

Order for the Faroe Islands on insurance certificates as proof of covering maritime claims¹

In pursuance of section 153(5) and section 514a of the merchant shipping act (*søloven*), as enacted for the Faroe Islands by royal decree no. 187 of 8 February 2017, the following provisions are laid down by authority:

Section 1. This order shall apply to Danish ships with a gross tonnage of or above 300 as well as to foreign ships with a gross tonnage of or above 300 calling at or departing from a Danish port or any other place of loading or unloading in Denmark or in the Danish continental shelf area or carrying out activities in Danish territorial waters.

Section 2. For the purposes of this order, insurance shall mean the following:

- 1) P&I insurance (Protection and Indemnity, P&I) offered by a member of the International Group of P&I Clubs).
- 2) Liability insurance with similar coverage for maritime claims.
- 3) Documented self-insurance with similar security for coverage for maritime claims.
- 4) A bank guarantee with similar coverage for maritime claims.
- 5) Any other type of financial security with similar coverage for maritime claims.

Subsection 2. The insurance mentioned in subsection 1 may be with or without a franchise.

Subsection 3. The insurance shall, cf. section 153(4) of the merchant shipping act (*søloven*), provide a possibility for being compensated within the liability limits stipulated in section 175 of the merchant shipping act (*søloven*) (LLMC 1996). This shall apply even if the country in which the ship is registered has not acceded to the Protocol of 1996 to amend the Convention on Limitation of Liability for Maritime Claims (LLMC 1996).

Section 3. In order to confirm that the insurance mentioned in section 153 of the merchant shipping act (*søloven*) has been taken out, the ship shall carry a certificate on board containing the following information:

- 1) The name of the ship.
- 2) The IMO ship identification number.
- 3) The port of registry of the ship.
- 4) The shipowner's name and principal place of business.
- 5) The name and principal place of business of the insurance company and, if relevant, the place where the insurance has been taken out.
- 6) The type of insurance that has been taken out.
- 7) The period of validity of the insurance.

Subsection 2. The insurance shall have been issued in English, French or Spanish. If the certificate has been issued in another language, the text shall contain a translation into English, French or Spanish.

¹ This order contains provisions implementing parts of Directive 2009/20/EC of the European Parliament and of the Council of 23 April 2009 on the insurance of shipowners for maritime claims, Official Journal 2009, no. L 131, page 128.

Section 4. A certificate (Certificate of Entry) complying with the requirements of section 3 and stipulating that the ship's P&I insurance has been issued by a member of the International Group of P&I Clubs shall be recognised as a certificate in the sense of the merchant shipping act (*søloven*), section 153.

Section 5. The owner of a ship flying the Danish flag, including ships bareboat-registered in Denmark, shall inform the Danish Maritime Authority about the insurance that has been taken out if the ship cannot present the certificate mentioned in section 4. If the ship can present the certificate mentioned in section 4, the shipowner shall not inform the Danish Maritime Authority.

Subsection 2. The Danish Maritime Authority shall be informed about the insurance that has been taken out, cf. subsection 1, once every calendar year.

Subsection 3. As regards ships that cannot present the certificate mentioned in section 4, the Danish Maritime Authority may in special cases demand documentation that the issuer of the insurance, cf. section 2, has the right to operate such a business in the country in which the insurance provider is domiciled and that it is documented that the insurance provider is solvent and can meet his obligations to cover maritime claims.

Subsection 4. If changes are made to the insurance of importance to the validity of the certificate, the owner of the ship shall, immediately after having become aware hereof, be obliged to inform the Danish Maritime Authority hereof.

Section 6. The police, customs authorities or port authorities noting contraventions of this order during the performance of their civil service obligations, shall immediately inform the Danish Maritime Authority hereof.

Subsection 2. The Danish Maritime Authority may, at the ship's arrival, check whether it is provided with the required certificate and may, in case of doubt whether the insurance of a foreign ship is sufficient, contact the flag State.

Section 7. Contraventions of section 3 and section 5 shall be liable to punishment by fine.

Subsection 2. Companies, etc. (legal persons) may be liable to punishment pursuant to the provisions of chapter 5 of the penal code (*straffeloven*).

Section 8. This order shall enter into force on 1 March 2017.

Danish Maritime Authority, 27 February 2017
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