

Danish Shipowners' Association

Specialist building blocks for shipping companies

With reference to "Addendum to the Consultation Paper" please find below our comments on some of the questions posed in your paper, namely the questions which are of particular relevance to the shipping companies:

Question 111:

Do you believe that a specialist building block for shipping companies is appropriate?

No.

Most industries covered by standard building blocks, which sufficiently cover also the shipping industry.

All appropriate information can be passed on under the general requirements on disclosure. The paper completely fails to give reasons for a very large part of the proposed special disclosure requirements for shipping companies. Furthermore detailed information on chartered or leased vessels is of little or no value, because such information may change rapidly and dramatically within very short periods. The same goes for the proposal to require a special valuation report.

Question 112:

Do you agree with the disclosure requirements in registration documents for shipping companies set out in Annex (6)?

No.

- Re "Disclosure requirements":

Para. 1: No special details are required other than standard.

Para. 2: Disclosing such details could compromise business confidentially and hurt the disclosing party.

Para. 3: Potential conflicts of interests are presumed covered by standard disclosures - no special requirement needed.

Para. 4: General provisions for assets specification will suffice.

Para. 5: General disclosures of commitments/prepayments will suffice.

- Re "Insurance":

No specific requirements needed for insurance disclosures other than what is generally required for all issuers.

Since all material information should be disclosed, any of the above information should anyway be disclosed if material.

Question 113:

Do you agree that valuation reports as set out in Annex (6A) should be required for shipping companies?

No.

No need for valuation report any more than in other industries. And especially no need for a valuation report detailed per vessel.

Question 114:

Do you consider it appropriate that the date of valuation must not be no more than 90 days prior to the date of publication?

Not applicable (see above 113).

Question 115:

Do you agree that it would be more appropriate for such valuation reports to be required when securities are being issued by a shipping company and hence should form part of the securities note.

Not applicable (see above 113).