

Translation: Only the Faroese document has legal validity

Executive order No. 130 of 23 July 2025 on insurance or other guarantee in respect of civil liability for bunker oil pollution damage from ships

Under the provisions in section 186 subsections 4,5 and 7, section 229 a, subsection 3, and section 514 a in Decree No. 187 of 8 February 2017 on the entry into force for the Faroe Islands of the merchant shipping act as amended by Parliamentary Act no. 35 of 16 May 2024, the following shall be laid down:

Obligation to hold insurance and requirement for certificate

Section 1. The registered owner of a ship flying the Faroese flag with a gross tonnage of or above 1000 shall have taken out insurance or other guarantee covering the stipulated liability pursuant to section 183 in Decree on the entry into force for the Faroe Islands of the merchant shipping act and which is within the limits of liability stipulated in section 175 in Decree on the entry into force for the Faroe Islands of the merchant shipping act.

Subsection 2. Subsection 1 shall also apply to foreign ships with a gross tonnage of or above 1000 calling at a Faroese port or any other place of loading or unloading in Faroe Islands or in Faroese territorial waters within 200 nautical miles from the baselines, or begin to carry out regular operations in Faroese territorial waters.

Subsection 3. The ships which are subject to subsection 1 and 2, shall have a certificate confirming that the ship is covered by insurance or other guarantee which covers the liability mentioned in subsection 1.

Subsection 4. Ships owned by the state are also subject to subsection 1 and 3. These ships may, rather than an insurance, hold a certificate issued by the Faroese Maritime Authority certifying that the ship is owned by the state and that its liability is covered within the liability limit stipulated in the Decree on the entry into force for the Faroe Islands of the merchant shipping act.

Subsection 5. For ships owned by a foreign state, subsections 2 and 3 shall also apply. These ships may, rather than an insurance, hold a certificate issued by the relevant authority certifying that the ship is owned by the state and that its liability is covered within the liability limit stipulated in the Decree on the entry into force for the Faroe Islands of the merchant shipping act.

Certificates for Faroese ships

Section 2. The Faroese Maritime Authority issues certificates to Faroese ships including ships owned by the state, cf section 1 subsection 4, cf however section 3.

Section 3. To obtain a certificate, the applicant shall submit an insurance certificate from the provider of the insurance or the other guarantee.

Subsection 2. It shall be evident from the insurance certificate pursuant to subsection 1:

- 1) that the owner of the ship has taken out insurance or other guarantee as security for covering his liability pursuant to section 183 in Decree on the entry into force for the Faroe Islands of the merchant shipping act, and within the limits of liability stipulated in section 175 of Decree on the entry into force for the Faroe Islands of the merchant shipping act, and
- 2) that the provider of the insurance or other guarantee confirms that the insurance or guarantee covers the liability pursuant to section 183 in Decree on the entry into force for the Faroe Islands of the merchant shipping act, and within the limits of liability stipulated in section 175 of Decree on the entry into force for the Faroe Islands of the merchant shipping act.

Subsection 3. The application must, in addition to insurance document pursuant to subsection 2, be accompanied by information regarding:

- 1) The name of the ship, port sign and port of registry.
- 2) The IMO ship identification number.
- 3) The registered owner's name and principal place of business.
- 4) The name and principal place of business of the insurance company or guarantee.
- 5) Validity of the insurance or guarantee.

Subsection 4. In order for the insurance or guarantee to be approved, the provider of the insurance or guarantee shall in addition to the claim in subsection 2, no 2 also take the responsibility for compensating anyone who may have a legitimate claim against the ship's owner in connection with damages caused by bunker oil pollution. The obligation to pay compensations shall be valid for up to three months after the date on which the Faroese Maritime Authority has been informed about the termination of the insurance or guarantee. However, this shall not apply to damages occurring after the expiry of the validity period given in the certificate or if the certificate has been returned to the Faroese Maritime Authority prior to this or a new certificate has been issued.

Section 4. The Faroese Maritime Authority may require documentation that the provider of the insurance has the right to do insurance business and has been approved by the controlling authority in the country where the company has its business address or principal place of business. In special cases, the Faroese Maritime Authority may require that it is also documented that mentioned companies are solvent and capable of meeting their obligations. Similar requirements may be made of companies and others offering to provide other guarantee.

Subsection 2. The Faroese Maritime Authority may require the applicant to procure necessary documentation pursuant to subsection 1, and may reject to issue a certificate if the requirements pursuant to subsection 1 are not met. The Faroese Maritime Authority may also reject to issue a certificate if it comes into possession of information indicating that there is a risk that the company in question will not be able to fulfill its obligations.

Section 5. If the Faroese Maritime Authority is satisfied that the insurance or guarantee is sufficient, a certificate shall be issued to the ship.

Subsection 2. The Faroese Maritime Authority shall determine the form and content of the certificate in accordance with the provisions of article 7 the International Convention on Civil Liability for Bunker Oil Pollution Damage.

Certificates for foreign ships

Section 6. As regards foreign ships registered in a State that has acceded to the International Convention on Civil Liability for Bunker Oil Pollution Damage, certificates shall be recognized that have been issued by the competent authority in the relevant State. The certificate shall, however, have been drawn up in accordance with the provisions of article 7 in the International Convention on Civil Liability for Bunker Oil Pollution Damage.

Section 7. As regards foreign ships registered in a State that has not acceded to the International Convention on Civil Liability for Bunker Oil Pollution Damage, certificates shall be recognized that have been issued by a competent authority in a State that has acceded to the International Convention on Civil Liability for Bunker Oil Pollution Damage. The certificate shall, however, have been drawn up in accordance with the provisions of article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage.

Section 8. As regards foreign ships registered in a State that has not acceded to the International Convention on Civil Liability for Bunker Oil Pollution Damage, and which ship does not hold a valid certificate pursuant to section 7, an application shall be forwarded to the Faroese Maritime Authority. The provisions in sections 3-5 shall apply similarly.

Subsection 2. The application shall be forwarded to the Faroese Maritime Authority no later than 14 days before the ship calls at a Faroese port or any other place of loading or unloading in the Faroe Islands or in Faroese territorial waters within 200 nautical miles from the baselines, or starts to operate on regular basis in Faroese territorial waters.

Section 9. In special cases, the Faroese Maritime Authority may issue a certificate to foreign ships registered in a State that has not acceded to the International Convention on Civil Liability for Bunker Oil Pollution Damage, and which do not hold a valid certificate pursuant to section 7, even if these ships do not call a Faroese port, any other place of loading or unloading in Faroe Islands or in Faroese territorial waters within 200 nautical miles from the baselines, or start to operate on regular basis in Faroese territorial waters. The provisions in sections 3-5 shall apply similarly.

Certificates for bareboat registered ships

Section 10. As regards ships the ownership of which is registered in the Faroese Ship Registry, but which are bareboat registered in the registry of a foreign State, the Faroese Maritime Authority may issue certificates in accordance with the requirements of sections 2-5.

Subsection 2. If the ship is bareboat registered in a State that has acceded to the International Convention on Civil Liability for Bunker Oil Pollution Damage, certificates shall be recognized that have been issued by the competent authority in the relevant State. The certificate shall have been

drawn up in accordance with the provisions of article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage.

Subsection 3. If the ship is bareboat registered in a State that has not acceded to the International Convention on Civil Liability for Bunker Oil Pollution Damage, certificates shall be recognized that have been issued by a competent authority in a State that has acceded to the International Convention on Civil Liability for Bunker Oil Pollution Damage. The certificate shall have been drawn up in accordance with the provisions of article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage.

Section 11. As regards ships the ownership of which is registered in the registry of a foreign State, but which are bareboat registered in Faroe Islands, the Faroese Maritime Authority may issue a certificate in accordance with the requirements of sections 2-5.

Subsection 2. If the ship already holds a valid certificate, a copy of the certificate shall be forwarded to the Faroese Maritime Authority. Subsequently, the Faroese Maritime Authority will contact the issuing authority in the State where ownership of the ship is registered to ask for the Faroese Maritime Authority to be kept informed of any changes related to the validity of the certificate.

Issuance and validity of certificates

Section 12. Certificates shall be issued for a specific period, however, not for any longer than the validity of the insurance or guarantee.

Subsection 2. Certificates pursuant to section 8 shall be issued with a validity of no more than three months. As regards ships operating on a permanent basis in Faroese territorial waters, cf section 8 subsection 2, the certificate may be issued with a longer validity, however, not for longer than the validity of the insurance or guarantee.

Section 13. Application for certificate pursuant to this executive order may be forwarded to the Faroese Maritime Authority electronically.

Section 14. For the issuance of a certificate pursuant to this executive order, a fee of DKK 1,300 shall be paid to the Faroese Maritime Authority.

Subsection 2. The certificate shall not be issued until payment pursuant to subsection 1 has been received by the Faroese Maritime Authority.

Section 15. The Faroese Maritime Authority shall forward a copy of the certificate issued to the ship's owner or to the one who has applied for being issued with a certificate on behalf of the owner. For foreign ships, a copy of the certificate issued shall also be forwarded to the registry of the State concerned.

Subsection 2. The owner of a ship that holds a certificate shall be obliged to immediately return the certificate to the Faroese Maritime Authority at the expiry of the insurance or guarantee.

Subsection 3. The owner of a ship that holds a certificate shall be obliged to immediately inform the Faroese Maritime Authority if the one concerned gets aware of changes to the insurance or guarantee of importance to the continued validity of the certificate.

Section 16. In case the Faroese Maritime Authority becomes aware of changes to the insurance or guarantee of importance to the continued validity of the certificate, the Faroese Maritime Authority may revoke the certificate.

Inspection

Section 17. For ships that are subject to the requirement for certificate pursuant to section 1, the certificate shall be kept on board and be presented to the authorities upon request.

Section 18. The police, customs authorities or port authorities noting contraventions of this executive order during the performance of their civil service obligations, shall immediately inform the Faroese Maritime Authority hereof.

Subsection 2. The Faroese Maritime Authority may, at the ship's arrival in a Faroese port, check whether it is provided with required certificate pursuant to section 1.

Other provisions

Section 19. For the purposes of this executive order, the owner shall mean the ship's owner, shipping company, bareboat charterer, process agent or others operating the ship instead of the owner.

Penalties

Section 20. Violation of section 15, subsections 2 and 3 and section 17 in this executive order, shall be liable to punishment by fine.

Subsection 2. Companies and other legal persons shall incur criminal liability under the regulations in chapter 5 of the Faroese Penal Code.

Entry into force and transitional provisions

Section 21. This executive order shall enter into force on 29 July 2025. At the same time executive order for the Faroe Islands No. 196 of 27 February 2017 on certificates on insurance or other guarantee in respect of civil liability for bunker oil pollution damage from ships shall be repealed.

Subsection 2. Certificates issued by the Danish Maritime Authority shall remain in force according to the expiry date stated on the certificate.

Ministry of Foreign Affairs, Industry and Trade, 23 July 2025

Sirið Stenberg

Minister

/ Herálvur Joensen