

Translation: Only the Faroese document has legal validity

Executive order No. 131 of 23 July 2025 on insurance or other guarantee in respect of civil liability for oil pollution damage from ships

Under the provisions in section 198 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 and Decree No. 1000 of 30 June 2025, the following shall be laid down:

Obligation to hold insurance and requirement for certificate

Section 1. Faroese ships carrying more than 2,000 tonnes of resistant mineral oil with carbon hydrides in bulk as cargo shall hold insurance or other guarantee in respect of the liability stipulated in section 191 subsection 1 in Decree on the entry into force for the Faroe Islands of the merchant shipping act and within the liability limit stipulated in section 194 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 carrying more than 2,000 tonnes of oil in bulk as cargo calling at a Faroese port or leave Faroese ports or any other place of loading or unloading in Faroe Islands or within 200 nautical miles from the baselines.

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 a competent 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.

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 in respect of his liability pursuant to section 1, and

- 2) that the provider of the insurance or other guarantee confirms that the insurance or guarantee covers mentioned liability pursuant to section 1.

Subsection 3. In order for the insurance or other guarantee to be approved, the provider of the insurance or other guarantee shall in addition to the requirement 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 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.

Subsection 4. If the Faroese Maritime Authority is satisfied that the insurance or guarantee is sufficient, a certificate shall be issued to the ship. The Faroese Maritime Authority shall determine the form and content of the certificate in accordance with the provisions of article VII of the International Convention on Civil Liability for Oil Pollution Damage, 1992.

Subsection 5. For ships holding a certificate pursuant to subsection 4, a declaration of insurance or other guarantee in respect of liability under the International Convention on Civil Liability for Oil Pollution Damage, 1969, may be presented in addition to the declaration mentioned in subsection 1. If the declaration complies with the requirements of subsection 3 and if the Faroese Maritime Authority finds the insurance or guarantee sufficient, cf. subsection 4, the Faroese Maritime Authority may also issue a certificate drawn up in accordance with the provisions of article VII of the International Convention on Civil Liability for Oil Pollution Damage, 1969 at the owner's request unless this would be contrary to international decisions.

Certificates for foreign ships

Section 4. As regards foreign ships registered in a State that has acceded to the International Convention on Civil Liability for Oil Pollution Damage, 1992, 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 VII of the International Convention on Civil Liability for Oil Pollution Damage, 1992, or of article VII of the International Convention on Civil Liability for Oil Pollution Damage, 1969.

Section 5. As regards foreign ships registered in a state that has not acceded to the International Convention on Civil Liability for Oil Pollution Damage, 1992, and which ship does not hold a valid certificate, pursuant to sections 6 and 7, an application shall be forwarded to the Faroese Maritime Authority. The provisions in section 3 shall apply similarly.

Subsection 2. The application shall be forwarded to the Faroese Maritime Authority no later than 20 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.

Section 6. For ships owned by a foreign state, cf. section 1 subsection 5, a certificate issued by the competent authority shall be recognized.

Section 7. As regards foreign ships registered in a state that has not acceded to the International Convention on Civil Liability for Oil Pollution Damage, 1992, certificates shall be recognized that have been issued by the competent authority in a state which has acceded to mentioned Convention. The certificate shall, however, have been drawn up in accordance with section VII in mentioned Convention.

Issuance and validity of certificates

Section 8. Certificates may be issued for a specific period of time or until terminated. However, certificates shall not be issued for a period of time longer than the validity period of the insurance or guarantee.

Subsection 2. Certificates pursuant to section 5 shall be issued with a validity period of not more than three months.

Section 9. Application for certificate pursuant to this executive order may be forwarded to the Faroese Maritime Authority electronically.

Section 10. 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 11. 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 shipping 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 upon the termination of the insurance or guarantee or when the validity period of the certificate expires.

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.

Inspection

Section 12. Faroese ships carrying 2,000 tonnes of oil in bulk as cargo, cf. section 1 subsection 1, may not be used without a valid certificate.

Subsection 2. The Faroese Maritime Authority or other authorities authorized by the Minister may refuse a ship access to or prohibit it from leaving a port or a place of loading or unloading in Faroe

Islands or in Faroese territorial waters within 200 nautical miles from the baselines or order it to be unloaded or warped if it does not hold the certificate required.

Section 13. 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 this executive order.

Penalties

Section 14. Violation of section 1, subsections 1-4, section 5, section 11 subsection 2 or section 12 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 15. This executive order shall enter into force on 29 July 2025.

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