



**DANISH MARITIME AUTHORITY**



**Information about EU/EEA shipping  
companies' possibilities  
of having ships registered in the  
Danish International Ship Register**

## **Ready for quality shipping?**

Denmark is a modern and innovative maritime nation with a long and strong maritime tradition.

Our goal is to continuously develop as a leading maritime nation with international outlook and quality shipping.

Therefore, the Danish International Ship Register (DIS) offers internationally competitive framework conditions, including for example a tonnage tax and special tax schemes for hiring seafarers. DIS is a register for shipping companies engaged in international trade and stands for quality shipping. We focus on health, safety and the environment – thus providing the best possible framework for the shipping industry. Our goal is a level playing field worldwide.

Denmark has a flexible labour market and highly qualified competences that are useful both at sea and ashore. Denmark is also an attractive country in which to do business within the shipping industry because we have a strong maritime environment and a dynamic maritime cluster focusing on innovation and business development.

The Danish Maritime Authority attaches great importance to offering modern and efficient service and we are ready to service shipping companies that choose to fly the Danish flag or to do business from Denmark. We work actively to reduce the administrative burdens imposed on the shipping industry.

We also work actively for global regulation in the IMO and the ILO to ensure a level playing field for quality shipping companies. It is also one of our goals that Danish ships and shipping companies have open and unrestricted market access.

## **What can we do for you?**

As an EU/EEA ship owner you can also flag into DIS. In this brochure, you can find information about the conditions that must be met. We would also be pleased to invite you for a non-binding and free information meeting in case you would like to know more about the Danish International Ship Register and how to flag in. You can read all about it in this brochure.

Welcome aboard!

Andreas Nordseth

Director General

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## **1. Introduction**

The purpose of this information is to present the conditions for an EU/EEA shipping company having a ship registered in the Danish International Ship Register (DIS). The information concerns primarily the requirements that, pursuant to Danish law, apply to the establishment and activities in Denmark. In this connection, it is pointed out that the information is not an exhaustive description of all the requirements applicable and that the information does not take account of all registration issues that may arise in connection with EU/EEA shipping companies' flagging in to the Danish flag.

The brochure can also be used as an introduction to the information meeting to which the Danish Maritime Authority invites all shipping companies that are interested in flagging in to the Danish flag. This meeting is an opportunity for the ship owner to meet representatives from the Danish Administration and to get more information about registration, technical and manning issues.

Should you have any questions in connection with flagging in, please contact the Ship Register by e-mail [srg@dma.dk](mailto:srg@dma.dk) or by telephone +45 39 17 44 00.

## **2. What ships can be registered in the Danish International Ship Register (DIS)?**

Completed ships with a gross tonnage of or above 20 engaged on international voyages can be registered in DIS. Barges, lighters, dredgers, floating cranes and the like are also considered ships and can be registered in DIS. However, warships, fishing vessels, boulder fishing vessels and recreational craft as well as ships carrying passengers engaged in regular services between Danish ports cannot be admitted to DIS. However, the trade limit for passenger ships does not apply to voyages to and from offshore installations.

## **3. The possibilities of EU/EEA companies and one-man companies having a ship registered in DIS**

EU/EEA companies can be registered as owners of ships in DIS if the company meets the requirements for a permanent economic affiliation with Denmark.

EU/EEA companies mean companies established pursuant to the corporate law of another EU/EEA Member State than Denmark whose registered office, main office or main business is, according to the articles, situated in the EU/EEA. Hereafter, the companies will be referred to as EU companies for the sake of convenience.

Sections 6 and 7 briefly describe the conditions applicable to one-man shipping companies from other EU and EEA countries for having a ship registered in DIS.

#### **4. General information about the conditions for ships owned by EU/EEA companies being registered in DIS**

The conditions for registering a ship owned by an EU company wanting to perform shipping activities in Denmark are stipulated in order no. 1046 of 6 December 1996.<sup>1</sup> According to the order, two conditions must be met:

1. The ship's owner must register an agency, a branch or a subsidiary company in Denmark (the condition of establishment) and
2. the ship must be effectively administered, controlled and directed from the relevant agency, branch or subsidiary company through either a Danish citizen, a citizen from a country that is a member of the European Communities or a person with a Danish place of residence (the condition of activity).

Consequently, it is a crucial element in the assessment of whether it is possible to register an EU company in DIS as the owner of a Danish ship that the owner makes a secondary establishment through the establishment of a subsidiary company, a branch or an agency in Denmark with a view to carrying out permanent, economic activities in Denmark. Alternatively, the company can choose to make a primary establishment in Denmark.

Sections 5-7 explain in more detail what is contained in the condition of establishment and the condition of activity, respectively.

#### **5. The condition of establishment: requirements for EU/EEA companies' establishment in Denmark**

As mentioned above, it is a condition for a company from an EU country being registered as the owner of a Danish ship that the company makes either a primary or secondary establishment in Denmark. An EU company wanting to have a ship registered in DIS must, therefore, locate a permanent place of business in Denmark in order to meet the condition of establishment.<sup>2</sup>

##### **5.1. Primary establishment**

In terms of EU law and in general, the concept of "primary establishment" of a company in Denmark means that a permanent place of business is located in Denmark which, for the company concerned, forms the centre of business.<sup>3</sup>

More specifically, an EU company can establish itself primarily in Denmark by moving its existing business – its centre of business – from the EU/EEA Member State from where the company has so far had its main activities to a permanent place of business in Denmark so that the company is operated from Denmark in the future. The movement can, for example, have the form of the EU com-

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<sup>1</sup> Order on registration in the Danish International Register of Shipping of ships whose owner does not meet the conditions of section 1 of the Merchant Shipping Act (section 1 of the Merchant Shipping Act concerns the conditions of nationality).

<sup>2</sup> The concept of "establishment" means actual performance of an economic activity through a permanent place of business for an unlimited period of time, cf. the judgment of the European Court of Justice in *Factortame II*, C-221/89.

<sup>3</sup> See, for example, EUIND12 – Introduction to the EU Treaty provisions 43-55 on the freedom of establishment, free movement of services, p. 5, para. 2.3., where it is stipulated that primary establishment can, among other things, have the form of the establishment of a new company, the taking over of an existing company or the moving of an existing company.

pany being dissolved in the home country and being established as a new Danish company pursuant to Danish corporate law. The EU company can also choose to take over an existing Danish company and move its main activities to this company in Denmark. Furthermore, the corporate law of certain EU/EEA countries permits a company to remain established as a company in its original EU/EEA country, while moving its main office to Denmark. European limited companies (SE companies) have a possibility of moving their domicile without having to dissolve the company in a Member State and establishing the company again in another Member State, cf. the guidelines of the Danish Commerce and Companies Agency on the registration of European companies (SE companies).<sup>4</sup>

Normally, it will not give rise to any problems if an EU company with its primary establishment in Denmark is to be registered as the owner of a ship in DIS. The same is the case if the Danish subsidiary of an EU company is to be registered as the owner of a ship in DIS (see section 5.2 on subsidiary companies).

## 5.2. Secondary establishment

EU companies may choose to make a secondary establishment in Denmark. Secondary establishment may have the form of a subsidiary company, a branch or an agency.

In case of a secondary establishment in Denmark, the EU company will keep its primary establishment in another EU/EEA Member State than Denmark, but will furthermore have a place of business in Denmark, manned with its own employees or with persons with a permanent authorisation to act on behalf of the company.<sup>5</sup>

The registration of a ship in DIS will not in itself be an establishment in Denmark. A shore-based place of business in Denmark is required.<sup>6</sup>

The following is to be said about the three types of establishment – subsidiary company, branch and agency:

**Subsidiary company:** A subsidiary company is an independent company – an independent legal person – with independent share capital.

The establishment of a subsidiary company must meet the conditions for establishing a company stipulated in the Company Act. In order for a company to be a subsidiary, the conditions stipulated in sections 6 and 7 of the Company Act must be met, which means that the subsidiary company must be under the controlling interest of the parent company. An EU company can establish a subsidiary company in Denmark in several ways. The parent company can establish a new subsidiary company or purchase an existing Danish company and make it a subsidiary company.

The establishment of a subsidiary company to a foreign company must be registered with the Danish Commerce and Companies Agency, as must a wide number of changes to the company, includ-

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<sup>4</sup> The guidelines are available in Danish from [www.eogs.dk](http://www.eogs.dk).

<sup>5</sup> See, for example, EUIND12 – Introduction to the EU Treaty provisions 43-55 on freedom of establishment, free movement of services, p. 5, para. 2.3.

<sup>6</sup> Cf. the judgment of the European Court of Justice in *Factortame II*, C-221/89.

ing the change of the management and the articles of association. More information is available from [www.eogs.dk](http://www.eogs.dk). Registration with DIS does not replace this registration.

**Branch:** Contrary to a subsidiary company, a branch has no independent share capital. A branch is a department and an integrated part of the foreign company establishing the branch. EU companies have an immediate right to establish branches in Denmark. The regulations on the establishment of branches are stipulated in the Company Act and in the Act on Certain Undertakings Carrying on Business for Profit as well as the guidelines of the Danish Commerce and Companies Agency on branches of foreign investment trusts. The branch must have a permanent address and a permanent office in Denmark. The office must be headed by one or more branch managers with a permanent authorisation to sign for the branch and, thereby, to bind the parent company in relation to the activities in Denmark. The branch manager(s) must be of age, but there is no requirement for a Danish address or nationality.

A branch must also be registered with the Danish Commerce and Companies Agency, just as a number of changes to the branch and in certain cases also to the foreign parent company must be registered with the Danish Commerce and Companies Agency. More information is available from [www.eogs.dk](http://www.eogs.dk). Registration with DIS will not replace this registration.

**Agency:** The concept of an agency is not found in Danish corporate law, and it can be difficult to clearly distinguish between a branch and an agency.<sup>7</sup> Both types of company require a permanent affiliation with the country of establishment (in this case Denmark); however, typically a branch will have a closer affiliation with the country of establishment than an agency.

Thus, an agency must form a kind of permanent place of business in Denmark, manned with its own employees or with one or more persons permanently authorised/holding an authorisation to act on behalf of the company in various fields. In addition, branches and agencies are characterised by being subject to the management and control of the parent company, cf. the judgment of the European Court of Justice in *Bloos*, C-14/76. (A sole agent is not considered as an agency or the like because he was not subject to the control or right of instruction of the parent company). There are no specific requirements for the number of persons in the agency who are authorised to act on behalf of the EU company, but the specific extent of the tasks and the number of employees must reflect each other.

Consequently, it cannot in itself be considered secondary establishment that an EU company concludes a bareboat agreement with a Danish shipping company concerning a ship owned by the EU company. Thus, in case of a bareboat agreement there is no company affiliation between the bareboat charterer and the ship's owner. A secondary establishment whereby an EU company appoints a Danish shipping company its agency will suffice if the agency agreement clearly describes the managerial delegation from the EU company to the shipping company and the group of employees covered by the agreement. Thus, it must be clear that the ship is administered, directed and controlled by the EU company through the Danish shipping company.

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<sup>7</sup> See, for example, EUIND12 – Introduction to the EU Treaty provisions 43-55 on freedom of establishment, free movement of services, p. 5, para. 2.3.

## **6. The condition of activity: requirements for the ship to be effectively administered, controlled and directed from Denmark**

### **6.1. The background of the condition of activity**

The condition concerning the owner's economic activities in Denmark – together with the establishment in Denmark – are considered necessary requirements to ensure, among other things, a sufficient link between the ship and Denmark (the flag State).

The condition of activity is defined in accordance with the judgment of the European Court of Justice in *Factortame II*, C-221/89, on ship registration. The judgment of the European Court of Justice states among other things in premise 20: “that establishment is to mean the pursuit of an economic activity through a fixed establishment for an indefinite period in the Member State where the ship is to be registered.”

The freedom of establishment cannot be interpreted so that it hinders a requirement for a vessel to be operated and a requirement for its operation to be managed and controlled from the Member State where the registration is to take place.

### **6.2. Compliance with the condition of activity**

Several criteria are included in the assessment of whether a ship is effectively administered, directed and controlled from Denmark. The Ship Register will make an overall assessment of the activities in relation to the ship that are carried out from Denmark, including an assessment of the activities associated with the four main areas described below that will typically be included in the operation of a ship.

Thus, the condition of activity will be met if the activities within all the areas described below are carried out from Denmark. The same applies if the ship's owner has received a binding advance statement from the Danish Tax and Customs Administration that the conditions for being covered by the Tonnage Tax Act are met. Pursuant to the tonnage tax legislation, see section 11, it is a condition for being permitted to use the tonnage tax that the ship is strategically and commercially operated from Denmark. However, it is not a requirement for being registered in DIS that the ship can be sold or mortgaged through the owner's secondary establishment in Denmark.

The condition of activity can, however, also be met if only some or parts of the activities mentioned under the four main ship operation areas are carried out from Denmark. If this is the case, the Ship Register will make an overall assessment of the specific tasks related to the ship carried out from Denmark. In this connection, the general level of activity of a ship of the relevant type and size with the use concerned will, for example, be assessed.

Such an assessment will be specifically reasoned, and it is not possible to say unambiguously what activity areas or parts hereof are to be carried out from Denmark in order for the condition of activity to be considered met on the basis of an overall assessment.

In case of doubt, please contact the Ship Register for a more detailed discussion of the issue.

The operation of a ship will typically fall within four main areas, which will be included in the assessment of whether the condition of activity is met:

- *Technical operation and maintenance, including implementation and maintenance of a safety management system* (International Safety Management System, ISM) according to the IMO International Management Code for the Safe Operation of Ships and for Pollution Prevention. This means a structured and documented system enabling the employees and crews of a shipping company to effectively implement the maritime safety and environmental protection policy that the company is required to have under the IMO regulations.
- *Manning*, such as contracts, training, certification, etc.
- *Commercial operation*
  - o *business-related commercial operation*, such as contract negotiations, charter party conclusion, decisions on and conclusion of strategic alliances, etc.
  - o *operational commercial operation*, such as arrangement of the ships' itineraries, instructions for the ship's officers, bunkers purchase, provisioning of stores for the ships, etc.
- *Financial operation*, such as the purchase and sale of the ship, negotiations with financial sources, taking out ship insurances, payment of crew wages, coverage and negotiations of the settlement of claims against and disputes concerning the ship, financial management, including budgeting and follow-up, presentation of accounts (and preparation hereof) as well as book-keeping.

If the secondary establishment in Denmark is given an authorisation corresponding to that held by a managing shipowner of a jointly owned shipping company pursuant to chapter 5, i.e. the competence to conclude all legal transactions normally following from shipping activities, the condition of activity will be considered met.

However, it may also be sufficient for only parts of some of the operational activities mentioned to be located in the secondary establishment. The Ship Register will make a *specific assessment* of the parts of the ship's operation located in or intended to be located in Denmark.

For example, it will carry some weight if the overall responsibility for the implementation and maintenance of an ISM system for the ship is located in Denmark. Location of the ISM responsibility, combined with some legal capacity regarding the ship's commercial operation, with the secondary establishment in Denmark will typically mean that the condition of activity is considered met.

In the same way, the location of the ship's overall commercial and financial management – or major parts hereof – with the company's establishment in Denmark will meet the condition of activity. Thus, normal shipping transactions in the form of voyage charter parties or time charter parties with a charterer about the ship can still be concluded.

The condition of activity will, however, not be met if only the manning-related management of the ship is located with the secondary establishment in Denmark.

The employees/authorised persons must be Danish citizens, citizens from a country that is an EU/EEA Member State or persons with a Danish address.

There is no requirement for the management of the EU company to be domiciled in Denmark or for the decisions to be made in Denmark, but they must be carried out from the company's establishment in Denmark.

It deserves to be mentioned that changes to the conditions of establishment and to the performance of the activities in and from Denmark must be presented to the Ship Register with a view to assessing whether the conditions for being registered in DIS are still met after any changes.

## **7. The condition of establishment: requirements for the establishment of EU/EEA one-man shipping companies in Denmark**

A ship owned by an EU/EEA citizen can also be admitted to DIS when the following conditions are met:

1. The ship's owner must be established primarily in Denmark or another EU/EEA Member State (the condition of establishment).
2. The ship must be effectively administered, controlled and directed from Denmark (the condition of activity).

An "EU/EEA citizen" means a citizen with another EU/EEA citizenship than Danish. Primary establishment means also in this connection that the EU/EEA citizen has located a permanent place of business physically in Denmark or another EU/EEA Member State from where he performs economic activities.

If the EU/EEA citizen does not run the business himself – the primary establishment – from Denmark, but from another EU/EEA Member State, *an agent* must be registered with the Ship Register, i.e. a Danish citizen, an EU/EEA citizen, a person domiciled in Denmark or a company meeting the conditions for being registered in DIS as the owner of a ship. The agent must be sufficiently authorised to act on behalf of the owner so that the ship is effectively administered, controlled and directed from Denmark. As regards the more detailed requirements for the contents of this authority, reference is made to section 6 on the elements forming part of the Ship Register's assessment of compliance with the condition of activity.

## **8. Bareboat to DIS**

It is possible for an EU company or an EU/EEA citizen who otherwise meets the conditions of establishment and activity as described in sections 4-7 to bareboat register a bareboat-chartered ship flying a foreign flag in DIS.

The more detailed conditions of such bareboat registration in DIS are described in annex 2.

## **9. More information about DIS**

In case of doubt about the conditions for having a ship registered in DIS (or whether it is possible to register a bareboat arrangement), it is possible to contact the Ship Register to discuss whether the conditions are met. It is also possible to arrange a meeting with the Ship Register to clarify any cases of doubt.

Please address requests to the Ship Register either by telephone +45 39 17 44 00 or by e-mail: srg@dma.dk.

Furthermore, reference is made to the following acts and orders:

- Merchant Shipping Act (consolidated act no. 856 of 1 July 2010).
- DIS Act (consolidated act no. 273 of 4 November 1997, as amended).
- DIS Order (order no. 416 of 7 December 1988, as amended).
- Order on registration in the Danish International Register of Shipping of ships whose owner does not meet the conditions of section 1 of the Merchant Shipping Act (order no. 1046 of 6 December 1996).
- Bareboat Order (order no. 912 of 16 October 1996 on Danish bareboat registration).

## **10. Taxation of seafarers on Danish ships – DIS net wages**

### **10.1. The persons covered and their tax rate**

Persons domiciled in Denmark are fully liable to pay tax. Persons domiciled abroad working on board Danish ships are normally subject to limited tax liability in Denmark of income earned from work on board. The tax rate of seafarers subject to limited tax liability is 30 per cent.

### **10.2. The definition of a Danish ship under the Taxation of Seafarers Act**

In the Taxation of Seafarers Act, a Danish ship is defined as follows: “A ship which is registered with home port in Denmark with a gross tonnage of 20 t or more and which is used solely for commercial transportation of passengers or freight, for towage and as a salvage ship or as a cable-laying ship.

A ship, which is registered with registered office on the Faeroe Islands, in Greenland or abroad with a gross tonnage of 20 t or more, and without crew is taken over to chartering by a Danish shipping company, shall be considered as a Danish ship.

A ship which is registered with registered office in Denmark, and without crew is taken over for chartering by a Faroese, Greenland or a foreign shipping company, shall not be considered as Danish.”

### **10.3. Taxation in case of work on board a Danish ship registered in DIS**

If a person who is fully liable to pay tax has acquired wages through work on board a Danish ship registered in DIS and used for purposes that could be covered by the Tonnage Taxation Act, the total income tax is to be reduced by the amount that is proportionally associated with this income.

Persons who are subject to limited tax liability do not pay tax on wages earned through work on board a Danish ship registered in DIS and used for purposes that could be covered by the Tonnage Taxation Act.

Thus, several requirements must be met in order to pay DIS wages without retaining tax:

- The ship must be defined as a Danish ship exclusively used for commercial purposes.
- The ship must be registered in DIS.
- The ship must be used for purposes that can be covered by the Tonnage Taxation Act.

Since DIS wages are net wages, the seafarer has no possibility of income tax allowances.

## **11. Tax treatment of ships – Tonnage Taxation Act**

### **11.1. Introduction**

In Denmark, a shipping company operated as a company can choose between two different types of taxation: ordinary corporate taxation or tonnage taxation. In order to be able to choose tonnage taxation, certain conditions must be met. These conditions are given below.

### **11.2. Tax effect**

When a shipping company is taxed pursuant to the tonnage taxation scheme, the taxable income is calculated on the basis of the tonnage used. The tonnage income is a calculated taxable net income from the shipping operation taxed instead of the taxable income calculated pursuant to the general regulations (freight income with a deduction of the costs and taxable depreciation). The tonnage income can never be negative so that tonnage taxed shipping companies cannot get deductions for operating deficits.

### **11.3. Conditions**

In order to be subject to the Danish tonnage taxation scheme, a number of conditions must be met. The most important of these conditions are given below in brief.

- It must be a shipping company or an operating company run in a corporate form.
- The company must be engaged in commercial business carrying passengers or goods by own or hired ships. However, certain limitations apply to hired ships.
- In general, the hiring out of ships on a time-chartering basis can be covered. However, as a general rule bareboat chartering cannot be covered by the tonnage taxation.
- The ships must have a gross tonnage of a minimum of 20.
- The ships must be operated from Denmark.

- Tonnage taxation must be chosen from the first income year when the company meets the conditions applicable to tonnage taxation. It is possible to choose or not choose the scheme only for periods of ten years.
- As regards operating companies, the additional condition applies that the operating company must have assumed the responsibility for the ship's operation as well as the responsibilities and obligations under the ISM Code from the owner.
- Affiliated companies must, as a main rule, make the same choices about the tonnage taxation scheme.
- The company must maintain or increase its percentage share of the tonnage under EU or EEA flag.

#### **11.4. More information**

If in doubt whether a company can be covered by the tonnage taxation scheme, it is possible to have a statement from the tax authorities on this question in the form of a binding answer. Such requests are to be sent to SKAT, Østbanegade 123, DK-2100 Copenhagen East, Denmark. The fee is DKK 300.

Simple requests can be directed to SKAT by telephone +45 72 22 18 18 or by [www.skat.dk](http://www.skat.dk).

Furthermore, reference is made to the Tonnage Taxation Act (consolidated act no. 834 of 29 August 2005, as amended) as well as to the Tax Assessment Guidelines; Companies and Shareholders 2010-2, part S.C.8 (in Danish).

## **12. ANNEX 1: Checklist in connection with the registration of a ship in DIS**

With a view to registration of a ship in DIS, it is initially possible to issue a *temporary certificate of nationality* on the basis of a scanned document of title and a scanned certificate of cancellation or non-reg forwarded directly to the Ship Register from the register from where there ship is transferred.

The final registration of a ship in DIS will, on the other hand, be made solely on the basis of *original documents, including* the forms of the Ship Register duly filled in. At the same time as the ship's final registration at the earliest, it is possible to register mortgages.

The Ship Register will immediately accept documents made in Danish, Swedish, Norwegian and English. As regards documents and instruments of proof in other languages, an authorised and notarized translation into either Danish or English will normally be required. Should the understanding of a Swedish, Norwegian or English document give rise to doubt, the Ship Register can require an authorised translation into Danish.

When a ship is to be registered in DIS, the following notifications and documentation must be forwarded to the Ship Register.

### **1. Notification of ship's data**

The ship's data are notified on form S 21. The original form must be forwarded and be notarized both as regards the signatory's identity, the authenticity of the signature, the date and the signatory's powers to bind the company.

### **2. Approval/reservation of the ship's name in the Ship Register**

Ship names must be approved by the Ship Register before the ship is registered. The name must be clearly distinct from names of already registered ships that must be registered.

### **3. Notification of the ship's owner and documentation of compliance with the conditions of establishment and activity**

The original forms concerning the ship's owner must be forwarded and be notarized as regards the signatory's identity, the authenticity of the signature, the date and the signatory's powers to bind the company. As regards Danish signatories, two attesting witnesses or an attorney can witness to the signature instead.

#### **Danish company or Danish subsidiary company**

- Danish companies with limited liability are notified as owners on form R 3 with attestation.

#### **3.1. EU/EEA companies with limited liability as owner of the ship**

- The company is notified as owner on form R 13 in notarized form.
- An official register transcript from the commerce and companies register in the EU/EEA country where the company is registered is enclosed. It must also be possible to use this as documentation that the jointly owned shipping company meets the EU/EEA nationality requirements stipulated in section 1(3) of order no. 1046 of 6 December 1996. The company's secondary establishment in Denmark is to be notified, if relevant, by means of a transcript from the Danish Commerce and Companies Agency's register of companies in case of a sub-

subsidiary company or a branch. As regards branches, a copy or extract of the agency agreement is to be enclosed. The Ship Register can request additional information/documentation.

- A written statement describing how it is ensured that the ship is effectively controlled, directed and administered from the company's establishment in Denmark is to be *enclosed*. Notarization is not necessary. The Ship Register can request additional information/documentation.

### **3.2. EU/EEA companies without limited liability as owner of the ship**

- The company is notified as owner on form R 14 in notarized form.
- An official register transcript from the commerce and companies register in the EU/EEA country where the company is registered is to be enclosed. It must also be possible to use this as documentation that the jointly owned shipping company meets the EU/EEA nationality requirements stipulated in section 1(3) of order no. 1046 of 6 December 1996. The company's secondary establishment in Denmark is to be notified, if relevant, by means of a transcript from the Danish Commerce and Companies Agency's register of companies in case of a subsidiary company or a branch. As regards branches, a copy or extract of the agency agreement is to be enclosed. The Ship Register can request additional information/ documentation.
- A written statement describing how it is ensured that the ship is effectively controlled, directed and administered from the company's establishment in Denmark is to be enclosed. Notarization is not necessary. The Ship Register can request additional information/documentation.

### **3.3. EU/EEA jointly owned shipping company as owner of the ship**

- The jointly owned shipping company is notified on form R 12 in notarized form with information about the managing shipowner and the agent.
- Documentation is to be enclosed that the jointly owned shipping company meets the EU/EEA nationality requirements stipulated in section 1(3) of order no. 1046 of 6 December 1996 (for example, in the form of an official register transcript from the commerce and companies register in the EU/EEA country where the jointly owned shipping company is registered in apostillized/legalized form). The requirement also applies to any joint ownership companies.
- A written statement describing how it is ensured that the ship is effectively controlled, directed and administered by the jointly owned shipping company's agent in Denmark is to be enclosed. Notarization is not necessary. The Ship Register can request additional information/documentation.

### **3.4. EU/EEA one-man shipping company as owner of the ship**

- The one-man shipping company is notified on form R 11 in notarized form.
- Documentation is to be enclosed of the owner's primary establishment in Denmark or in another EU/EEA Member State. This may have the form of an official register transcript and foreign register transcripts.
- A written statement describing how it is ensured that the ship is effectively controlled, directed and administered from Denmark by the EU/EEA citizen himself or his agent is to be enclosed. Notarization is not necessary. The Ship Register can request additional information/documentation.

#### **4. The owner's title to the ship**

##### **4.1. A ship bought as a new ship**

- Original Builder's Certificate, notarized and apostillized/legalized both as regards the seller's signature, identity and power to bind the company (see form B1 (Builder's Certificate) concerning the information that must be given in the Builder's Certificate).

##### **4.2. A second-hand ship bought abroad**

- Bill of Sale, notarized and apostillized/legalized as regards the seller's signature, identity and capacity to sign on behalf of the seller (see form B2, Bill of Sale, as regards what information must be evident from the Bill of Sale).

##### **4.3. A second-hand ship bought in Denmark**

- Bill of Sale, confirmed by the notary or Danish attesting witnesses as regards the signatory's signature, identity and capacity to sign on behalf of the seller (see form B2 (Bill of Sale) as regards what information must be evident from the Bill of Sale).

#### **5. Original certificate of cancellation**

Ships cannot be registered in DIS until an original certificate of deletion has been forwarded to the Ship Register.

#### **6. Danish international tonnage certificate**

A tonnage certificate issued by a ship measurer authorised by the Danish Maritime Authority (<http://www.soefartsstyrelsen.dk/Skibe/registreringafskibe/skibsmalere/Sider/default.aspx>) is to be submitted to [cfs@dma.dk](mailto:cfs@dma.dk).

#### **7. Certificate of marking**

Certificate of marking as regards the marking of the assigned Danish distinctive number or letters on the ship must be notified on form S7.

#### **8. Mortgages**

Mortgages and the like can, at the earliest, be registered at the same time as the owner's title is registered and must be delivered in original. Documentation of the signatories' identity, power to bind the company and date of signature are required either in the form of Danish attesting witnesses or the notary. Registration of mortgages on the same day as the ship is registered is possible.

#### **9. Registration fees**

- Registration fee when title to the ship is registered by Builder's Certificate: DKK 0.
- Registration fee when title to the ship is registered by bill of sale or the like: 0.1 per cent of the purchase price (rounded up to the closest DKK 100).
- Registration fee on mortgages/owner's mortgages/letters of indemnity: 0.1 per cent (rounded up to the closest DKK 100).
- Except for the above-mentioned fees, registration is free of charge. There is no annual registration fee.

Documents of title and mortgages in foreign currencies can be registered in foreign currencies. However, a person notifying documents in foreign currencies must give the rate of exchange to DKK, cf. section 2(2) of the Registration Fee Act.

## **10. Opening hours**

Documents are recorded in the daybook between 9.00 and 14.00 hours. Documents recorded in the daybook cannot be registered until after 14.00 hours on the day that they were recorded in the daybook.

## **13. ANNEX 2: Bareboat registration in DIS**

### **1. What bareboat charterers can bareboat register into DIS**

Ships that are, according to section 1 of the Merchant Shipping Act, *not* considered Danish can be bareboat chartered from a foreign flag to DIS if the bareboat charterer is:

- A Danish citizen or a Danish company;
- An EU/EEA citizen or an EU/EEA company meeting the conditions of establishment and activity as described in sections 4-7.

### **2. Period**

It is possible to register the ship in DIS for the period of the bareboat agreement, however for a maximum of five years. Any options to extend a bareboat agreement are not considered by the Ship Register as a part of the duration of the agreement until the option is confirmed to be used. The ship registrar can, upon the written request of the charterer, extend the period by up to one year at a time.

### **3. Mortgages**

Mortgages or other rights to a ship bareboat registered in DIS cannot be registered.

### **4. Documentation requirements**

The following documents must be forwarded to the Ship Register in connection with the bareboat registration of a ship in the Danish register.

- Notification form S 31.
- The bareboat agreement or an extract of this in Danish or English and notarized as regards the identity of the signatory, the authenticity of the signature and the date as well as the signatories' power to bind the company.
- Letter of consent from the foreign registration authority stating that the ship has the right to fly another flag of nationality during the chartering period. Transcript from the foreign registration authority showing who is the registered owner of the ship. Provisions regulating the powers to bind a company/notarized transcript from the register of companies in which the charterer is registered with documentation of the power to bind the company if the notary does not confirm the power to bind the company.
- In case of extension, the original agreement on the extension of the bareboat charter party is required to be presented as well as a new letter of consent from the foreign registration authority unless the original consent contains an express validity beyond the bareboat charter period registered in Denmark at first.

The Ship Register can also request documentation that the ship's owner is not Danish and that the bareboat charterer meets the conditions for being able to bareboat register a ship in DIS.

### **5. Deletion from DIS**

The bareboat registration will be deleted from DIS again when:

- the charter party expires;
- the conditions for registration are no longer found;
- the charterer requests so in writing;

- the ship no longer has a right to temporarily fly another flag of nationality than that of the native country, according to legislation in the ship's native country; or
- the ship is broken up, lost, disappears or is declared impossible to repair by appointed expert witnesses, by a recognised classification society or by some other procedure comparable hereto.

The charterer is obliged to notify in writing when one of the above-mentioned reasons for deletion occur and no later than 30 days after the bareboat charterer has become aware of the reason for deletion.