

The Swiss flag: the Federal Act of 1953

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Ships owned by Swiss companies may fly the Swiss flag under the Federal Act on Navigation under the Swiss Flag of 23 September 1953 (Maritime Navigation Act), SR 747.30. Swiss law applies to ships under the Swiss flag to the extent compatible with international law (Art. 1). The Swiss Maritime Navigation Office in Basel, attached to the Federal Department of Foreign Affairs, keeps the register and supervises compliance (Arts 8 and 9).¹ Ships may be registered by the Confederation, the cantons and public entities (Art. 18). Commercial companies and cooperatives may register them if they have their seat and real centre of business in Switzerland and are controlled by Swiss nationals or residents. They must also meet requirements on the composition of their boards and issue only registered shares whose transfer requires the company's consent (Arts 19 to 23). The owner's equity must amount to at least 20 per cent of the book value of its ships (Art. 24).²

The Act reflects its origins in the national supply policy of the Second World War. The Federal Council may requisition or expropriate ships against fair compensation when the security of the country or its international relations so require (Art. 6). The deregistration of a ship requires the Federal Council's permission, which may be refused if the ship is needed for the economic supply of the country. In that case the Confederation must buy the ship at market value (Art. 36).³ The Act also regulates the shipowner (*Reeder*), who must satisfy the same conditions as owners and ensure that the master reports to the Swiss shipowner (Arts 45 and 46). Further provisions cover the shipowner's liability and its limitation under the international conventions (Arts 48 and 49), ship mortgages and maritime liens (Art. 38) and contracts of carriage and charter, with a one-year limitation period for claims (Art. 87).⁴

1 The guarantee losses of 2017

The Swiss ocean fleet was created in 1941 to secure the country's supplies during the war. From 1959 the Confederation supported it by guaranteeing loans for the construction or purchase of Swiss-flag ships, under the national economic supply legislation.⁵ The instrument worked for decades but became a liability after the financial crisis of 2008, when the dry bulk and tanker markets collapsed and ship values fell far below the guaranteed loans. In 2016 and 2017 two groups of shipping companies, the SCL group (SCL Reedereien AG) and the SCT group (Swiss Chem Tankers AG), were unable to service their debts. At that time the Swiss fleet counted 49 ships and the outstanding guarantees amounted to CHF 770 million.⁶

On 16 May 2017 the Federal Council approved a supplementary credit of CHF 215 million to cover the expected losses from the guarantees. In the same week sales contracts were signed for twelve ships of the SCL and SCT groups, while a solution was being sought for a thirteenth ship formerly belonging to the SCL group.⁷ Parliament approved the credit in the summer of 2017. The Finance Delegation of the Federal Assembly, which examined the case, found in its report of 27 June 2019 that the drawing of the guarantees in 2017 had caused damage of CHF 204 million to the federal budget. It concluded that the federal guarantee was not a suitable instrument to secure the country's need for maritime transport. It recommended that joint and several guarantees be discontinued as a federal credit instrument, that existing guarantees be converted where possible and that alternative forms of support be examined. It also noted that a leak of information in January 2017 had depressed the sale prices.⁸

Year Ships under the Source Swiss flag 2017 49 gCaptain (May 2017) 2023 14 *Beobachter* (June 2023) 2025 11 Swiss Maritime Navigation Office (April 2025)

The fleet has continued to shrink. In 2023 fourteen ships flew the Swiss flag, against about fifty seven years earlier.⁹ The official fleet list of 1 April 2025 shows eleven bulk carriers. Five of them are owned by Suisse-Atlantique in Morges and operated by Oceana Shipping AG, six by Reederei Zürich AG with operating companies in Zug. None of the Swiss-flag ships is owned or operated from Ticino.¹⁰ The Federal Council's maritime strategy for 2023 to 2027 proposes to relax the registration conditions of the 1953 Act while maintaining high standards. Its aim is to make the Swiss flag attractive again for the maritime companies that already operate from Switzerland under foreign flags.¹¹

2 Notes

1. Federal Act on Navigation under the Swiss Flag of 23 September 1953 (Maritime Navigation Act), SR 747.30, Arts 1, 8 and 9, consolidated text (status 1 July 2023) at <https://www.lexaris.de/book/version/documentflat/head/1363794>. ↩
2. Maritime Navigation Act (above), Arts 18 to 24. ↩
3. Maritime Navigation Act (above), Arts 6 and 36. ↩
4. Maritime Navigation Act (above), Arts 38, 45, 46, 48, 49 and 87. ↩
5. gCaptain, "Swiss High Seas Fleet Dwindles as State Guarantees End" (18 May 2017), <https://gcaptain.com/swiss-high-seas-fleet-dwindles-state-guarantees-end/>. ↩
6. gCaptain (18 May 2017, above). ↩
7. Federal Council, press release "Bürgschaften bei Hochseeschiffen: Verkaufsverträge unterschrieben, Botschaft Nachtragskredit verabschiedet" (18 May 2017), <https://www.admin.ch/de/nsb?id=66775>. ↩
8. Finance Delegation of the Federal Assembly, press release of 2 July 2019 on its report of 27 June 2019 on the joint and several guarantees for the ocean fleet, <https://www.parlament.ch/press-releases/Pages/mm-findel-2019-07-02.aspx?lang=1031>. ↩
9. Beobachter (15 June 2023, above). ↩
10. Swiss Maritime Navigation Office, Flottenliste gültig per 01.04.2025 , <https://www.schweizerischesseeschiffahrtsamt.eda.admin.ch/dam/en/sd-web/2t5gpGcloYrO/Flottenliste%20g%C3%BCltig%20per%2001.04.2025.pdf>. ↩
11. Beobachter (15 June 2023, above). ↩

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