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**Decree No. (3) of 1995 ratifying the Charter of the Islamic Federation of Vessel Owners**

We, Isa bin Salman Al Khalifa, Emir of the State of Bahrain,

Having reviewed Article (37) of the Constitution;

The third Decision of the Organization of the Islamic Conference held in Mecca in the Kingdom of Saudi Arabia from the period between 19- 22 Rabi' Al-Awwal 1401 A.H. Corresponding to 25- 28 January 1981, No. 4/3 ق (ق0أ) approving the Charter of the Islamic Federation of Vessel Owners,

And The Charter of the Islamic Federation of Vessel Owners,

And upon the submission of the Minister of Foreign Affairs;

And after the approval of the Council of Ministers,

**Hereby Decree the following:**

**Article One**

The third Decision of the Organization of the Islamic Conference held in Mecca in the Kingdom of Saudi Arabia from the period between 19- 22 Rabi' Al-Awwal 1401 A.H. Corresponding to 25- 28 January 1981, No. 4/3 ق (ق0أ) approving the Charter of the Islamic Federation of Vessel Owners according to Article (42) of this charter has been ratified.

**Article Two**

The Ministers - each within his jurisdiction- shall implement this Law, and it shall come into force upon its publication in the Official Gazette.

**Emir of the State of Bahrain**

**Isa bin Salman Al Khalifa**

Issued at Riffa Palace

28 Ramadan 1415 A.H.

27 February 1995

**The Charter of the Islamic Federation of Vessel Owners**

**The Preamble:**

The governments of the member states of the Organization of Islamic Conference, bearing in mind the objective of the organization as provided in the Convention; Having been convinced of their respective interests to develop and consolidate the links of economic cooperation and mutual trade relations; In order to achieve optimum utilization of economic resources and potentials existing among the member states; In order to achieve the ideal mobilization of energies and capabilities for the exploitation and utilization of such resources as part of the existing cooperation among the member states of the Organization of Islamic Conference;

Having perceived that their relations in the fields of communication and transportation constitute a strong basis for economic and trade cooperation, which may subsequently lead to economic and social development built on common interests and mutual benefits;

In their desire to construct a strong and efficient body regarding issues of communication and transportation among the member states, a matter which is deemed basic for the development and progress of trade among states and countries; In appreciation of the significant recommendations of the Organization of Islamic Conference represented by the ministers of the foreign ministries in order to confirm coordination and organization in the fields of maritime transport and shipping; The governments of the member states have hereby approved and ratified the Charter of the Islamic Federation of Vessel Owners.

**Words and expressions meanings**

For the purposes of this charter, the following words and expressions shall have the meaning assigned to each, unless the context requires otherwise:

1- “The Islamic Federation of Vessel Owners” means the federation as established under this Charter.

2- “**Executive Committee”:** The executive committee for the Islamic Federation of Vessels Owners.

3- “Member states”: The member states of the Organization of Islamic Conference (“OIC”).

4- “Marine company”: A company or organization owning one or more vessels and operating regularly on international routes, provided that the total load of a registered vessel shall not be less than 1,000 tons.

5- “Members”: Private marine companies and societies of such companies that are considered to be members of the federation.

6- “Chairman”: The chairman of the executive committee of the federation.

7- “General Assembly”: Operating members, affiliated entities and observers as represented in the federation

8- “Controller of accounts”: The person qualified and licensed to engage in trade in one of the member states.

**Section One**

**Establishment of the Federation**

**Article (1)**

A quality professional federation for the owners of vessels shall be established as an autonomous entity originating from the OIC. The provisions of this charter shall apply to such federation, as well as agreed items of the country of seating, provided that such provisions do not contradict with the local laws of the country of seating and the state members.

**Article (2)**

1. The seat of the federation shall be the city of Jeddah, Kingdom of Saudi Arabia. The federation may, by resolution, hold meetings outside the seating city.

2. Based on a resolution of the executive committee, the federation may open offices or branches in the other member states. The powers and functions of such offices and branches shall be specified by the general assembly.

**Article (3)**

The country of seating shall undertake to implement the necessary measures with respect to local laws for the institution and declaration of the federation.

**Article (4)**

1. The federation shall have a legal personality and full legal competence to engage in its respective functions and to accomplish its objectives.

2. The main centre, branches and offices of the federation shall have the privileges and immunities granted to the OIC.

**Section Two**

**Objectives and Functions of the Federation:**

**Article (5)**

The objectives of the federation shall be to coordinate and unify the efforts of members in order to achieve cooperation among marine companies for the advancement of maritime transport in the member states; to accomplish optimum utilization of the companies’ fleets in protecting the interests of members through provision of proper guidance; to provide maximum support in international marine affairs; and to link the Islamic world and foreign countries with an integrated network of shipping lines.

**Article (6)**

In order to achieve its objectives, the federation shall:

1. Encourage members to construct shipping lines among the member states, as well as establish joint Islamic marine companies.

2. Organize marine conferences among the member states and establish systems in order to secure their share of maritime transport through the UNCTAD conduct guidelines.

3. Secure regular and periodic freight transport between the ports of the member states, Islamic ports and other ports, while according priority to the marine companies of the member states in the transport of goods related to the Islamic countries.

4. Encourage national agencies in member states to acquire agencies from Islamic marine companies.

5. Assist in the design of a standard policy for Muslim marine carriers in order to realize the objectives of the federation.

6. Provide proposals and advice to the member states with regard to the rules of conduct among such companies with regard to freight, shipping charges and other procedures in order to develop and promote best performance.

7. Provide proposals and advice to the member states with regard to the management, institution and development of marine systems that promote the competence of maritime transport in cooperation with specialized Islamic institutes.

8. Organize studies and research in the various fields of maritime transport, and circulate such studies and research among the member states in order to promote the level of transport services.

9. Provide technical assistance for the exchange of technical services and marine maintenance works among the companies of the member states in order to promote the competence of fleets, to establish joint plans for the development of such fleets, and to supply the types of vessels that suit the trade in each country.

10. Provide technical assistance to member states in the fields of marine safety, pollution, laws and insurance so as to comply with international laws and regulations.

11. Encourage the member states to operate as a uniform group in dealing with the Islamic and international federations and organizations in the field of marine transport, as well as actively engage in international marine activities.

12. Discuss and study problems and obstacles facing member states and provide appropriate solutions.

13. Request and invite member governments and chambers of commerce in member states to participate in the establishment of trade plans and techniques; communicate with suppliers and importers in developed countries to assign part of the state trade in favour of respective marine companies; and attempt to reinforce and develop national fleets and improve the performance thereof so as to enable them to compete with the international monopoly of marine trade. Such objectives may be secured through the organization of a marine conference.

**Part Three**

**Membership**

**Article (7)**

Membership of the federation shall comprise the following levels:

1. Operating members.

2. Affiliated members.

3. Observers.

**Article (8)**

Accession to federation membership shall be in accordance with the following rules:

1. Membership of the following entities shall be accepted:

a. Marine companies operating in international trade, where the federation of such companies is registered in one of the member states.

b. Nationals of member states, who own not less than fifty-one (51) percent of the capital of marine companies, provided that the representative of such company shall be a Muslim.

2. The following may be accepted as affiliates (without voting rights):

a. The Secretariat-General of the OIC.

b. The Secretariat-General of the Islamic chambers of commerce and industry and goods trade.

c. Specialized institutes, organizations and other agencies in member states that conduct similar activities.

3. The following may be accepted as observers:

- International and territorial organizations and agencies operating in marine trade and comply with reciprocality rules.

**Article (9)**

Representation in the federation and related committees shall be as follows:

1. Each member shall be represented by one or more representatives in the departments of the federation.

2. All members are entitled to be elected to the department of the federation.

3. Each member state shall have only one vote, regardless of the number of companies.

**Article (10)**

Each member state shall assign a national contact point at the federation.

**Part Four**

**Article (11)**

The departments of the federation shall be:

1- General Assembly.

2- **Executive Committee.**

3- Secretariat-General.

4- Any department or subcommittees the federation may desire to establish.

**Part One**

**General Assembly**

**Article (12)**

The general assembly shall comprise all operating members of the federation. Furthermore, the affiliated and observer members may attend sessions and participate in discussions but withoutthe right to vote.

**Article (13)**

The functions of the general assembly shall be as follows:

1. Election of the executive committee.

2. Consideration and approval of work plans.

3. Review of accession fees and annual contributions of the members.

4. Consideration and approval of the budget, final accounts and controller’s report.

5. Review of the annual report submitted by the executive committee on the activities of the federation.

6. Appointment of the secretary-general of the federation.

7. Appointment of the controller of accounts and determination of the fees thereof.

8. Consideration of any other subjects related to the activities of the federation.

**Article (14)**

The general assembly shall alternately appoint its chairman and coordinator. The chairman of the executive committee shall call for regular meetings at least 45 days in advance thereof. The agenda of the committee shall be enclosed with the call for such meetings.

**Article (15)**

1. The general assembly shall convene in regular annual meetings. The quorum of a regular general assembly meeting shall be the majority of attending members (half the total of members plus one). The attendees shall belong to at least half the states that comprise the membership of the federation.

2. Where the legal quorum is not attained, the meeting shall be postponed for twenty-four (24) hours, following which the meeting shall be legal and proper if attended by at least a quarter of the membership.

3. The general assembly shall issue its resolutions by majority vote. Where there is a deadlock, the chairman shall have a casting vote.

**Article (16)**

1. The general assembly may be called for an extraordinary meeting upon the request of two thirds of the members, or upon the request of the executive committee, to consider the following issues:

a. Amendment of the charter.

b. Dissolution of the federation.

c. Any other urgent or significant matter.

2. The extraordinary general assembly shall issue its resolutions on any of the aforesaid issues by a majority vote of two thirds of the full membership.

**Part Two**

**Executive Committee**

**Article (17)**

The general assembly shall elect the executive committee of twelve (12) members on a geographical basis. The secretary-general, representatives of the OIC secretariat-general, the Islamic chambers of commerce and industry,and the commodities exchange shall be considered members of the executive committee but without the right to vote.

**Article (18)**

The term of the executive committee membership shall be three (3) years, provided that, except for the initial executive committee, the membership of one-third of the members shall be renewed on an annual basis.

**Article (19)**

The executive committee shall, at its first meeting, elect a chairman and a deputy chairman. Where the chairman and deputy chairman are absent fro many meeting, the executive committee shall elect a chairman for the session, without prejudice to the right of the executive committee to appoint any of its members for their representation. The chairman of the executive committee shall be the lawful representative of the federation.

**Article (20)**

The quorum of the executive committee shall be proper where its meeting is attended by two-thirds of the membership. Where the proper quorum is not attained, such meeting shall be proper by ordinary majority twenty-four (24) hours after the specified date of the initial meeting.

**Article (21)**

Each member of the executive committee shall have only one vote. Resolutions of the executive committee shall be issued by regular majority of the attending members. Where there is a deadlock, the chairman shall have a casting vote.

**Article (22)**

The executive committee shall convene at least once every six (6) months. It shall determine the date and venue of its next meeting and may hold extraordinary meetings upon a proposal by the secretary-general and approval of the chairman. Otherwise, such extraordinary meeting may convene upon the request of half of the membership.

**Article (23)**

The functions of the executive committee shall be as follows:

1. Approval of work plans and presentation thereof before the general assembly for endorsement.

2. Formation of the necessary permanent and temporary committees for the accomplishment of the objectives of the federation.

3. Approval of the financial and administrative regulations of the federation.

4. Ratification of the organizational chart of the federation.

5. Appointment and termination of the heads in charge of the secretariats that shall be of the highest competence, taking into account the geographic considerations.

6. Determination of the means of cooperation with entities and organizations related to the activities of the federation.

7. Preparation of the annual report of the activities, budget proposals and final accounts of the federation, and presentation thereof to the general assembly for endorsement.

8. Consideration and decision on accession and withdrawal from general assembly membership.

9. Settlement, upon request, of disputes that arise between the members of the federation.

10. Determination of vacancies in and appointment to positions in the executive committee membership.

**Article (24)**

The executive committee shall submit an annual report to the general assembly on the activities of the federation.

**Article (25)**

The executive committee may invite any of the members of the federation to attend discussions on any subjects that are of special interest to such member, but without the right to vote. The executive committee may also invite any of the federation members or any other person, as deemed appropriate, to provide advice on any specific issue.

**Part Three**

**General Secretariat:**

**Article (26)**

The secretariat-general of the federation shall be headed by a secretary-general appointed from the nationals of a member state. Such person shall possess the requisite experience and knowledge in maritime transport and shall be assisted by a team of officials in accordance with the organizational chart of the federation.

**Article (27)**

The secretary-general shall be appointed for an unspecified term.

**Article (28)**

The secretary-general shall undertake the appointment of personnel, other than key officials-in-charge, on an equal geographical basis in accordance with Article 23 (5) of this charter.

**Article (29)**

The functions of the secretariat-general shall be as follows:

1. Preparing the draft agenda for the executive committee meetings.

2. Circulating the resolutions and recommendations of the executive committee and the general assembly to members, and following up the implementation thereof.

3. Preparing the draft financial and administrative regulations and the organizational chart.

4. Preparing the draft budget, final accounts and the draft of the annual report on the activities of the federation.

5. Running the daily affairs of the federation.

6. Preparing technical, financial and administrative studies to assist in the realization of the objectives of the federation.

**Article (30)**

The secretary-general shall assume all assignments and executive procedures in accordance with this charter. He shall be responsible before the executive committee for all his actions. He shall attend the meetings of the general assembly but without having the right to vote.

**Article (31)**

The secretary-general shall be the legal representative of the federation at all international levels within the limits of the purposes provided herein. He shall have sufficient powers to engage in the assignments of his position.

**Article (32)**

The position of secretary-general and membership in the executive committee may not be combined.

**Part Four Subcommittees:**

**Article (33)**

The executive committee shall undertake the formation of specialized subcommittees to carry out studies in the following fields:

a. Transport of dangerous goods. b. Safety at sea.

c. Conference lines. d. Training and certification of sailors.

e. Marine pollution. f. Navigation and guidance.

g. Building and repair of vessels. h. Recommendations of UNCTAD, IMO (International Maritime Organization) and other international agencies.

i. Foreign currency policy.

j. Custom tariff and duties. k. Statistics.

l. Insurance. m. Ports.

n. Marine law. o. Marine cheating and swindling.

**Article (34)**

The executive committee shall also study problems raised by the departments of the federation and submit reports thereon.

**Article (35)**

The reports of subcommittees shall be submitted to the secretary-general for presentation before the executive committee. The executive committee shall implement any measures deemed appropriate and issue circulars to members on comments related to such reports.

**Part Five**

**Financial Resources - Budget**

**Article (36)**

The financial resources of the federation shall comprise the following:

1. An accession fee of USD 5,000 (five thousand US dollars).

2. An annual contribution of not less than USD4,000 (four thousand US dollars) by each member.

The amount of such contribution shall be increased by twenty-five (25) percent for members owning more than five hundred thousand (500,000) total registered tons, for each one hundred thousand (100,000) total registered tons or part thereof, up to a maximum of USD8,000(eight thousand US dollars)for each one hundred thousand (100,000) total registered tons or part thereof, up to a maximum of USD10,000(ten thousand US dollars).

3. Aid, grants, donations and legacies in favour of the federation.

4. Considerations for rendered services.

5. Legacies granted to the federation and accepted by the executive committee.

**Article (37)**

The federation shall have an annual budget. The financial year shall start on the first day of January and end on the thirty-first day of December of each year.

**Article (38)**

The funds of the federation shall be deposited in one or more banks in member states as designated by the executive committee. Disposal of such funds shall be in accordance with the financial regulations designated by the executive committee.

**Part Six**

**Accounts Auditing**

**Article (39)**

The general assembly shall every year appoint an auditor from among the member states, who shall start his assignment from the date of such appointment. The initial appointment of the aforesaid auditor shall be undertaken by the executive committee.

The auditor shall inspect and review all the financial and accounting affairs of the federation. He shall be entitled in such capacity to review the books, records and documents of the federation, to request any other data or clarification as may be necessary for the performance of his assignment, as well as to verify the assets and liabilities of the federation. He shall be responsible for verification of the treasury and assets in addition to preparation of a report on the final accounts of the federation.

**Article (40)**

The Executive Committee may nominate an auditor instead of the auditor, who vacated his post during the period of his absence, for any reason, and until the date of the next meeting of the General Assembly.

**Article (41)**

The auditor shall express his opinion before the general assembly on the final accounts of the federation and the extent of compliance thereof with the approved budget proposals, and he shall reveal all financial violations, if any, which may affect the financial status of the federation. The auditor shall attend meetings related to such assignment.

**Part Seven**

**Establishment of the Fedaration and Termination**

**Article (42)**

This agreement shall be deemed in force one month after the deposit of the endorsement documentation by ten Islamic states at the secretariat-general of the OIC.

**Article (43)**

The dissolution of the federation shall be decided by a resolution of the general assembly in an extraordinary meeting requested to convene in accordance with Article 16 hereof. Where the general assembly resolves to dissolve the federation, it shall assign a liquidator and determine the receiver of the net funds of the federation.

**Article (44)**

The records of meetings and resolutions of the executive committee and the general assembly shall be noted in special records or recorded on tape. The final records, resolutions and recommendations of the foregoing shall be signed by the chairman of the executive committee and the secretary-general. Such records shall be held in safe custody at the main premises of the federation.

**Article (45)**

1. The secretary-general or his selected deputy shall attend any meeting held within the scope of the OIC or any of the auxiliary or affiliated departments thereof. They shall also attend the meetings of the international organizations that operate in similar activities as those of the federation.

2. The meetings of the federation shall be attended by the OIC secretariat-general, the secretariat-general of the Islamic chambers of commerce and industry, as well as by other departments or organizations affiliated to the OIC which operate in activities that meet the purposes of the federation.

**Article (46)**

The executive committee may delegate the secretary-general to invite the Islamic and international organizations and bodies to attend the meetings of the executive committee as observers. They shall also attend meetings that discuss subjects related to the functions thereof.

**Final Provisions**

**Article (47)**

The existing charter shall come into force with effect from the date of endorsement thereof by the OIC.

**Article (48)**

The text of this charter has been prepared in Arabic, English and French, all of which equally authentic and original.