# The Faroe Islands National & International Ship Register



is an open register that offers numerable benefits to shipowners. Our objective is to achieve the quality register "with the competitive edge".

## **FAS registration costs**

## • Registration fee

0	Vessels below	1000 GT	DKK 50,000
0	Vessels	1000 - 2999 GT	DKK 75,000
0	Vessels	3000 - 9999 GT	DKK 100,000
0	Vessels	10000 GT and above	DKK 125,000

## • Certificate of Nationality

0	Vessels below	1000 GT	DKK 3,000
0	Vessels	1000 - 2999 GT	DKK 5,000
0	Vessels	3000 - 9999 GT	DKK 10,000
0	Vessels	10000 GT and above	DKK 20,000

# • Tonnage Certificate – DKK 2 per GT

#### **Annual fee**

# Basic fee DKK 15,000 + additional fee based on size and age of ship (basic fee + $(GTx\ GT\ factor)$ ) x age factor

Gross Tonnage GT				
from	to	GT factor		
100	3000	1,3		
3001	7500	1,0		
7501	24000	0,7		
24001	30000	0,5		
30001	45000	0,4		
45001	1	0,3		

Percentage fee determand by age				
from to		percent		
0	4	0		
5	9	5		
10	14	10		
15	19	15		
20	24	20		
25	29	50		
30	49	75		
50	=	100		

#### Example - in DKK

Gross Tonnage GT	Sun - 700	Dawn – 1850	Sky - 8500	Star - 25000
Age of vessel	8 years	15 years	1 year	3 years
Registration Fee	50,000	75,000	100,000	125,000
Annual Fee	16,706	20,016	20,950	27,500
Certificate of Nationality	3,000	5,000	10,000	20,000
Tonnage Certificate	1,400	3,700	17,000	50,000
Total amount	71,106	103,716	147,950	222,500

### **Company registration**

Share capital
Registration fee
+ add. DKK 4 per thousand of the share capital
Annual fee

Sp/f	P/f	
DKK	DKK	
80,000	500,000	
2,500	3,500	
max. 25,000	max. 25,000	
700	1,200	



The established company may be owned totally by non-residents, but must have an address on the Faroe Islands.

#### **Taxes**

**Tonnage Tax Scheme (TTS)** – enrolment binding for 3 years

The taxable income is based on the vessel's net tonnage and is calculated as follows:

0	Up to 1000 NT	DKK 6 per 100 NT per day
0	From 1001-10000 NT	DKK 4 per 100 NT per day
0	From 10001-25000 NT	DKK 3 per 100 NT per day
0	25001 NT and upwards	DKK 1 per 100 NT per day

Activities closely linked to ship operations may also be included in the TTS.

Vessels, flying a foreign flag and bareboat chartered to a Faroese company, can register their charter party with the Faroese Tax Authorities (TAKS). According to the Faroese Tax Legislation these vessels are entitled to the refund of the 35% personal taxes levied on crew members.

Bareboat chartered vessels may register in FAS and thereby gain access to all of the advantages and rights provided Faroese vessels.

A company that registers a vessel on the Faroe Islands can choose either to enter the Tonnage Tax Scheme (TTS) or to enter the company tax scheme. In the Faroe Islands the company tax rate is 18%.

#### Example – in DKK:

Net Tonnage	Sun - 700	Dawn – 1,850	Sky – 8,500	Star – 25,000
Up to 1000 NT	42	60	60	60
From 1001-10000 NT		36	300	360
From 10001-25000 NT				450
25001 NT and upwards				
Taxable income a day	42.	96	360	870
Taxable income a year (365 days)	15.330	35.040	131.400	317.550
Tax 18% due	2.760	6.307	23.652	57.159

#### **Personal Taxes**

All crew members on FAS registered vessels pay a 35% flat rate tax and the shipping company will receive a 100% refund of taxes paid from the Faroese Tax Authorities (TAKS). This process of refund takes place in the beginning of each month – usually the 3rd banking day.

#### **Social Security Expenses**

Seafarers with residence on the Faroe Islands pay full social security expenses as well as the shipping company pays an equal amount. Non-residents pay no social security expenses at all, neither does the shipping company.

•	Pension Fund	2.25%
•	Maternity Fund	0.71%
•	Unemployment Fund	1.25%

The Faroese crew member and the shipping company pay one share each. The rates above refer to the gross income.

Shipowner expenses			Crew member wages	
Crew FO	Crew WW	In DKK	Crew FO	Crew WW
-20.000,00	-20.000,00	Gross income	20.000,00	20000,00
7.000,00	7.000,00	Personal tax 35%	-7.000,00	-7.000,00
-450,00	0	Pension fund 2,25	-450,00	0
-142,00	0	Maternity fund 0,71	-142,00	0
-250,00	0	Unemployment fund 1,25	-250,00	0
-13.842,00	-13.000,00	Net results	12.158,00	13.000,00

# **Manning**

The minimum number of officers and crew is decided by the Faroese Maritime Authority (FMA). The FMA issues all officers documents in accordance with the STCW Convention.

The cost for: Recognition Certificate DKK 500

There are no requirements for work- and/or residency permit.

There are collective agreements between organizations of seafarers and shipowners' association