

(Translation. Only the Faroese version has legal validity)

Executive order No. 36 of 24 March 1998 on Bareboat Charter Registration in the Faroese International Ship Register

Under the provisions in section 7 subsection 2 in Parliamentary Act No. 78 of 10 March 1992 on Faroese International Ship Register with later amendments, the following shall be laid down:

Section 1. A vessel that is not deemed to be Faroese according to section 1 in Parliamentary Act on the Faroese International Ship Register, but is chartered to a bareboat charterer that is deemed to be Faroese, according to section 1 in Parliamentary Act on the Faroese International Ship Register, may, by the bareboat charterer be registered in the Faroese International Ship Register. The vessel may be registered for a period of up to five years. Upon written application from the bareboat charterer, the Faroese Ship Register may extend the registration for up to one year at a time.

Subsection 2. Mortgage deed rights or other rights may not be registered on a vessel registered in accordance with subsection 1.

Subsection 3. Bareboat charter registration in the Faroese Ship Register is conditioned on submission of proof from the foreign ship register authority that the vessel has the right to fly another flag during the bareboat charter period.

Section 2. A bareboat chartered vessel shall be deleted from the register, if:

- 1) the bareboat charter agreement terminates,
- 2) the conditions for registration in accordance with section 1 no longer are present,
- 3) the bareboat charterer requests deletion in writing, or
- 4) the vessel, according to legislation in the vessel's homeland, no longer grants the right for the vessel to fly a flag other than the flag of the homeland.

Subsection 2. A vessel shall also be deleted from the register when the vessel is scrapped, lost at sea, lost or the vessel is declared irreparable by appointed marine surveyors and appraisers of an approved classification society, or in some other manner similar to these. When such circumstances arise, the bareboat charterer is obliged to notify the ship register in writing no later than 30 days after learning of such deletion circumstances.

Section 3. A Faroese vessel that is chartered to a bareboat charterer, who according to section 1 in the Parliamentary Act on the Faroese International Ships Register is not deemed to be Faroese, shall not be deleted from the ship register, even though the vessel that is subject to a bareboat charter is registered in a foreign ship registry. During the period of the bareboat charter, the vessel will have the right to fly a flag other than the Faroese flag with all the rights and obligations that pertain thereto. Mortgage deed rights and other rights in the vessel may continue to be registered in the Faroese International Ship Register.

Subsection 2. A vessel may be granted the right to fly another flag for a period of up to five years from the date of notification. The ship register may, upon written notice from the shipowner, extend this period by up to one year at a time.

Subsection 3. In order for a vessel to temporarily be granted the right to fly another flag, cf subsection 1, it is a requirement that all rights holders have granted written approval that the vessel may shift its flag. In addition, documentation from the foreign ships registry authority that the vessel may be registered in the foreign registry or that a provisional certificate of nationality has been issued shall be submitted.

Section 4. When the bareboat charter agreement, cf section 3, terminates, the right to fly another flag is terminated. Within 30 days after the bareboat charter agreement is terminated, the shipowner shall notify the Faroese International Ship Register of this fact.

Notice of registration on bareboat charter registration of vessels

Transfer to Faroese flag

Section 5. Application to register a bareboat charter vessel that, according to section 1 of the Parliamentary Act on the Faroese International Ship Register is not deemed to be Faroese, and is chartered to a bareboat charterer, who according to section 1 of the Parliamentary Act on the Faroese International Ship Register is deemed to be Faroese, shall be made on a special notification form.

Subsection 2. Following information shall be provided on the notification form: information about the vessel, registered bareboat charterer, process agent of the bareboat charterer, period of the bareboat charter and information on the current ships register in which the vessel is registered and signal letters of the vessel.

Subsection 3. The ship register may request the requisite documentation to assess compliance with the relevant conditions stipulated in section 1 of the Parliamentary Act on the Faroese International Ship Register.

Section 6. The application shall be submitted with following documentation:

- 1) the original bareboat charter agreement or a certified copy of the agreement,
- 2) certification from the foreign ship register that the vessel has the right to fly another flag during the period of the bareboat charter,
- 3) transcript from the foreign ship register that shows who the registered shipowner is and transcript that shows who has the power to sign on behalf of the registered owner.

Section 7. If the bareboat charterer no longer is registered as bareboat charterer in the Faroese International Ship Register, necessary information, in accordance with executive order No 83 of 19 May 1992 on the Faroese International Ship Register, shall be provided to

the ship register.

Section 8. The ship register shall create a special registry page for the bareboat chartered vessel. Following information shall be entered on the page: call sign of the vessel, name, homeport, tonnage, usage, the bareboat charter agreement, and a synopsis of information on the bareboat charterer.

Section 9. A registered bareboat chartered vessel shall fly the Faroese flag.

Transfer to foreign flag

Section 10. Application for a Faroese vessel that is registered in the ship register and that is chartered to a bareboat charterer who is deemed not to be Faroese, according to section 1 in Parliamentary Act on the Faroese International Ships Register, shall be made on a special notification form.

Subsection 2. Following information shall be provided on the notification form: bareboat charterer, period of the bareboat charter, and information on the foreign ships registry in which the vessel shall be registered.

Section 11. The application shall be submitted with following documentation:

- 1) the original bareboat charter agreement or a certified copy of the agreement,
- 2) certification from the foreign ship register that the vessel may be registered or that a provisional certificate of nationality has been issued, even though the vessel is still registered in the Faroese Ship Register, and
- 3) written approval from all rights holders that the vessel may shift its flag.

Section 12. The original bareboat charter agreement or a copy of the agreement shall be registered on the ship's registry page.

Section 13. The certificate of nationality shall be sent to the ship register for cancellation.

Section 14. A Faroese bareboat chartered vessel that is registered in a foreign ship register is not entitled to fly the Faroese flag during the period of the charter.

Section 15. This executive order shall enter into force the day after it has been promulgated.