

FAS: LOOKING BEYOND SCANDINAVIA

Raising the international profile of the Faroe Islands as a flag jurisdiction while promoting the FAS registry beyond Scandinavia, the Faroese Maritime Authority is considering ways to develop closer ties with the Paris MoU on Port State Control.

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

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

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 Faroe Islands is an Associate Member of the International Maritime Organization (IMO). The relevant IMO/ILO conventions are in force in the Faroe Islands.

THE FAROESE Maritime Authority, the government agency administrating the FAS ship registry is contemplating ways to increase collaboration with the Paris MoU on Port State Control, according to FMA Director General Hans Johannes á Brúgv, who says that funding has been secured toward that end.

Meanwhile, the FAS—the Faroe Islands International Ship Register—is increasingly being promoted beyond the Nordic countries, with growing interest noted among shipowners in Greece and Turkey.

“The decision has been made to seek closer ties with the Paris MoU in the near future,” Mr. á Brúgv told the Faroe Business Report in May 2018. “We have been given the full backing of the Ministry of Foreign Affairs and Trade and we are ready to take part in and support the various processes that might be required in this connection. We further see this as integral to boosting the long-term viability of the Faroe Islands’ maritime industry.”

Paris MoU’s mission is “to eliminate the operation of sub-standard ships through a

harmonized system of port State control.” The organization consists of 27 participating maritime administrations, covering the waters of the European coastal States and the North Atlantic basin from North America to Europe.

“We take our role as a flag state seriously and would be pleased to contribute more directly to the PSC [Port State Control] regime in our part of the world,” Mr. á Brúgv said.

“The Faroe Islands is emerging as a quality flag and a respected jurisdiction. We are a tiny nation with a great seafaring tradition, and the Faroese society is a modern one with a highly educated workforce. We’re part of the Nordic governance heritage yet retain our own culture, where the smallness of the population in fact brings valued advantages for shipowners—our administration is small and uncomplicated to deal with.”

The Faroe Islands’ maritime services sector has been growing slowly but steadily for years, with the FAS registry considered a key element in driving that development.

“Having available a proper range of ser-

FAS-registered RoRo vessel Mykines enters Tórshavn’s East Harbour, joining RoPax ferry Norröna, another vessel in the FAS registry.

FAS tonnage tax table — each ship is taxed at an 18% fixed rate of taxable revenues (taxable revenues calculated from net tonnage/on-hire day).

- 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.



JENS KRISTIAN VANG



Director General Hans Johannes á Brúgv; Maritime job applications and certificates are being integrated online in Faroe (bottom left).

vices relevant for the maritime industry is one of the fundamentals that has been addressed in recent years,” Mr. á Brúgv said. “We’re talking about legal, financial, technical, and much more; in the educational sector, for example, we’ve seen a great deal of new developments. Overall, the Faroese business environment has evolved into a very competitive one as far as concerns international merchant shipping.”

On that note, to complement its existing clientele, largely Scandinavian, the FMA has established a presence in Turkey and Greece.

“We’ve participated in trade events in Greece two times since 2016,” Mr. á Brúgv added. “We noted a sharp in-

crease in interest the second time around, receiving queries from Greek and Turkish shipowners in particular. As of late, we’ve established a presence in the region through a representative based in Turkey.”

The FAS offers several attractive features and benefits for shipowners, not least economically and fiscally. One such example is the tonnage tax system, with low rates and a simple and straightforward calculation formula. Another one is the cash-flow friendly wage tax refund scheme, which promptly repays the employer the income taxes charged from the crew.

DIGITAL ENDORSEMENTS

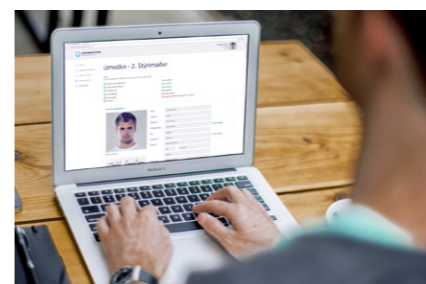
PSC is generally known as the global system for combatting substandard shipping or, as defined by the International Maritime Organization (IMO): “the inspection of foreign ships in national ports to verify that the condition of the ship and its equipment comply with the requirements of international regulations and that the ship is manned and operated in compliance with these rules.”

The ‘White, Grey and Black (WGB) List’ published by the Paris MoU presents the full spectrum of performance by flag states, ranging from ‘White List’ quality flags with a consistently low detention record through ‘Grey List’ average-performing flags to ‘Black List’ low-performing flags associated with high or very high risk. The ranking system is based on the total number of inspections and detentions over a 3-year rolling period for flags with at least 30 inspections in the period.

The Faroese flag has remained on the ‘White List’ since 2010.

There are 12 PSC organizations around the world. The Paris MoU, the first one of these, is recognized as the body that set the international standard for official ship inspection.

In other news, the FMA has worked extensively on digitalizing maritime certificates and endorsements to allow for more efficient processes of communication and handling of documents, not least for online job applications—much of which has been completed.



FAROESE MARITIME AUTHORITY