

(Translation. Only the Faroese version has legal validity.)

Act on Faroese International Ship Register

Parliamentary Act No 78 of 10 March 1992,

as last amended by Parliamentary Act No 51 of 15 May 2014

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Chapter 1

Application

Section 1. ¹⁾²⁾ The “Faroese International Ship Register” may register Faroese vessels with a registered gross tonnage of 100 or more.

Subsection 2. For a vessel to be considered “Faroese” and sail under the Faroese flag, the owner of the vessel must be Faroese, cf however, section 7 subsection 2. A Faroese “owner” is deemed to be a limited- or private limited company or an investment fund registered with the Company Registration Authority.

Subsection 3. The ship registry may, under special circumstances, permit registration pursuant to the ownership conditions set forth under section 1 subsection 2 of Parliamentary Act No 9 on registration of ships, of 5 March 1970, with later amendments.

Subsection 4. Barges, lighters, dredgers, floating cranes, floating drilling rigs, and the like shall be deemed to be vessels according to the Act. Floating docks, cable barges, floating containers and similar equipment are not deemed to be vessels.

Section 2. Fishing vessels and pleasure vessels may not be registered in the Faroese International Ship Register.

Section 3. ³⁾ A vessel that is registered in the Faroese International Ship Register is deemed to be under the Faroese flag and is subject to Faroese law, cf however, section 7 subsection 2.

Section 4. ³⁾ A vessel that is registered in the Faroese International Ship Register may not transport passengers or freight between Faroese ports, cf however, section 7, subsection 2.

Subsection 2. This provision is, however, not applicable for transshipment of freight directly to or from foreign countries, or as a consequence of the dimensions of the freight, or if there for other reasons are no appropriate vessels that can undertake the transport.

Section 4 a. ⁴⁾ Vessels that are 20 years of age or more, when applying for registration, cannot be registered in the Faroese International Ship Register.

Subsection 2. Despite the provision in subsection 1, registration may be allowed if specific circumstances indicate that the vessel will be registered.

Subsection 3. No matter if a vessel, when applying for registration, complies with the stipulation in subsection 1 on age, registration may be denied, if e.g. the technical condition or the operational history of the vessel or the shipping company, which owns or operates the vessel, is to be said against the registration of the vessel.

Subsection 4. The Minister may lay down more detailed regulations on how subsections 1 to 3 shall be administrated.

Chapter 2

Registration

Section 5. The ship registry is responsible for the Faroese International Ship Register.

Subsection 2. The submission of an application to register a vessel in the Faroese International Ship Register exempts the shipowner from any notice requirement pursuant to the Parliamentary Act on registration of ships, etc.

Section 6. A vessel may be registered either as a transfer from the Faroese Ship Register with all rights and burdens, as a transfer from a foreign Ship Register or as a new build.

Section 7. ³⁾ A vessel that is registered in another Ship Register may not at the same time be registered in the Faroese International Ship Register, cf however, subsection 2.

Subsection 2. ³⁾ The Minister may in an executive order issue rules on bareboat registration.

Section 8. The owner of a vessel that is registered in the Faroese International Ship Register shall provide notice of any circumstances that could have an impact on the continuation of the vessel's registration.

Chapter 3

Wages- and working conditions

Section 9. ⁵⁾ As regards wages- and working conditions on board on vessels registered in the Faroese International Ship Register, a collective bargaining agreement can be concluded with Faroese and foreign trade unions.

Subsection 2. ⁵⁾ In agreement for individuals on commencing service on board vessels registered in the Faroese International Ship Register, a thorough provision shall stipulate that the agreement is subject to Faroese Legislation, and that disagreement on interpretation or breach of the agreement will be brought before the Faroese courts or the Faroese court of arbitration.

Chapter 4

Deletion from the register

Section 10. If the requirements for registration, cf section 1, no longer are met, the ship registry shall delete the vessel from the Faroese International Ship Register.

Subsection 2. The ship registry may, in addition, delete a vessel from the Faroese International Ship Register, if the provision stipulated in section 4 is violated.

*Subsection 3.*²⁾ If there is no other reason for deletion, as stipulated in section 26 subsection 2, of the Parliamentary Act on registration of ships etc., the ship registry transfers the vessel to the Faroese Ship Register with all rights and burdens.

Chapter 4 a ⁶⁾

Fees

Section 10 a. Owner of a vessel shall pay a fee for registration and deletion from the Register, including, but not limited to, a fee for certificate of nationality and a fee for mortgage deeds and letters of indemnity, etc., to finance the administration of the Ship Register.

Subsection 2. The Minister shall in an executive order lay down more detailed regulations regarding the said fees in subsection 1, including that the fees for the certificate of nationality and for the registration in the Ship Registry shall be based on the size of the vessel (GT).

Section 10 b. Owner of a vessel that is registered in the Faroese International Ship Register, shall pay an annual fee per vessel to the Faroese Maritime Authority to finance duties pursuant to Faroese Maritime Legislation that the Faroese Maritime Authority is mandated to carry out regarding vessels that are registered in the Faroese International Ship Register. The annual fee shall be based on the age and the size of the vessel.

Subsection 2. The Minister lays down in an executive order more detailed regulations on said fees according to subsection 1.

Subsection 3. Payment of the fee may be enforced via lien.

Chapter 5

Penalty etc.

Section 11. ²⁾³⁾ The Minister may lay down more detailed regulations on:

- 1) the manner in which provisions in the Parliamentary Act on registration of vessels etc. shall be applicable to vessels registered in the Faroese International Ship Register,
- 2) the organization and management of the register,
- 3) issuance of the certificate of nationality,
- 4) the marking of the vessel,
- 5) determinations made pursuant to the Act by the ship registry may not be appealed to a higher administrative authority,
- 6) ⁶⁾ (Repealed)
- 7) the rights of foreign seafarers to commence service on board on vessels registered in the Faroese International Ship Register.

Section 12. Violation of section 4 or section 8 shall be fined.

Subsection 2. The provisions that are promulgated by the Minister under the provisions in this Act may stipulate rules regarding the fines for violation of the provisions of said directives.

Subsection 3. If the violation is carried out by a limited company, partnership or the like, the responsibility for the violation can be ascribed to the legal person in the same manner as for a natural person.

Section 13. This parliamentary Act shall enter into force the day after it has been announced.

¹⁾ Amended by Parliamentary Act No 82 of 13 May 1992.

²⁾ Amended by Parliamentary Act No 80 of 13 November 1998, in which section 2 states as follows: "This Parliamentary Act enters into force the day after it has been announced. At the same time, the Danish text in Parliamentary Act No. 78 of 10 March 1992 on the Faroese International Ship Register, as last amended by Parliamentary Act No 62 of 14 May 1997, is deleted."

³⁾ Amended by Parliamentary Act No 62 of 14 May 1997.

⁴⁾ Amended by Parliamentary Act No 54 of 26 May 2011.

⁵⁾ Amended by Parliamentary Act No 51 of 15 May 2014, in which section 2 states as follows: "Subsection 1. This Parliamentary Act enters into force the day after it has been announced. Subsection 2. Agreements

concluded before the entry into force of this Parliamentary Act shall remain in force until they are abolished, as agreed upon”.

⁶⁾ Amended by Parliamentary Act No 41 of 7 May 2010, in which section 2 states as follows: “This Parliamentary Act shall enter into force 1 June 2010”.