alongside financial and fiscal considerations and recruitment opportunities, the needs and requirements of shipowners noted in the Faroe Islands include smooth dealing with public authorities. With good reason, shipowners from Sweden, Norway and many other countries around the world, consider FAS an emerging, viable alternative to other registries.



Director General Hans Johannes á Brúgv.

Above, right: FAS tonnage tax table, each ship taxed at 18% fixed rate of taxable revenues, taxable revenues calculated from net tonnage/on-hire day.

Left to right: Skansi Offshore's platform supply vessel 'Saeborg'; Thor's offshore support vessel 'Thor Alpha'; Applying online for navigator position (opposite).

