

Navigating Legal Waters: **Registering Floating Wind Turbines in Norway**

Bjørn Tore Fasmer
Senior Adviser

The Ship Registers **NIS/NOR**
Norwegian Maritime Authority (**NMA**)

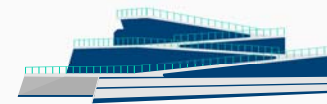
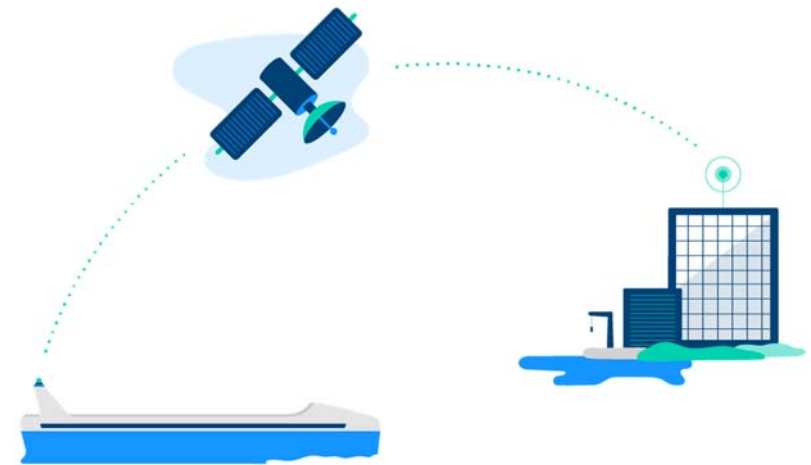


Maritime Future New Technologies

The Norwegian Maritime Authority (NMA) is the administrative and supervisory authority in matters related to safety of **life, health, material assets and the environment** on vessels flying the Norwegian flag and foreign ships in Norwegian waters.

The NMA is also responsible for ensuring the **legal protection of Norwegian-registered ships and registered rights in those ships.**

The NMA is subordinate to the Ministry of Trade, Industry and Fisheries and the Ministry of Climate and Environment.



Maritime Future

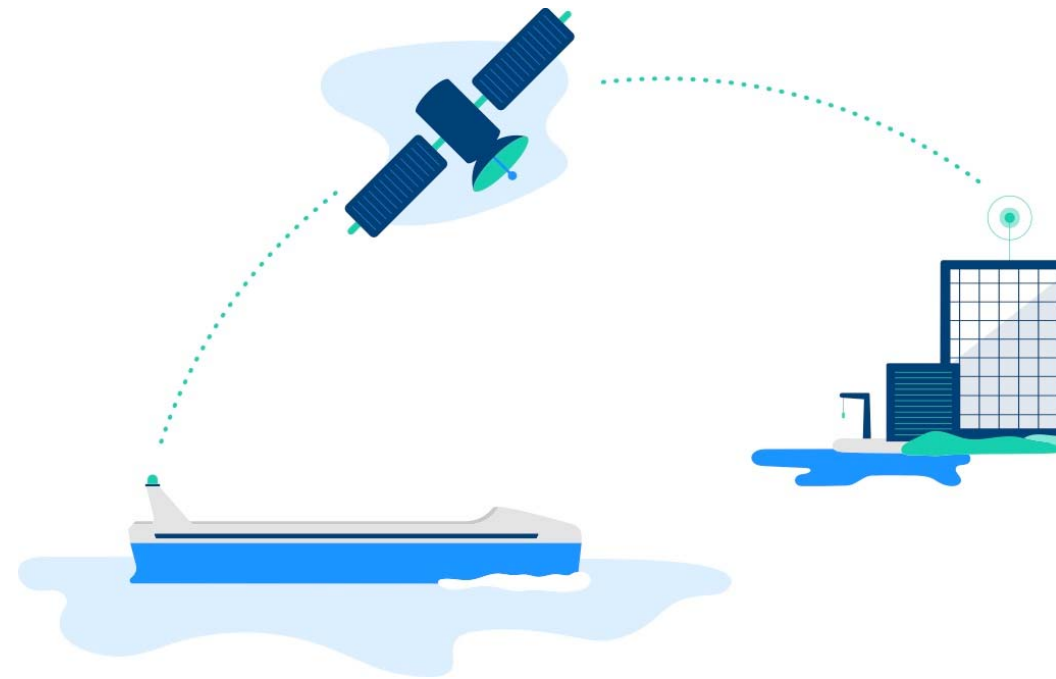
Norway's Unique Market Position

The maritime cluster provides a **holistic and collaborative environment** for the maritime industry



The Norwegian Ship Registers

- NMA's Overall Vision:
- **The preferred maritime administration**
- Goals:
 - High level of safety, cleaner environment
 - Professionalism and customer focus
 - World-leading and attractive collaborating partner
- The NMA has been delegated authority pursuant to the Norwegian Maritime Code to **manage the function of real property register.**



The Norwegian Ship Registers

Norway has distinguished itself as **the first ship register globally to register a floating wind turbine.**

Zephyros One – previously know as **Hywind Demo** – was registered in October 2020.

The registration of this turbine in a ship register underscores **the maritime nature of this technology** and opens up new avenues for **regulatory oversight and safety standards.**



Hywind Demo Copyright CC Lars Christopher

Legal basis and conditions for registration of floating wind turbines

The Norwegian Maritime Code section 33:

“Units which are not regarded as ships

The following units may upon the request of their owner be entered in the Ship Register, even if they do not fall within the scope of section 11 second and third paragraphs:

1. floating cranes, floating docks and dredgers, if owned by someone as mentioned in section 4 first paragraph;
2. such other floating units as the King decides, if owned by someone as mentioned in section 4 first paragraph;
3. hovercraft, if Norwegian, cf. section 6.”

Reg. “other floating units”: This not limited to floating wind turbines only. **It does also include floating tidal, floating offshore solar and floating substations.**

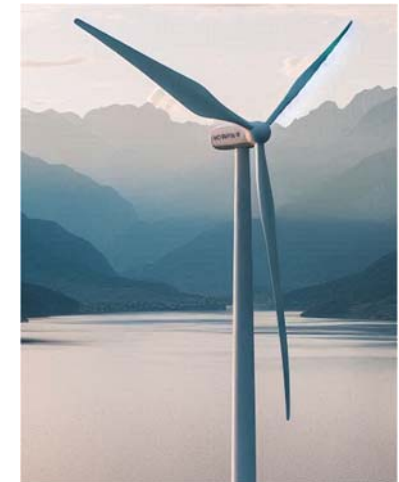
Legal basis and conditions for registration of floating wind turbines

A. The definition of “other floating units” is given in the second paragraph of section two of the Regulations of 26 April 1994 No. 321 concerning the registration of other floating constructions:

“Section 2. Definitions

Other floating constructions means constructions which:

1. are or are intended to be permanently floating; and
2. are not regarded as ships; and
3. are used solely or mainly for the purpose of trade; and
4. cannot be mortgaged pursuant to the Mortgage Act or other legislation.”



Legal basis and conditions for registration of floating wind turbines

B. Ownership condition: “if owned by someone as mentioned in section 4 first paragraph”

= Section 4:

1. a Norwegian national;
2. a shipping partnership or other company whose members have unlimited liability for its obligations, provided that Norwegian nationals are co-owners for at least six tenths;
3. other companies, provided they are registered in Norway.

The nationality requirements are thus much more lenient than for ships, cf. section 1 of the Maritime Code.

Legal basis and conditions for registration of floating wind turbines

Norwegian Shipbuilding Register (BYGG):

- **BYGG** is a specialized domestic ship register within the broader **Norwegian Ship Register**.
- It specifically deals with vessels under construction in Norway and contracts for building ships within the country.
- BYGG does not restrict participation based on nationality or ownership. International entities can engage in shipbuilding activities within Norway.
- **BYGG is open for the registration of floating wind turbines**
- Registration in the Shipbuilding Register is **voluntary** and typically occurs during the construction phase of a vessel.
- The unique identification for entries in the Shipbuilding Register is a combination of the **hull number** and the **shipyard name**.

Registration process for ZEPHYROS ONE (Hywind Demo)

Very similar to normal ship registration.

For owners, lawyers and brokers familiar with shipping, the requirements are well known:

Ownership is documented through **Builder`s Certificate** and **Bill of Sale**.

A separate **Declaration of Nationality** is added to prove that the owner satisfies the nationality requirements.

The turbines measurements were declared by **general arrangement drawings** but could also be declared by other forms of documents.

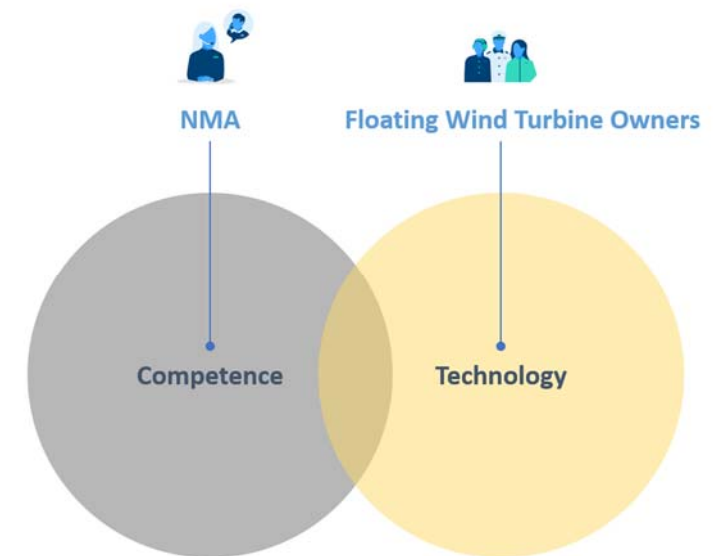


A Strategic Move for Floating Wind Turbine Investments

Placing a ship mortgage on a floating wind turbine, such as the Hywind demo, and registering it can have **significant value** for both the owner and potential lenders.

Security for Lenders: Once a turbine is registered in Norway, a lender can register a ship mortgage. This provides the lender with a form of security, ensuring that they have a claim on the asset in the event of default.

Attracting Investment: The establishment of a legal framework that enables projects to attract commercial financiers is central for offshore wind production to become a commercially viable industry.

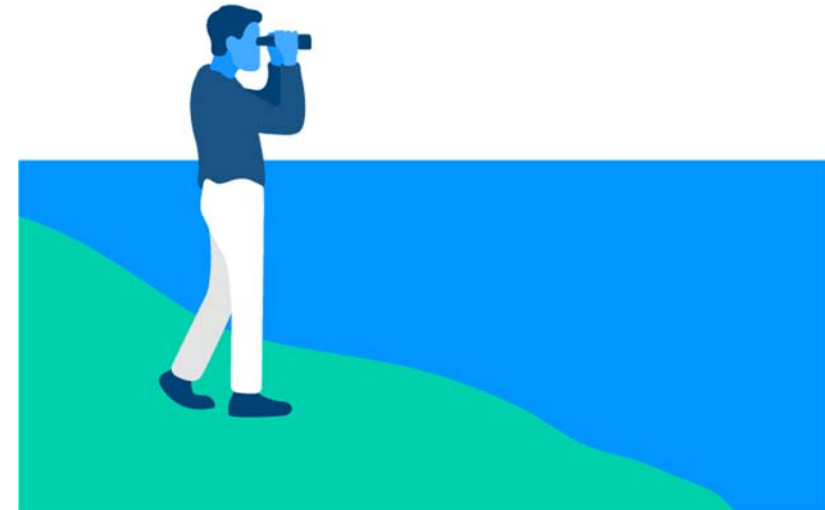


A Strategic Move for Floating Wind Turbine Investments

Individual Asset Value: If turbines can be registered and **mortgaged individually**, it allows for each turbine to be valued as a separate asset. This can increase the overall value of a wind farm project and provide more flexibility for the project owner.

Regulatory Compliance: Survey, verification and certification functions will be carried out by the NMA or by one of the recognized organisations approved by the NMA.

This will, in sum, **enhance the credibility of the project** and may open up additional opportunities for **funding and partnerships in the shipping industry** – both in Norway and globally.



Norway offers a streamlined registration regime suited for the commercial development of floating wind turbines.

Norway's complete maritime cluster, regulations and geographic location makes it ideal for floating wind turbines.

Both the NOR, NIS and BYGG registers are ready for your projects **today**.



Maritime Future
Thank you

Please feel free get in touch with me
or one of our in-house specialists:

Bjørn Tore Fasmer
Senior Adviser

btf@sdir.no

