

## Table of contents

<b>1</b>	<b>Foreign entities – registering for an organisation number .....</b>	<b>4</b>
1.1	Why do foreign entities need an organisation number? .....	4
1.2	How is an organisation number assigned? .....	4
1.3	Brønnøysund – contact information .....	4
<b>2</b>	<b>Obligation to provide information pursuant to the Tax Assessment Act section 6-10.....</b>	<b>5</b>
2.1	Who is obliged to provide information? .....	5
2.2	What types of assignment are subject to the obligation to provide information? ..	6
2.3	About which contractors and which employees is it necessary to provide information? .....	6
2.4	Obligation to provide information about subcontracts.....	7
2.4.1	Agreement between clients and contractors concerning who shall provide information .....	7
2.5	How shall reporting take place? .....	7
2.5.1	Deadlines .....	8
2.6	Sanctions for failure to comply with the obligation to provide information.....	8
<b>3</b>	<b>Conditions for tax liability to Norway .....</b>	<b>9</b>
3.1	Income from business activities .....	9
3.1.1	Norwegian tax legislation.....	9
3.1.1.1	The main rule .....	9
3.1.1.2	Limited tax liability, source tax liability .....	9
3.1.1.3	Special provisions for the Continental Shelf.....	9
3.1.2	Tax liability for a permanent establishment or exemption from taxation in Norway pursuant to tax treaties.....	9
3.1.2.1	Permanent establishment.....	10
3.1.2.2	Special provisions for the Continental Shelf.....	10
3.1.3	Income attributed to the permanent establishment.....	11
3.2	Income from employment .....	11
3.2.1	Norwegian tax legislation.....	11
3.2.1.1	The main rule .....	11
3.2.1.2	Limited tax liability to Norway .....	11
3.2.1.3	Work on the Continental Shelf.....	11
3.2.1.4	Moving from Norway.....	12
3.2.2	Exception from taxation to Norway as a result of a tax treaty signed by Norway .....	12
3.2.2.1	Tax liability for income from employment in Norway, the OECD Model Convention Article 15.....	12
3.3	The distinction between business activity and paid employment .....	12
3.4	Taxation of income from employment in Norway .....	13
3.4.1	The gross and net methods in connection with an employer’s coverage of travel expenses for commuting and travel to/from work. ....	14
3.4.1.1	The net method.....	14
3.4.1.2	The gross method .....	14
3.4.2	Net pay arrangements.....	14
3.5	National Insurance contributions .....	15

3.6	Tax assessment and processing provisions .....	15
3.6.1	Duty to submit a tax return.....	15
3.6.1.1	Submission of tax return .....	15
3.6.2	Tax assessment and processing rules .....	16
3.6.3	Legal action.....	16
<b>4</b>	<b>Payment, reporting and collection of taxes and indirect taxes.....</b>	<b>17</b>
4.1	The payment of direct and indirect taxes – employees .....	17
4.2	The employer’s duties – deducting withholding tax and reporting of pay.....	18
4.2.1	Duty to withhold tax (payroll withholding tax) .....	18
4.2.2	Tax deduction cards .....	18
4.2.3	Employers’ deduction of withholding tax.....	18
4.2.4	Employers’ payment of payroll withholding tax and employer’s National Insurance contributions. ....	19
4.2.5	Employers’ reporting of pay .....	20
4.2.5.1	The form «Lønns- og trekkoppgave» RF-1015 (certificate of pay and tax deducted, also called End of year Certificate).....	20
4.2.5.2	Where to send the form «Lønns- og trekkoppgave» RF-1015.....	20
4.2.6	Sanctions .....	21
4.3	Self-employed persons .....	21
4.4	Payment of corporation tax .....	22
4.5	Nordic agreement concerning the collection and transfer of tax (the tax withholding agreement).....	23
<b>5</b>	<b>Obligation to keep accounts, auditing duty, and right of inspection.....</b>	<b>25</b>
5.1	Obligation to keep accounts .....	25
5.2	Auditing.....	25
5.3	Tax inspection .....	26
<b>6</b>	<b>The National Insurance Scheme .....</b>	<b>27</b>
6.1	Compulsory membership of the National Insurance Scheme .....	27
6.1.1	Persons deemed, for National Insurance purposes, to be resident in Norway.....	27
6.1.2	Employees in Norway or on the Norwegian Continental Shelf.....	27
6.1.3	Self-employed persons .....	27
6.1.4	Seafarers .....	28
6.2	Obligation to pay National Insurance contributions .....	28
6.3	Obligation to pay employer’s National Insurance contributions – foreign employers .....	28
6.4	Exemption from compulsory membership in the National Insurance Scheme for foreign nationals staying temporarily in Norway.....	29
<b>7</b>	<b>Seafarers who are tax resident abroad .....</b>	<b>30</b>
7.1	The Central Office - Foreign Tax Affairs assesses foreign seafarers .....	30
7.2	Liability to pay tax .....	30
7.3	Moving from Norway.....	30
7.4	Reporting of seafarers .....	30
7.5	Duty to withhold tax (payroll withholding tax) etc.....	31

7.6	Reporting of pay and other remuneration .....	31
7.7	Tax returns.....	32
7.8	National Insurance.....	32
7.9	Seafarers' deduction .....	33
<b>8</b>	<b>Value added tax on foreign nationals' activity in Norway.....</b>	<b>35</b>
8.1	Value added tax.....	35
8.2	Foreign businesses.....	35
8.2.1	Foreign businesses that do not have turnover in Norway .....	35
8.2.2	Foreign businesses that have turnover in Norway .....	35
8.3	Business activity that is liable for VAT .....	36
8.4	Registration in the VAT Register.....	36
8.5	Obligations and rights as a result of registration in the VAT Register .....	36
8.6	Registration through a representative.....	37
8.7	Special rules for goods/services for use in offshore petroleum activity .....	37
8.7.1	Who is entitled to VAT-free deliveries? .....	37
8.7.2	Which goods are covered by the exemption?.....	38
8.7.3	Which services are covered by the exemption? .....	38
8.7.4	Base enterprises' activity .....	39
8.8	Special rules for goods and services for special vessels in offshore petroleum activity.....	39
8.9	Obligation to provide information to the VAT authorities .....	39
8.9.1	Sanctions for failure to comply with the obligation to provide information .....	40
<b>9</b>	<b>About Altinn .....</b>	<b>41</b>
9.1	What is Altinn?.....	41
9.2	Who can use Altinn? .....	41
9.2.1	Businesses .....	41
9.2.2	Private persons .....	41
9.3	Why choose Altinn? .....	41
9.4	Contact information.....	42

## **1 Foreign entities – registering for an organisation number**

### **1.1 Why do foreign entities need an organisation number?**

Everyone who is engaged in business activity in Norway or on the Norwegian Continental Shelf must have an organisation number. The same applies to businesses that only have employees who work in Norway.

The organisation number identifies legal persons (entities) and, among other things, it is necessary in order to fulfil certain statutory obligations in relation to the authorities, for example the payment of tax withholdings, National Insurance contributions and value added tax. It is not just in connection with fulfilling obligations in relation to the Norwegian authorities that it is important to have an organisation number. For instance, banks and other finance institutions will require an organisation number in connection with the opening of a bank account.

The organisation number must always be included on all the entity's business documents.

### **1.2 How is an organisation number assigned?**

The assignment of an organisation number takes place through registration in the Central Coordinating Register for Legal Entities (one of the Brønnøysund registers). To register, you must fill in a [Coordinated Register Notification \(BR-1010\)](#). The form can either be filled in electronically on [www.Altinn.no](http://www.Altinn.no) or you can contact the Brønnøysund Register Centre to have the form sent to you.

The Coordinated Registration Notification (BR-1010) is a joint form for registration in the Central Coordinating Register for Legal Entities, the Register of Business Enterprises, the VAT Register, the Norwegian Labour and Welfare Administration's (NAV) Register of Employers and Employees (the NAV AA register), the Business Register of Statistics Norway, the Register of Foundations and the Corporate Taxation Data Register.

### **1.3 Brønnøysund – contact information**

Web address: [www.brreg.no](http://www.brreg.no)  
Phone: 75 00 75 00  
Fax: 75 00 75 05  
Address: Brønnøysundregistrene, NO-8910 Brønnøysund, Norway

## **2 Obligation to provide information pursuant to the Tax Assessment Act section 6-10**

Businesses and public bodies must provide information unsolicited to the tax authorities regarding contracts or subcontracts carried out

- on sites for building and assembly work in Norway, or
- on a site that is under the client's control in Norway, or
- on the Norwegian Continental Shelf

when the contractor is

- an enterprise domiciled abroad, or
- a person domiciled abroad.

The client must provide information about the contractor and about employees used to carry out the assignment.

The contractor is also obliged to provide information about its own employees used to carry out the assignment.

Information about contractors must be provided on form [RF-1199](#). Information about employees must be provided on form [RF-1198](#).

The obligation to provide information is set out in section 6-10 of the Tax Assessment Act and regulations.

The purpose of the rules is to obtain an overview of foreign contractors and employees in Norway and on the Continental Shelf. The rules also form part of the basis for the Central Office - Foreign Tax Affairs' register of taxpayers.

The Tax Assessment Act section 6-10 has been amended several times in recent years. Until October 2004, the obligation to provide information applied to assignments on the Norwegian Continental Shelf and assignments on sites for construction and assembly work in Norway. The obligation applied to foreign contractors and foreign employees. From October 2004, the obligation to provide information about assignments in Norway was made general, making it mandatory to report all assignments. This presentation is based on the wording of section 6-10 of the Tax Assessment Act following the latest amendments in April 2008.

### **2.1 Who is obliged to provide information?**

Businesses and public bodies that award contracts to foreign contractors are obliged to provide information pursuant to the Tax Assessment Act section 6-10. Both Norwegian and foreign businesses are obliged to provide information. Private individuals who are not self-employed/engaged in business activity do not have such an obligation pursuant to section 6-10 of the Tax Assessment Act.

The client must provide information about the contractor and about employees used to carry out the assignment. The contractor also has an obligation to provide information about the employees it uses to perform the assignment.

## **2.2 What types of assignment are subject to the obligation to provide information?**

Giving someone an assignment triggers the obligation to provide information. Among other things, assignments include production contracts and service contracts.

By production contract is meant a contract for the production of objects, the construction of buildings etc. Purchases of goods are not deemed to be production contracts. If a purchase of goods is combined with an agreement for assembly, the assembly service is covered by the obligation to provide information.

By service contract is meant an agreement for the provision of services, for example assembly work, engineering services and other consultancy services. Contracts for the hiring out/hiring in of labour are also deemed to be service provision. Permanent or temporary employment of an employee falls outside the concept of assignment and is therefore not subject to the obligation to report pursuant to the Tax Assessment Act section 6-10.

In the case of assignments carried out in Norway, the obligation to provide information is limited to assignments carried out

- on sites for building and assembly work, or
- a site under the control of the client.

Sites for construction and assembly work include, for example, building and construction sites and other sites at which construction and assembly work is performed. Sites under the client's control are the client's own premises, whether owned or rented. They can also be the client's real property, for example an agricultural or forestry property even if the general public has access to the property.

For assignments performed on the Norwegian Continental Shelf, the obligation to provide information applies to all assignments without limitation with respect to where on the Continental Shelf they are performed.

For assignments performed in both Norway and on the Continental Shelf, assignments for which the agreed remuneration is less than NOK 10,000 are exempt from the obligation to provide information.

## **2.3 About which contractors and which employees is it necessary to provide information?**

The obligation to provide information is limited to assignments awarded to persons domiciled abroad or enterprises domiciled abroad, see the Tax Assessment Act section 6-10 first paragraph. Assignments awarded to Norwegian enterprises/persons are not therefore subject to the obligation to provide information.

Information must be provided about employees used to carry out the assignment. If it is required to provide information about a contractor, information must be provided about all employees used by the contractor to perform the assignment,

irrespective of the employees' place of residence and nationality.

Employees about whom information is provided to the Central Office – Foreign Tax Affairs shall not also be reported to the NAV State Register of Employers and Employees (NAV Aa-registeret).

## **2.4 Obligation to provide information about subcontracts**

### **Procedure for reporting**

The client must provide information about contracts and subcontracts if the other conditions for the obligation to provide information are met. This means that in a contractual chain the client is responsible for ensuring that all links down through the chain to which an obligation to report applies are actually reported. If one link in the contractual chain is not required to be reported, this does not cancel the obligation to provide information about subsequent links in the chain that have a duty to report. For example, if developer A awards a Norwegian enterprise B a contract on a site for construction and assembly work, and enterprise B awards part of the contract to a foreign contractor C, then both the contractor (B) and the main client (A) are obliged to provide information about the foreign subcontractor (C).

#### **2.4.1 Agreement between clients and contractors concerning who shall provide information**

Even though, pursuant to the rules, several parties are obliged to provide information about the same matter, it is sufficient that one of them provides the information. Section 5 of the Regulations permits several clients, or clients and contractors, to enter into an agreement that one of them shall provide the information to the tax authorities. Such agreement does not discharge those involved from their responsibility, and an enforcement fine or penalty charge can be imposed pursuant to the Act.

## **2.5 How shall reporting take place?**

Information pursuant to the Tax Assessment Act section 6-10 must be provided unsolicited on the prescribed forms. The information can be provided electronically via [Altinn.no](http://Altinn.no).

Form [RF-1199](#) is used for the reporting of assignments/contractors. Among other things, information shall be provided about the parties to the contract, the start and finishing date for the assignment and the place where the assignment is to be carried out. If changes occur in relation to information already submitted, a change notification must be sent. Form RF-1199 is also used for change notification purposes.

Form [RF-1198](#) is used for the reporting of employees. Among other things, information shall be provided about who the employer is and what assignment the employee is involved in. The reporting of employees takes place in two parts: when the employee starts work on the assignment and when the employee

finishes work on the assignment. Form RF-1198 is used in both cases.

The form is available on [taxadministration.no](http://taxadministration.no), or it can be obtained by contacting the Central Office – Foreign Tax Affairs.

### **2.5.1 Deadlines**

The information must be provided as soon as possible and no later than 14 days after the work or assignment has commenced. This applies to both the reporting of assignments and the reporting of employees.

When an employee finishes work on an assignment, this must be reported as soon as possible and no later than 14 days after such termination has taken place.

If there are changes to the assignment, the new information must be reported as soon as possible and no later than 14 days after the change has occurred.

## **2.6 Sanctions for failure to comply with the obligation to provide information**

Failure to fulfil the obligation to provide information pursuant to the [Tax Assessment Act section 6-10](#) may result in sanctions.

If information is not provided, the tax authorities can impose a daily enforcement fine until the information has been provided, cf. [the Tax Assessment Act section 10-6](#). Pursuant to the Tax Assessment Act section 10-8, anyone who fails to comply with the obligation to provide information can be required to pay a fixed penalty charge per day for each return that is not submitted and, depending on the circumstances, can also be held liable for any tax and employer's National Insurance contributions that contractors and their employees have failed to pay, cf. [the Tax Assessment Act section 10-7](#).

The reporting of seafarers pursuant to the [Tax Assessment Act section 6-10 subsection 5](#) is covered by reporting to the NAV State Register of Employers and Employees (NAV Aa-registeret) provided that they are involved in petroleum-related activities on the Norwegian Continental Shelf. See 7.4 for more information in this context.

## **3 Conditions for tax liability to Norway**

### **3.1 Income from business activities**

#### **3.1.1 Norwegian tax legislation**

##### **3.1.1.1 The main rule**

Enterprises etc. that are domiciled in Norway have a general tax liability to Norway pursuant to the [Taxation Act section 2-2](#). This means that such enterprises are liable for tax in Norway on all their income, so-called global tax liability to Norway. As a rule, an enterprise is domiciled in the country in which it was formed or registered. In cases of doubt, it may be decisive where the enterprise's management carries out its functions. Enterprises registered abroad, but managed from Norway may, on the basis of such assessment, be deemed to be domiciled in Norway.

##### **3.1.1.2 Limited tax liability, source tax liability**

In its [section 2-3 letter b](#)), the Taxation Act contains provisions requiring foreign nationals who are engaged in business activity in Norway to pay tax on income from business activities in which the person in question is involved or participates and which are run or managed from here, including activities where an employee/employees are placed at the disposal of others here in Norway. This means that foreign nationals who are engaged in business activity in Norway, including activity that consists of hiring out labour and which is run for their own account and risk, are liable for tax in Norway on income from this activity, so-called limited tax liability.

##### **3.1.1.3 Special provisions for the Continental Shelf**

[The Petroleum Taxation Act section 2, cf. section 1](#), contains provisions concerning liability for tax on income earned from exploration for or extraction of petroleum deposits and pertaining activity in Norwegian waters and on the Norwegian Continental Shelf. This means that all activity in connection with oil and gas exploration and extraction on the Norwegian Continental Shelf can be taxed in Norway.

#### **3.1.2 Tax liability for a permanent establishment or exemption from taxation in Norway pursuant to tax treaties**

Norway has tax treaties with many states, mainly in order to prevent double taxation and to prevent tax evasion. For businesses that come from countries with which Norway has signed a tax treaty, Norway may have waived its right to levy tax. A tax treaty may only be invoked by a person resident in or an enterprise domiciled in the country or countries covered by the treaty. Each tax treaty must be read and interpreted on an independent basis.

Most of the tax treaties are drawn up on the basis of the [OECD Model Double Taxation Convention](#), but there may be individual variations. The OECD's Model Convention, and OECD's commentaries on the articles, are as a rule very

important in terms of interpreting the provisions of the tax treaties.

### **3.1.2.1 Permanent establishment**

The condition for taxation in Norway (in the realm) of income from business activities is that the income comes from business activity run through a permanent establishment in Norway, cf. [the Model Convention Article 7 \(1\)](#). [Article 5](#) of the Model Convention contains a definition and criteria for what constitutes a permanent establishment.

The conditions for a permanent establishment are that:

- there is a fixed place of business (requirement for a specific geographical location)
- there must be a certain duration in time in connection with the location, and
- the activity must be run through the fixed place of business.

[Article 5 \(2\)](#) contains some examples that are deemed to be permanent establishments, including:

- a place of management,
- a branch,
- an office and
- a factory.
- [Article 5 \(3\)](#) contains a distinct provision concerning building sites or construction or installation projects. The conditions for such projects being deemed to be a permanent establishment are that it lasts for more than 12 months (six months in some more recent treaties).

In [Article 5 \(4\)](#), an exception is made for so-called auxiliary activity that shall not be deemed to be a permanent establishment. As an example, premises exclusively used for storage purposes or for the display of goods can be mentioned.

Moreover, there is a special rule for agents in [Article 5 \(5\)](#). When a person who is not an independent agent acts on behalf of an enterprise, and the person has, and habitually exercises, authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment.

### **3.1.2.2 Special provisions for the Continental Shelf**

The Norwegian Continental Shelf is subject to a special tax regime through the Petroleum Taxation Act and special provisions in most tax treaties that Norway has signed with other countries. [The Petroleum Taxation Act of 13 June 1975](#) concerns the taxation of subsea petroleum deposits and pertaining activity and work, including pipeline transportation of petroleum extracted from areas described in [section 1](#) of the Act. See [section 2](#) on tax liability.

Most tax treaties that Norway has signed with other countries contain separate provisions on tax liability for income from activity on the Continental Shelf. Pursuant to the special provisions concerning the Continental Shelf, activity that in total lasts for more than 30 days during a 12-month period will be deemed to constitute a permanent establishment. In a few tax treaties, the tax liability is

regulated by the general rules concerning permanent establishments. When there is no tax treaty or when the tax treaty does not regulate activity on the Continental Shelf, tax liability will arise pursuant to the Petroleum Taxation Act.

### **3.1.3 Income attributed to the permanent establishment**

Pursuant to the tax treaties, Norway is entitled to tax profits that can be attributed to the permanent establishment. There must be a connection between the activity at the permanent establishment and the profit attributed to it. There is seldom doubt about which gross revenues (turnover) are to be included, but, as regards expenses, questions may arise about how joint expenses are to be divided between the head office and the permanent establishment. The principle that applies to the attribution of income is the so-called «arm's length principle» or «separate entity principle». The principle is that the permanent establishment is seen as a separate business, so that the profit is attributed to it as if it were independent of the head office.

## **3.2 Income from employment**

### **3.2.1 Norwegian tax legislation**

#### **3.2.1.1 The main rule**

Persons resident in Norway have general tax liability to Norway, cf. [the Taxation Act section 2-1 \(1\)](#). General tax liability means that all income is liable for tax in Norway regardless of whether it was earned in Norway or abroad, so-called global tax liability. Persons are deemed to be resident if their stay in Norway lasts for more than 183 days during a 12-month period or for more than 270 days during a 36-month period.

#### **3.2.1.2 Limited tax liability to Norway**

Tax liability to Norway applies for income from employment when the work has been carried out during a stay here. Pursuant to [the Taxation Act section 2-3 \(1\) letter d\)](#), persons who are not resident in Norway are liable for tax on remuneration that derives from sources here for work performed as an employee in the realm during a temporary stay here. As regards the term «sources here», cf. [the Taxation Act 2-3 \(1\) letter d\)](#), it is sufficient that the employer has limited tax liability to Norway for his/her business activity in Norway. It is not a requirement that the activity is carried out through a permanent establishment or is registered here in Norway.

Employees who are resident abroad and who are placed at the disposal of others to carry out work here in the realm (the hiring in of labour) are obliged to pay tax on income from such work, cf. [the Taxation Act section 2-3 \(2\)](#).

#### **3.2.1.3 Work on the Continental Shelf**

Employees who work on the Norwegian Continental Shelf are liable for tax in Norway pursuant to the [Petroleum Taxation Act section 2, cf. section 1](#).

#### **3.2.1.4 Moving from Norway**

For a person who has been resident in Norway for less than ten years before the income year he or she has become permanently resident abroad, residence in Norway will be deemed to have ended for the income year it can be substantiated that the person in question has not stayed in Norway for one or more periods that together exceed 61 days in the income year and that the person or a closely related party of the person has not had a home available in Norway, see the [Taxation Act section 2-1 \(3\) letter \(a\)](#).

For a person who has been resident in Norway for at least ten years before the income year he or she has become permanently resident abroad, residence in Norway will be deemed to end after the end of the third income year after the income year in which the person in question moves abroad permanently. This only applies if it is substantiated for each of the income years that the person in question has not stayed in Norway for one or more periods that together exceed 61 days in the income year and that he or she or a closely related party has not had a home available in Norway, see [the Taxation Act section 2-1 \(3\) letter \(b\)](#).

It is the tax office in the region from which the person in question moves that will decide, for tax purposes, whether the conditions for having moved are met.

If the conditions for termination of tax residence are not deemed to be met, the person in question shall be deemed to be tax resident in Norway and shall be tax assessed in the tax region from which he or she has moved.

### **3.2.2 Exception from taxation to Norway as a result of a tax treaty signed by Norway**

#### **3.2.2.1 Tax liability for income from employment in Norway, the [OECD Model Convention Article 15](#).**

Wage payments for work performed in Norway shall as a rule be taxed in Norway.

For income from employment not to be taxed in Norway, the following conditions must be met:

- the stay must be less than 183 days during a 12-month period (the calendar year is used in some tax treaties),
- the remuneration is not paid by an employer resident in Norway
- the remuneration has not been charged to a permanent establishment which the employer has in Norway, and
- it does not entail the hiring out of labour.

All the above-mentioned conditions must be met for an exception to be applied.

### **3.3 The distinction between business activity and paid employment**

In the vast majority of cases it will be clear whether the person in question will be deemed to be an employee or self-employed/engaged in business. However,

there are borderline cases in which a number of factors are relevant when considering whether the person in question is an employee or self-employed/engaged in business. When drawing the line in relation to employment relationships, the following factors, among others, will point in the direction of self-employment/ business activity:

- The person in question owns/leases operating equipment to the extent normal in the industry concerned.
- The person performing the work has full disposal of the operating equipment and carries full responsibility and financial risk for it.
- The person in question carries the risk of lack of assignments and is not entitled to a minimum remuneration etc.
- The financial settlement is not based on an hourly wage, but is based on the result – e.g. a fixed price, commission or profit from sales.
- The assignment is specified separately, and not just delimited to periods of time.
- Responsibility exists for the result of the work, e.g. responsibility for delays, defects and negligence.
- The person performing the work has own employees or is entitled to use a stand-in/deputy.
- The person in question actually has several different clients at one time or successively, or this is permitted.
- A high degree of independence in performance of the work, which means that the less professional and administrative instructions the client is entitled to exercise, the more business activity/self-employment is indicated.
- The person performing the work has his or her own place of operations where this is natural.
- The person performing the work provides the materials.

The factors must be seen in conjunction with each other and the decision will depend on an overall assessment. How the parties themselves characterise the relationship is not binding on the tax and VAT authorities. It is the actual relationship between the parties that is decisive.

### **3.4 Taxation of income from employment in Norway**

All pay and other remuneration, including benefits in kind and the coverage of expenses, for work performed in Norway is liable for tax here. Only expenses in connection with the wage earnings that are liable for tax entitle to deductions, see the main rule in [the Taxation Act section 6-1](#).

The following statutory provisions are of interest to foreign nationals with limited tax liability to Norway: the [Taxation Act section 6-13](#) concerning expenses in connection with staying away from home, the [Taxation Act sections 6-70 and 6-71](#) concerning standard deductions and alternative deductions for EEA nationals, and the [Taxation Act section 6-44](#) concerning travel in connection with commuting.

### **3.4.1 The gross and net methods in connection with an employer's coverage of travel expenses for commuting and travel to/from work.**

Expense allowances that are paid to employees shall be taxed either in accordance with the net method or the gross method. This applies to both the stipulation of «ordinary income» (cf. the Tax Act chapter 5 and 6) and «personal income» (cf. the Tax Act chapter 12). Remuneration received by an employee to cover expenses in connection with work are liable for tax insofar as they result in a surplus, see [the Taxation Act section 5-11 \(2\)](#).

#### **3.4.1.1 The net method**

The net method means that the gross allowance is compared with the deductible expenses that the allowance is intended to cover. It is only any surplus or deficit that is entered in the tax return. Any surplus is included in the basis for calculating the «minimum deduction» (cf. the Tax Act section 6-30). A deficit that relates to expenses that are covered by the «minimum deduction» cannot be deducted. How such allowances are treated during the tax assessment is independent of whether the employer has a duty to withhold tax pursuant to the provisions on payroll withholding tax and employer's National Insurance contributions.

If the taxpayer is granted the standard deduction for foreign employees when his/her tax is assessed for the income year in question, cf. the [Regulation supplementing and implementing the Taxation Act section \(FSFIN\) 5-11-1 \(2\)](#), the net method does not apply to expense allowances for the coverage of expenses for board and lodging during stays as a commuter outside the home and home visits. In such case, the whole allowance is deemed to be taxable income from employment. The taxpayer is not given a deduction for expenses in addition to the standard deduction. This applies to both persons who are deemed to be tax resident in Norway and persons with limited tax liability.

#### **3.4.1.2 The gross method**

The gross method means that the whole allowance is entered as income in the tax return and is included in the basis for the «minimum deduction». The taxpayer must claim a deduction for the expenses in the normal manner. Taxpayers who claim the standard deduction pursuant to [the Taxation Act section 6-70](#) are assessed in accordance with the gross method.

### **3.4.2 Net pay arrangements**

An agreement whereby the employer covers the tax on the agreed allowance results in the net pay having to be grossed up in order to arrive at the gross pay. Such agreements are not binding on the tax authorities with respect to who is responsible for paying the tax due.

In cases involving net pay arrangements, the employer is responsible for gross pay being correctly calculated and reported in the form «Lønns- og trekkoppgave» RF-1015 (certificate of pay and tax deducted, also called End of Year Certificate). The basis for grossing up shall consist of the take home pay plus any benefits in

kind and surpluses on expense allowances included in the net pay arrangement. The Norwegian tax authorities have prepared special [grossing up tables](#) for the correct calculation of taxpayers' gross pay.

### **3.5 National Insurance contributions**

See chapter 6.

### **3.6 Tax assessment and processing provisions**

#### **3.6.1 Duty to submit a tax return**

Everyone who has capital or income and who is liable for tax pursuant to the Taxation Act must submit a tax return, cf. [the Tax Assessment Act section 4-2](#). The duty to submit a tax return applies in full even if the income is deemed not to be liable for tax pursuant to a tax treaty. The tax authorities can also order people to submit a tax return.

##### **3.6.1.1 Submission of tax return**

Tax return must be submitted as either:

- a pre-completed tax return,
- form [RF-1047](#), Inntektsoppgave/ Tax return.
- a tax return for self-employed persons etc., form [RF-1030](#), or
- a tax return for limited liability companies etc., form [RF-1028](#).

If you have questions about the pre-completed tax return or about changing the type of tax return, please contact the tax office.

The deadline for submitting tax returns depends on the type of tax return actually submitted by the taxpayer.

Pre-completed tax returns must be submitted by the end of April in the year after the income year, cf. [the Tax Assessment Act section 4-7](#). This applies both to taxpayers submitting the pre-completed paper version of the tax return sent to them and to those confirming in some other way, e.g. electronically (Altinn).

Personal taxpayers who are assessed by the Central Office - Foreign Tax Affairs must submit form [RF-1047](#), "Inntektsoppgave/Tax return" by the end of March.

The deadline for submitting a tax return for self-employed persons etc. and a tax return for limited liability companies etc. is normally the end of May in the year following the income year, cf. [the Tax Assessment Act section 4-7 subsection 1](#). If a tax return for self-employed persons etc. or a tax return for limited liability companies etc. are submitted on paper, the deadline is the end of March in the year after the income year, cf. [Directorate of Taxes Regulations no. 304 of 26 January 2004](#).

The consequences of not submitting a tax return may be:

- stipulation of income by discretionary assessment, cf. [the Tax Assessment Act section 8-2 subsection 3](#).

- the imposition of additional tax, cf. [the Taxation Act section 10-2 subsection 2](#), or
- loss of the right to appeal, cf. [the Tax Assessment Act section 9-2 subsection 7](#).

### **3.6.2 Tax assessment and processing rules**

The case processing consists of checking the information in the taxpayer's tax return. The tax authorities may deviate from the information provided in the tax return pursuant to the provisions of [the Tax Assessment Act sections 8-1 and 8-2](#).

The tax assessment is made public in October in the year after the income year. If the tax authorities deviate from the information provided in tax return or additional tax is imposed, the taxpayer will, as a rule, be notified.

The tax assessment can be appealed to a tax office within three weeks. The taxpayer must state the concrete grounds why he or she considers the tax assessment is incorrect, cf. [the Tax Assessment Act section 9-2](#).

### **3.6.3 Legal action**

A taxpayer can bring a civil action against the Norwegian tax authorities pursuant to the provisions of [the Tax Payment Act section 48](#). The deadline for bringing action is six months from the date on which the tax lists were made public or from when notification was sent to the taxpayer of a decision in a case concerning a possible change to the tax assessment, cf. [the Tax Assessment Act section 11-1](#).

A rejection decision, for example pursuant to [the Tax Assessment Act section 9-2 subsection 7](#), is not deemed to be a decision in a case concerning a possible change to the tax assessment.

## **4 Payment, reporting and collection of taxes and indirect taxes**

The payment and collection of taxes is governed by [the Tax Payment Act of 21 November 1952 no. 2](#) with pertaining regulations. The rules for the payment of direct and indirect taxes that apply to employees are set out below, including the employer's duty to withhold tax, report pay and other benefits and to pay employer's National Insurance contributions. The payment of tax for self-employed persons and enterprises is also described. For persons and enterprises from a Nordic country, the Nordic tax withholding agreement is also important, see 4.6 below.

### **4.1 The payment of direct and indirect taxes – employees**

Payroll withholding tax must be deducted from pay for all employees who work in Norway. This means that employers shall withhold and pay to the Norwegian tax authorities part of employees' pay in order to cover their tax obligations. The withholding rate is stated on the tax deduction card issued by the Norwegian tax authorities, see 4.3.2. If a tax deduction card is not submitted, the employer must withhold 50 per cent of pay. The deduction will normally also include the employee's National Insurance contribution. Special deduction tables have been prepared for employees who are exempt from paying Norwegian National Insurance contributions. The exemption is taken into account in these tables.

During stays in Norway for work purposes, payroll withholding tax must be deducted even if the employee's tax liability to Norway is limited as a result of a tax treaty.

If an employer has deducted too little withholding tax, underpaid tax will be due after the tax assessment. The tax assessment is usually made public in the autumn of the year after the income year. If underpaid tax exceeds NOK 1,000, it will fall due for payment in two instalments. The first instalment falls due three weeks after the tax assessment has been made public, while the second instalment falls due five weeks after the due date for the first instalment.

Interest on overdue payments is charged on underpaid tax that is not paid on time. The underpaid tax must be paid even if the tax assessment has been appealed or a court judgment is pending, cf. [the Tax Payment Act section 30](#).

If the underpaid tax is not paid, the employer will normally be required to make deductions from the employee's future wages. It will also be considered whether to initiate distraint proceedings in order to establish a charge on assets belonging to the taxpayer. The authorities abroad also assist the Norwegian authorities in connection with the collection of unpaid tax.

## **4.2 The employer's duties – deducting withholding tax and reporting of pay**

### **4.2.1 Duty to withhold tax (payroll withholding tax)**

All employers are obliged at their own initiative to deduct payroll withholding tax from wage payments and other remuneration, cf. [the Tax Payment Act section 4](#). This also applies to foreign employers who have employees in Norway or on the Norwegian Continental Shelf.

When employees are placed at the disposal of others (hiring out of labour), both the client and the contractor have a duty to ensure that the obligations pursuant to the Tax Payment Act are fulfilled, cf. [the Tax Payment Act section 3 \(2\)](#). The duties and responsibility also rest with those who state that they are employers in cases pursuant to [section 10 of the Immigration Act of 24 June 1988](#). Those responsible can agree among themselves that one of them shall meet their obligations pursuant to the Tax Payment Act. However, such agreement only releases them from their duties if and insofar as this is decided by the municipal tax collection office.

### **4.2.2 Tax deduction cards**

Tax deduction cards are issued on the basis of information provided by employees/ employers. Deduction tables always accompany tax deduction cards. If no tax deduction card is available, employers are obliged to deduct 50 per cent of gross pay/ remuneration, see the [Tax Payment Act section 11 subsection 1](#).

Tax deduction cards are issued by the tax offices. The Central Office - Foreign Tax Affairs issues tax deduction cards for the following groups:

- foreign employees and Norwegians resident abroad who only carry out work on the Norwegian Continental Shelf.
- foreign employees who stay in Norway to work for a foreign employer registered with tax municipality 2312 (the Central Office - Foreign Tax Affairs).

### **4.2.3 Employers' deduction of withholding tax**

Employers calculate the amount of payroll withholding tax to be deducted on the basis of the employee's tax deduction card and withhold this amount when paying the employee's wages.

The basis for calculating the amount to be deducted includes all kinds of pay and cash remuneration, including supplement for working abroad, standby supplement, holiday pay and bonuses. Pay for a work-free period spent abroad that is related to work carried out in Norway or on the Norwegian Continental Shelf shall also be included in the basis for the deduction of withholding tax. Benefits in kind, such as free board and lodging, and the value of free housing and a free car, will also be included in the basis for the deduction of withholding tax, see [Regulations no. 546 of 21 June 1993](#).

The deduction table that accompanies the tax deduction card will normally be based on even deductions throughout the year, and exemption from deductions shall therefore not be granted during holiday periods and before Christmas

If an employer has agreed a net pay arrangement with an employee during his or her stay in Norway for work purposes, the net pay must be converted into gross pay in order to arrive at the basis for the deduction of withholding tax.

Norwegian tax authorities have developed a [conversion calculator](#) for this purpose.

Deducted tax is placed in the employer's tax withholding account with a Norwegian bank or a Norwegian branch of a foreign bank in Norway, cf. [the Tax Payment Act section 11 subsection 4](#). The employer pays the payroll withholding tax to the tax collector from the tax withholding account six times a year.

#### **4.2.4 Employers' payment of payroll withholding tax and employer's National Insurance contributions.**

Employers are obliged to report and pay payroll withholding tax and employer's National Insurance contributions six times a year. The provisions of the Tax Payment Act concerning the deduction of withholding tax also apply to the payment and reporting of employer's National Insurance contributions, cf. [the National Insurance Act section 24-3](#). See chapter 6 concerning who is obliged to pay employer's National Insurance contributions.

Reporting takes place using the employer's payment record form «Settlement lists for payroll withholding tax».

Foreign employers with tax municipality 2312 must send their payment record forms to the Tax Collector – Foreign Tax Affairs.

Norwegian employers must submit payment record forms to the tax collector in the municipality in which the employer's head office is located (tax municipality).

When filling in the payment record form, the payroll withholding tax must be specified by municipality. The total amount of payments made that are liable for employer's National Insurance contributions must be entered in the payment record form.

Deadlines for submitting employers' payment record forms for the pay period:

January	- February	by 8 March
March	- April	by 8 May
May	- June	by 8 July
July	- August	by 8 September
September	- October	by 8 November
November	- December	by 15 January

Payments in settlement of payroll withholding tax and employer's National Insurance contributions shall be made to:

The Tax Collector – Foreign Tax Affairs, P.O. Box 8103, NO-4068 Stavanger, Norway.

Account no: 6345 06 23123  
Iban number: NO33 6345 06 23123  
Swift address: NDEANOKK

Bank: Nordea Bank Norge ASA, Cash Management, P. O. Box 1166 Sentrum,  
NO-0107 Oslo, Norway

Deadlines for paying payroll withholding tax and employer's National Insurance contributions for the pay period:

January	- February	by 15 March
March	- April	by 15 May
May	- June	by 15 July
July	- August	by 15 September
September	- October	by 15 November
November	- December	by 15 January

#### **4.2.5 Employers' reporting of pay**

For each employee employers must report pay and other remuneration paid for work carried out in Norway or on the Norwegian Continental Shelf, cf. [the Tax Assessment Act section 6-2](#). The duty to report also applies to employers domiciled abroad and irrespective of whether or not the employee is liable for tax in Norway.

##### **4.2.5.1 The form «Lønns- og trekkoppgave» RF-1015 (certificate of pay and tax deducted, also called End of year Certificate)**

The reporting of pay is done using the form «Lønns- og trekkoppgave» RF-1015 (so far in Norwegian version only), where, among other things, information must be provided about the employer, employee, gross pay, other remuneration and the tax deducted.

A separate [list of codes for filling in «Lønns- og trekkoppgave»](#) can be obtained by contacting the Tax Collector – Foreign Tax Affairs. Employers must also submit the «Accompanying form» ([RF-1025](#)), specifying the total amount of pay and similar reported and the total amount of tax deducted.

##### **4.2.5.2 Where to send the form «Lønns- og trekkoppgave» RF-1015**

The form «Lønns- og trekkoppgave» RF-1015 can be submitted on paper, via the Altinn web portal or by sending them in machine-readable form (CD/DVD etc.).

«Lønns- og trekkoppgave» RF-1015 on paper must be sent to the tax collector (municipal treasurer) in the municipality in which the employer's head office is located (the tax municipality). Foreign employers registered with tax municipality 2312 (Central Office - Foreign Tax Affairs) send «Lønns- og trekkoppgave» RF-1015 for all employees, both Norwegian and foreign, to:

Tax Collector - Foreign Tax Affairs, P.O. Box 8031, NO-4068 Stavanger, Norway.

«Lønns- og trekkoppgave» RF-1015 can be submitted via the Altinn web portal. See chapter 9 for more information about Altinn.

«Lønns- og trekkoppgave» RF-1015 can also be submitted in machine-readable

form (CD/DVD etc.) to the municipality's computer centre. A more detailed guideline in Norwegian has been issued, cf. [«Rettledning for arbeidsgivers utfylling og innlevering av maskinlesbare lønns- og trekkoppgaver 9. utgave»](#).

The deadline for submitting «Lønns- og trekkoppgave» RF-1015 is 20 January, but 31 January for submitting them via the Altinn web portal. Applications for an extension of the deadline must state the reason for the extension and be submitted before 20 January. Applications for an extension should be sent to the tax collector, but to the Directorate of Taxes if they concern machine-readable «Lønns- og trekkoppgave» .

#### **4.2.6 Sanctions**

In cases in which payroll withholding tax is not paid on time, interest on overdue payment will be charged.

If payroll withholding tax and employer's National Insurance contributions are not paid by the stipulated deadline, it will be considered whether to initiate distraint proceedings in order to establish a charge on the employer's assets, including amounts outstanding from clients. The authorities abroad also assist the Norwegian authorities in connection with the collection of unpaid tax.

Failure to deduct statutory withholding tax and effect settlement will result in the employer being held liable, see [the Tax Payment Act section 49](#). This means that the employer must himself/herself pay the withholding tax that should have been deducted from the employee's pay. When an employee is placed at the disposal of others (hired out), obligations and responsibility pursuant to the Tax Payment Act will also apply to the client hiring the employee in Norway. This means that the Norwegian client will be held liable for any failure on the part of the employer to pay payroll withholding tax and employer's National Insurance contributions, cf. [the Tax Payment Act section 3 \(2\)](#).

Failure to deduct withholding tax from wage payments, to pay the withholding tax deducted in accordance with the regulations and to submit settlement lists for withholding tax may also result in criminal liability pursuant to [the Tax Payment Act sections 50 to 51](#).

Pursuant to [the Tax Assessment Act section 10-8](#), cf. Regulations no. 57 of 22 January 1991, a charge can be imposed on persons who are obliged to submit [End of Year Certificate](#) if the certificates are not submitted, are submitted too late or are deficient.

### **4.3 Self-employed persons**

Self-employed persons who are engaged in business in Norway or on the Norwegian Continental Shelf must pay advance tax, cf. [the Tax Payment Act section 13 ff](#). Advance tax for self-employed persons domiciled abroad, who are registered with tax municipality 2312 is levied by the Central Office - Foreign Tax Affairs.

For self-employed persons, the advance tax falls due for payment in four equal instalments during the income year, on: 15 March, 15 May, 15 September and

15 November.

If a self-employed person has paid too little advance tax, underpaid tax will be due after the tax assessment. If underpaid tax exceeds NOK 1,000 it will fall due for payment in two instalments. The first instalment falls due three weeks after the tax assessment has been made public, while the second instalment falls due five weeks after the due date for the first instalment. Any excess advance tax paid will be reimbursed with interest.

Interest on overdue payments is charged on advance tax and underpaid tax that is not paid on time. If advance tax or underpaid tax is not paid within the stipulated deadline, it will be considered whether to initiate distraint proceedings in order to establish a charge on the self-employed person's assets, including amounts outstanding from clients.

Advance tax for self-employed persons registered with tax municipality 2312 shall be paid to:

The Tax Collector - Foreign Tax Affairs, P.O. Box 8103, NO-4068 Stavanger, Norway.

Account no.	6345 06 23123
Iban number:	NO33 6345 06 23123
Swift address:	NDEANOKK

Bank: Nordea Bank Norge ASA, Cash Management, P. O. Box 1166 Sentrum, NO-0107 Oslo, Norway

#### **4.4 Payment of corporation tax**

Foreign enterprises that are engaged in business activities that are liable for tax in Norway pay corporation tax in the year after the income year, but before the tax assessment has been completed (preliminary tax), cf. [the Tax Payment Act section 27](#).

Preliminary tax is levied on the basis that the entire tax amount shall be paid before the tax assessment has taken place. The preliminary tax is paid in two instalments, on 15 February and 15 April. As a rule, preliminary tax will be calculated so that each of the instalments corresponds to half of the tax assessed in connection with the previous tax assessment.

Levied preliminary tax can be changed, if, among other things, the taxpayer so requests and it is highly probable that the assessed tax will deviate greatly from the preliminary tax levied.

For taxpayers who are registered with tax municipality 2312, the preliminary tax will be levied by the Central Office - Foreign Tax Affairs. Based on information from the taxpayer, the preliminary tax is levied so that it equals the total expected amount of tax assessed.

Any residual tax, which is the difference between the tax assessed and the preliminary tax levied, will fall due for payment three weeks after the tax assessment has been made public. Interest of 1.7% is charged on residual tax, cf.

[the Tax Payment Act section 27 seventh paragraph](#) and [Regulations no. 272 of 26 February 1999 section 9](#). By paying additional preliminary tax by 30 April it is possible to avoid interest being charged.

In cases in which residual tax is not paid on time, interest on overdue payment will be charged. The corporation tax must be paid even if the tax assessment has been appealed or a court judgment is pending, cf. [the Tax Payment Act section 30](#).

If the corporation tax is not paid within the stipulated deadline, it will be considered whether to initiate distraint proceedings in order to establish a charge on the enterprise's assets, including amounts outstanding from clients. The Norwegian tax authorities may also receive help from the authorities abroad in connection with the collection of unpaid tax.

Corporation tax for enterprises registered with tax municipality 2312 shall be paid to:

Tax Collector - Foreign Tax Affairs, P.O. Box 8103, NO-4068 Stavanger, Norway.

Account no.	6345 06 23123
Iban number:	NO33 6345 06 23123
Swift address:	NDEANOKK

Bank: Nordea Bank Norge ASA, Cash Management, P. O. Box 1166 Sentrum, NO-0107 Oslo, Norway

#### **4.5 Nordic agreement concerning the collection and transfer of tax (the tax withholding agreement)**

The tax withholding agreement is an agreement between the Nordic countries concerning the payment of withholding tax and the transfer of the tax paid. The agreement applies to tax on income from employment, pensions and National Insurance benefits and the transfer of corporation tax.

The purpose of the agreement is primarily to clarify the relationship between the tax authorities in the Nordic countries so that payroll withholding tax is only deducted by one state, either the state where the person in question lives or the state where the person works. It has been endeavoured to assign the right to deduct withholding tax to the state that will most probably be entitled to tax the income pursuant to the tax treaty.

If, during a stay for work purposes in Norway, an employee is to continue to have withholding tax deducted in his or her home country, the employer must fill in the form NT 1 (Nordic Withholding Tax Agreement) – confirmation that withholding tax is paid in the country of residence. The form must be signed by the employer and the tax authority in the municipality in which the employee lives in his or her home country. The tax authority in the home country will send the form to the competent authority in Norway. The form must have been received by the competent authority in Norway when the work starts for the employer to be exempted from responsibility for deducting tax in Norway.

The Central Office - Foreign Tax Affairs is the competent authority in Norway and can provide more detailed information about the withholding tax agreement.



## **5 Obligation to keep accounts, auditing duty, and right of inspection**

### **5.1 Obligation to keep accounts**

Foreign enterprises that are engaged in or take part in activity here in Norway or on the Norwegian Continental Shelf and who are liable for tax in Norway pursuant to the Taxation Act, have a statutory obligation to keep accounts, cf. [the Accounting Act section 1-2](#). Enterprises with an obligation to keep accounts must prepare annual accounts and an annual report each financial year, cf. [the Accounting Act section 3-1](#).

The Bookkeeping Act applies to all enterprises and persons that are obliged to keep accounts pursuant to the Accounting Act, cf. [the Bookkeeping Act section 2](#). Among other things, this means that all transactions that are material to the assets, liabilities, income and expenses of an enterprise with an obligation to keep accounts must be registered in an accounting system. The accounting system must specify all the registered information on which the amounts in the statutory reporting are based. The registration shall include all information that is material to the preparation of the annual accounts and other financial reporting that follows from the law or regulations.

Pursuant to the regulations of [07.09.2006 no. 1062 section 10-1](#) concerning annual accounts for foreign enterprises engaged in activity on the Norwegian Continental Shelf, with the exception of petroleum extraction and pipeline transportation, or businesses that are engaged in temporary activity onshore, Chapter 3-7 of the Accounting Act does not apply to enterprises with a turnover of less than NOK 5 million. The Accounting Act chapter 3-7 deals, among other things, with annual accounts and annual reports, fundamental accounting principles and generally accepted accounting practice, rules for valuation, the profit and loss account, balance sheet and cash flow statement and notes. Central Office - Foreign Tax Affairs can exempt enterprises with a turnover of more than NOK 5 million from complying with the provisions of the Accounting Act chapter 3-7.

For enterprises that are tax assessed by the Central Office - Foreign tax Affairs, statutory financial reporting includes the form «Extract of Accounts» ([RF-1045E](#)) It is important that the accounting system is organised in a manner that enables this form to be filled in correctly.

### **5.2 Auditing**

The Auditors Act contains detailed provisions concerning the auditing duty, the approval of auditors, the duties of auditors and the requirements that apply to the performance of auditors' duties.

Pursuant to this Act, all foreign enterprises with a statutory obligation to keep accounts pursuant to the Accounting Act and that have at least NOK 5 million in operating revenues (which are liable for tax pursuant to Norwegian domestic law) are obliged to have a Norwegian auditor (a registered public accountant or state

authorised public accountant) in the year after their revenues exceeded the amount mentioned.

### **5.3 Tax inspection**

The tax authorities are entitled at all times to demand access to the accounts of foreign enterprises that are engaged in activity in Norway/on the Norwegian Continental Shelf, cf. [the Tax Assessment Act sections 4-10 and 6-15](#).

With respect to inspection of employees' pay and the tax deducted, the tax collector is also entitled to review and control the enterprises' accounts pursuant to [the Tax Payment Act section 47](#).

## **6 The National Insurance Scheme**

The Norwegian National Insurance Scheme is governed by Act no. 19 of 28 February 1997 (Folketrygdloven) and is organised under the Directorate of Labour and Welfare. Membership of the National Insurance Scheme entails an obligation to pay National Insurance contributions, and it confers rights on members pursuant to Norwegian National Insurance legislation. The rules concerning for whom membership of the Norwegian National Insurance Scheme is compulsory, employees' duty to pay National Insurance contributions, employers' duty to pay employer's National Insurance contributions and the most common exceptions from membership of the Norwegian National Insurance Scheme are discussed in the following.

### **6.1 Compulsory membership of the National Insurance Scheme**

#### **6.1.1 Persons deemed, for National Insurance purposes, to be resident in Norway**

Persons who are resident in Norway are as a rule obliged to be members of the Norwegian National Insurance Scheme, cf. [the National Insurance Act section 2-1](#). A person is deemed to be resident if his/her stay in Norway is intended to last for more than 12 months. It is a condition that the person in question has a residence permit in Norway. Membership applies irrespective of the employee's citizenship and the employer's nationality.

#### **6.1.2 Employees in Norway or on the Norwegian Continental Shelf**

A person who, for National Insurance purposes, is not deemed to be resident in Norway is nonetheless obliged to be a member if the person in question is an employee in Norway with a work permit. In principle, the person in question will become a member from the first working day irrespective of the duration of the work and irrespective of whether he/she is liable for tax, see [the National Insurance Act section 2-2](#). Nor is it a requirement that the employer must be Norwegian or have a permanent establishment in Norway.

Correspondingly, employees who work on the Norwegian Continental Shelf in connection with exploration for or extraction of oil, gas or other natural resources are obliged to be members of the National Insurance Scheme.

#### **6.1.3 Self-employed persons**

EEA nationals who are resident in another EEA country and who engage in business activity as self-employed persons in Norway are obliged to be members of the National Insurance scheme, cf. [Regulation \(EEC\) No 1408/71 article 13 no 2b](#). Other foreign businesses/self-employed persons will only be compulsory members of the National Insurance scheme if they are deemed to be resident in Norway pursuant to the National Insurance Act.

#### **6.1.4 Seafarers**

Membership of the Norwegian National Insurance Scheme for foreign seafarers is discussed in more detail in section 7.8.

### **6.2 Obligation to pay National Insurance contributions**

Members of the National Insurance Scheme must pay National Insurance contributions. National Insurance contributions are stipulated as a percentage of personal income pursuant to [the Taxation Act sections 12-2 and 12-10](#), cf. [the National Insurance Act section 23-3](#). The rate for National Insurance contributions are decided by the Storting (the Norwegian parliament) every year. For 2008 it is:

- 7.8% of pay and other personal income
- 11% of income from self-employment/business activities and other personal income

For employees, National Insurance contributions are normally included in the employer's deduction of withholding tax and they are included in the deduction tables. National Insurance contributions for self-employed persons with an obligation to pay such contributions are included in the advance tax. If an employee is not taxed in Norway, the National Insurance contributions must be paid to the local Norwegian Labour and Welfare Service (NAV) office.

### **6.3 Obligation to pay employer's National Insurance contributions – foreign employers**

Employers are obliged to pay contributions to the National Insurance scheme on wages and other remuneration for work and assignments carried out in or outside employment in Norway or on the Norwegian Continental Shelf. The obligation to pay employer's National Insurance contributions is related to the obligation to report pay and other remuneration for work, cf. [the National Insurance Act section 23-2](#) and [the Tax Assessment Act section 6-2](#). The obligation to pay employer's National Insurance contributions applies even if the employer is not engaged in activity in Norway that is liable for tax and irrespective of whether the employee is liable for tax in Norway.

Employer's National Insurance contributions are calculated as a percentage of the pay and other remuneration paid for work carried out in Norway or on the Norwegian Continental Shelf. Employer's National Insurance contributions are differentiated, with rates that vary between different geographical zones. The highest rate applies to Zone 1, which includes the Norwegian Continental Shelf and large areas of southern Norway. The rate for Zone 1 is currently 14.1%. The zone to which an employer belongs is decided on the basis of where he or she is registered. Foreign employers who are only registered with an address abroad in the Central Coordinating Register for Legal Entities must calculate and pay contributions at the rate for Zone 1.

If, however, an employee carries out more than half of his or her work in another zone than the zone in which the employer is registered, the rate in the work zone

may apply to this work.

The employer is obliged, at his/her own initiative, to calculate the contributions and pay them six times a year, see 4.2.4.

If the employees are exempt from the Norwegian National Insurance Scheme pursuant to a national insurance agreement or pursuant to the EEA Agreement, cf. [Regulation \(EEC\) No 1408/71](#), the employer is exempt from the obligation to pay employer's National Insurance contributions. Employees can also be exempted from the Norwegian National Insurance Scheme on the basis of the National Insurance Act. In such cases, the employer can apply for remission or a reduction of Norwegian National Insurance contributions if it can be documented that corresponding contributions are paid to the employee's home country on the same wage payments. Applications should be sent to the Tax Collector - Foreign Tax Affairs.

#### **6.4 Exemption from compulsory membership in the National Insurance Scheme for foreign nationals staying temporarily in Norway.**

Some employees may be exempted from compulsory membership of the Norwegian National Insurance Scheme. This applies, among other things, to so-called posted workers covered by the EEA Agreement or who are covered by a national insurance agreement entered into by Norway.

Pursuant to the EEA Agreement, cf. [Regulation \(EEC\) No 1408/71](#), the principle is that a person shall be insured in the country in which he or she works. A posted worker, on the other hand, will in principle be covered by the national insurance legislation in his or her home country if the work in Norway does not last for more than 12 months. The national insurance authorities in the home country must issue confirmation or a certificate as documentation that the person in question is insured in his or her home country (form E-101). The form should be sent to:

NAV Madla trygd, P. O. Box 484, NO-4090 Hafersfjord, Norway  
Phone: 815 81 000 (from within Norway only)

Correspondingly, it is possible to apply for exemption or partial exemption from the Norwegian National Insurance Scheme under national insurance agreements entered into with countries outside the EEA area: Canada (separate agreement with the province of Quebec), the USA, Turkey and Switzerland.

Foreign employees from countries outside the EEA area, who are not covered by a national insurance agreement, can apply for exemption from the Norwegian National Insurance Scheme pursuant to [the National Insurance Act section 2-13](#). It is a condition for exemption that the employee is insured in his or her home country and that such coverage can be documented.

## **7 Seafarers who are tax resident abroad**

### **7.1 The Central Office - Foreign Tax Affairs assesses foreign seafarers**

Seafarers who are tax resident abroad who are in service on Norwegian vessels, i.e. vessels registered in the Norwegian International Ship Register (NIS) or the Norwegian Ordinary Ship Register (NOR), that are liable for tax in Norway are assessed by the Central Office - Foreign Tax Affairs. The Central Office - Foreign Tax Affairs also stipulates pensionable income and National Insurance contributions for seafarers resident abroad who are only obliged to pay National Insurance contributions to Norway.

### **7.2 Liability to pay tax**

The main rule is that persons employed on Norwegian-registered ships (NOR or NIS) are liable for tax in Norway. For seafarers resident abroad, the liability to pay tax follows from [the Taxation Act section 2-3 subsection \(1\) letter h](#).

Persons resident in a Nordic country are liable for tax in Norway on income earned on board ships registered abroad that are on bareboat charter to Norwegian enterprises, cf. [the Taxation Act section 2-3 subsection \(1\) letter h. no. 2](#), seen in conjunction with the Nordic Tax Treaty article 15 no. 3.

There are several exceptions from the liability to pay tax to Norway. Persons who can substantiate that they are liable for tax to their country of residence on all their pay and where double taxation is not prevented by a tax treaty, are not liable for tax in Norway.

Nor are persons resident outside the Nordic countries who serve on board NIS registered vessels liable for tax in Norway, cf. [the Taxation Act section 2-3 subsection \(1\) letter h no. 3](#).

A tax treaty with the country of residence may also limit the liability to tax.

Seafarers who work on board vessels in petroleum-related activities on the Norwegian Continental Shelf are liable for tax in Norway pursuant to [the Petroleum Taxation Act section 2](#) and are thus not covered by the above-mentioned provisions.

### **7.3 Moving from Norway**

For persons who have been tax resident in Norway, but who have subsequently moved to another country, see chapter 3.2.

### **7.4 Reporting of seafarers**

Employers must report seafarers employed on vessels registered in NIS or NOR to the NAV AA register.

Reporting shall be done using the prescribed form that can be obtained by contacting:

NAV Aa-registeret, P. O. Box 4330, NO-2308 Hamar, Norway,  
tel. (+47) 62 02 40 00, or via the internet: [www.nav.no/aaregisteret](http://www.nav.no/aaregisteret)

Employees on board vessels engaged in petroleum-related activities on the Norwegian Continental Shelf must also be reported pursuant to [the Tax Assessment Act section 6-10 subsection 1 b and subsection 2](#), see chapter 2.

## **7.5 Duty to withhold tax (payroll withholding tax) etc.**

Tax deduction cards are not sent to seafarers resident abroad. Special deduction tables have been produced for them. Employers registered in the NAV Aa-register who have seafarers in their employ at the beginning of the income year will be sent the deduction tables. The deductions to which seafarers are entitled are incorporated in the deduction tables, and they are based on even deductions over 12 months. When selecting the table, the employer must make a decision with respect to the tax class and the obligation to pay National Insurance contributions and whether the employee is entitled to seafarers' allowance, see 7.9.

For employees who are only liable for National Insurance contributions to Norway, the employer shall deduct National Insurance contributions in advance in the same way as for tax. Separate tables have not been produced for National Insurance contributions. Deductions must be made at the percentage rate stipulated in the Norwegian parliament's annual decision on tax rates.

With respect to where the End of Year Certificate (certificate of pay and tax deducted), employers' payment record forms and the reporting of advance tax and National Insurance contributions are to be sent, see chapter 4.2.5.2.

## **7.6 Reporting of pay and other remuneration**

Payments made to persons resident abroad must be reported in the following cases:

- Payments of wages and other remuneration for work on board vessels registered in NOR. It is not required, however, to report wage payments to persons resident outside the Nordic countries and who are nationals of countries outside the EEA area if they are employed by a foreign employer who is engaged in business activity on board (not ordinary seafarers).
- Payments of wages and other remuneration for work on board vessels registered abroad that are on bareboat charter to Norwegian shipping companies if the employee is resident in another Nordic country.
- Payments of wages and other remuneration for work on board vessels registered in NIS if the recipient is:
  - a Norwegian national,
  - resident in another Nordic country, or
  - a national of an EEA state.

A report is not required, however, of wage payments to persons resident outside the Nordic countries who are employed in connection with hotel and restaurant activity on board tourist ships registered in NIS.

## **7.7 Tax returns**

Seafarers who are tax resident abroad are usually exempt from submitting a tax return, cf. [Regulations no. 155 of 16 February 2001 section 2](#). It is a condition for such exemption that the person only has seafarer's income and that the income is not liable for tax pursuant to the Petroleum Taxation Act.

## **7.8 National Insurance**

Seafarers who are not resident in Norway, but who are employed on board a Norwegian-registered vessel (NOR or NIS) must be members of the Norwegian National Insurance Scheme if the employee is:

- a Norwegian national, or
- resident in a Nordic country, or
- a national of a country covered by the agreement on the European Economic Area (EEA) or Switzerland, or
- employed on board a vessel that is only engaged in domestic shipping (in Norwegian waters).

Employees employed in connection with hotel and restaurant activities on board tourist ships registered in NIS are exempt from the obligation to be members of the Norwegian National Insurance Scheme.

EEC Regulation no 1408/71 on social security schemes also contains special provisions concerning exemptions.

Seafarers on board vessels used in exploration for or extraction of petroleum deposits or other natural deposits on the Norwegian Continental Shelf are insured irrespective of their nationality, cf. [the National Insurance Act section 2-2](#).

Seafarers who are members of the Norwegian National Insurance Scheme must pay the full membership contribution to the Norwegian National Insurance Scheme. For seafarers resident abroad who are exempt from paying tax to Norway, the National Insurance contributions are stipulated by the Central Office - Foreign Tax Affairs.

As a rule, employers shall pay employer's National Insurance contributions on wages and similar remuneration paid to seafarers employed on board Norwegian vessels (NOR or NIS) at the highest rate (Zone 1).

For payments to foreign seafarers employed on board NIS-registered vessels whose pay is not required to be reported, a corresponding exemption applies from the obligation to pay employer's National Insurance contributions.

The exemption from the obligation to report pay does not apply to work and activities on the Norwegian Continental Shelf, and only if the employee is not

liable for tax and National Insurance contributions to Norway. See the Regulations relating to the obligation to report pay when paying persons resident abroad, [Regulations no. 932 of 19 November 1990 section 1 subsection 3 c\) - e\)](#).

Foreign seafarers other than those mentioned above and who are employed on board NOR-registered vessels engaged in international shipping, are partially insured with rights to benefits in the event of occupational injury and death, cf. [the National Insurance Act section 2-6](#). This provision does not apply to persons who are employed in the service of a foreign employer who is engaged in business activity on board.

Seafarers who are only partially insured pursuant to [the National Insurance Act section 2-6](#) are not required to pay National Insurance contributions.

Employers must pay a monthly National Insurance contribution for partially insured seafarers pursuant to [the National Insurance Act section 2-6](#). The contribution for 2008 is NOK 306 per employee on board for each month or part of month.

Foreign seafarers on board NIS-registered vessels who are not compulsory members of the National Insurance Scheme are fully exempt from insurance coverage. They shall not pay National Insurance contributions.

Employers are obliged to take out occupational injury insurance for seafarers employed on board Norwegian-registered vessels when the seafarers are exempt from coverage pursuant to the National Insurance Act.

## **7.9 Seafarers' deduction**

The seafarers' deduction is 30 per cent, maximum NOK 80,000, of taxable income on board. The basis for calculating the deduction includes ordinary gross pay plus other taxable remuneration paid to the taxpayer and which is remuneration for work on board, or which replaces such remuneration, cf. [the Taxation Act section 6-61](#).

The main rule is that seafarers whose main occupation is on board vessels in service, and where the work on board lasts for at least 130 days in total in one and the same income year, qualify for seafarers' deduction.

The following are deemed to be ships in service:

- Ships engaged in international shipping which have their own propulsion machinery, irrespective of the size of the ship.
- Vessels used in the petroleum activities that are engaged in supply, standby and anchor handling services, seismic or geological surveys and other comparable activities, as well as construction, pipe-laying or maintenance activity.
- Naval vessels on active service.
- Ships of 100 gross register tons or more that have their own propulsion machinery and are not included in the exceptions listed below.

The following are deemed not to be ships in service:

- Ferries or passenger vessels that only sail between Norwegian ports where the distance between the first and last port of call is less than 300 nautical miles.
- Vessels used in petroleum activities that are engaged in exploration, exploration drilling, extraction, exploitation and pipeline transportation.
- Ships that sail on Norwegian lakes and rivers.
- Ships engaged in stationary activity and harbour traffic or other activity over a limited distance where the distance sailed does not exceed 30 nautical miles.
- Accommodation ships or ships used as work platforms, missionary ships, theatre ships etc.
- Pleasure craft, vessels used for hospitality purposes, shuttle boats etc.
- Fishing, whaling and sealing vessels, but only for the period the vessel is used for fishing and whaling/sealing.

More about the rule requiring 130 days on board during the income year:

- In addition to the main occupation requirement, it is, in principle, a requirement that the seafarer has actually worked on board for a total of 130 days in one and the same income year. Days spent on board the ship where the income is not subject to Norwegian taxation can also be included when calculating the 130 days.
- If the seafarer has worked on board for less than 130 days, the condition is deemed to be met if the employment relationship is covered by a collective agreement that presupposes at least 130 days on average on board during the year.
- If the seafarer has started working late or finished working early in the year, so that he/she has less than 130 days on board, he/she may nonetheless qualify for the seafarers' deduction if the employment relationship is covered by a collective agreement as mentioned above.
- If the seafarer has been ill and has received sickness benefit for part of the year so that he/she has less than 130 days on board, he/she may nonetheless qualify for the seafarers' deduction if the employment relationship is covered by a collective agreement as mentioned above.
- Work for short periods of time on board (less than 130 days) as a stand-in or similar do not entitle to seafarers' deduction even if the employment relationship is covered by a collective agreement.

## 8 Value added tax on foreign nationals' activity in Norway

### 8.1 Value added tax

Value added tax (VAT) is a tax on consumption that must be paid on domestic sales of goods and services liable for tax in all links in the chain of distribution and on imports. [Act no. 66 of 19 June 1969](#) contains the provisions relating to value added tax.

The rates for VAT for 2008 were as follows:

- 25% general rate
- 14% on foodstuffs, and
- 8% on passenger transport, accommodation, broadcasting and the cinema.

A separate brochure [«Guide to Value Added Tax in Norway/Merverdiavgift – Veiledning til næringsdrivende»](#) has been produced that provides a more detailed overview of the regulations concerning VAT in Norway.

### 8.2 Foreign businesses

A distinction is made in connection with VAT between foreign businesses that sell goods and services in Norway and those that do not make such sales in Norway.

#### 8.2.1 Foreign businesses that do not have turnover in Norway

Foreign businesses that only sell goods from abroad to Norway are not liable for VAT in Norway. In such cases, the liability to tax arises on importation.

For more information about the importation of services, see the brochure [«Merverdiavgift – kjøp av tjenester fra utlandet»](#) (VAT – purchase of services from abroad) on the Norwegian tax authorities website.

Foreign businesses that are not obliged to register here may incur VAT through the acquisition of goods and services in Norway. A reimbursement scheme has been established for such cases. It is administered by the tax region office «Skatt øst». More information is available in the brochure [«Refunds of Value Added Tax to Foreign Businesses/Refusjon av merverdiavgift til utenlandske næringsdrivende»](#). See also [RF-1032](#).

#### 8.2.2 Foreign businesses that have turnover in Norway

Foreign businesses that have turnover in Norway that is liable to VAT are liable for VAT pursuant to the same rules as apply to Norwegian businesses, and they must be registered in the VAT register.

If foreign businesses neither have a place of business nor a place of residence in Norway, they must calculate and pay VAT on their turnover in Norway through a representative and be registered in the VAT register through their representative.

In such cases, both the foreign business and the Norwegian representative are responsible for the VAT being calculated and paid, see 8.6.

### **8.3 Business activity that is liable for VAT**

[The Value Added Tax Act section 13](#) stipulates that VAT shall be calculated and paid on the sale of all goods and services, but there are several exceptions and exemptions from the duty to pay tax. They can be divided into two main groups.

The one group, exception from the liability to pay tax, comprises sales that fall completely outside the scope of the Act. Businesses that only have such sales, shall not be registered in the VAT Register, and they are not entitled to deduct input VAT. [The Value Added Tax Act sections 5, 5a and 5b](#) list the exceptions.

The other group, exemption from the liability to pay tax, comprises sales that fall within the scope of the Value Added Tax Act, but where the Act stipulates that output VAT shall not be calculated, the so-called zero rate. A typical example of such sales is the sale of goods and services from Norway to abroad. The provisions of the Value Added Tax Act apply in full to such sales, including the rules concerning the deduction of input VAT. [The Value Added Tax Act sections 16 and 17](#) describe which sales are exempt.

VAT shall also be paid on withdrawals, for private use or for use in activities outside the VAT area, from businesses that are liable to pay tax, cf. [the Value Added Tax Act section 14](#).

### **8.4 Registration in the VAT Register**

Foreign businesses that sell goods or services that are liable to VAT in Norway, must be registered in the VAT Register if sales and withdrawals liable to VAT exceed NOK 50,000 during a 12-month period. Written notification about the business must be sent the Central Coordinating Register for Legal Entities or the tax office in the region in which the foreign business, or its representative (see 8.6), has its place of business/place of residence.

Notification is given by filling in a special form [Coordinated Register Notification](#), parts 1 and 2. If the business is already registered in the Central Coordinating Register for Legal Entities and all the required information in the main form was supplied in connection with this registration, part 2 «Supplement for the Value Added Tax Register» can be submitted in its own.

### **8.5 Obligations and rights as a result of registration in the VAT Register**

A foreign business that has a place of business or place of residence in Norway is obliged to keep accounts of its business activity in accordance with Norwegian accounting legislation. See, among other things, [the Bookkeeping Act of 19 November 2004 no. 73](#) and [the Value Added Tax Act](#), and their pertaining regulations.

Registered foreign businesses must calculate and pay VAT (output VAT) on sales in Norway of goods and services that are liable to VAT. The foreign business will, at the same time, be entitled to deduct VAT incurred on the purchase of goods and services for use in the business activity that is liable to VAT in Norway (input VAT), cf. [the Value Added Tax Act section 21](#). The deduction right also includes VAT calculated by the customs service in connection with the importation of goods to Norway.

A foreign business is obliged to submit trading statements within the stipulated deadlines and to pay outstanding VAT on the due date, see the Value Added Tax Act Chapters VIII and XI.

## **8.6 Registration through a representative**

Foreign businesses that establish business activity in Norway without having a place of business or place of residence in Norway shall be registered through a representative, see [the Value Added Tax Act section 10 third paragraph](#) and [the Ministry of Finance Regulations of 31 March 1977 \(no. 71\)](#). When registered through a representative, the foreign national has the same rights and obligations as follow from normal registration in the VAT Register. The representative must have a place of residence or a place of business in Norway. Both the foreign business and the representative must sign the “Coordinated Registration Notification” part 2, (see 10 below).

Foreign businesses must keep accounts of their business activity in Norway. The representative must also keep complete VAT accounts of the foreign business’s turnover in Norway, both purchases and sales.

Sales documents for the foreign business’s turnover in Norway shall be sent via the representative. The representative must add his/her own name and address to the sales document and the business’s organisation number followed by the letters MVA and specify the VAT (output VAT) on the transaction. At least three copies of the sales document must be produced, one of which shall be retained by the representative.

Both the foreign business and its representative are responsible for VAT being calculated and paid.

## **8.7 Special rules for goods/services for use in offshore petroleum activity**

Special VAT exemptions apply to deliveries of goods and service for use in offshore petroleum activity, cf. sections 1 and 2 of [the Ministry of Finance Regulations \(no. 27\) of 19 February 1974](#).

### **8.7.1 Who is entitled to VAT-free deliveries?**

Pursuant to [section 1](#) of the Regulations, VAT shall not be calculated and paid on goods and services delivered to:

- Licensee companies, i.e. companies with a licence to carry out exploration for petroleum deposits and to exploit them.
- Drilling companies, i.e. companies that carry out drilling for oil/gas and related work.
- Platform owners/ tenants.
- Businesses without an obligation to register that perform services in ocean areas outside Norway's territorial waters relating to installations/ facilities covered by the Regulations. By businesses without an obligation to register is meant businesses engaged in activity that shall not be registered in the VAT Register in Norway.

### **8.7.2 Which goods are covered by the exemption?**

In principle, all types of goods for use outside Norway's territorial waters are exempted. However, pursuant to [section 1 third paragraph](#) of the regulations VAT shall be calculated and payed on:

- the sale of goods for use in Norway, and
- the delivery of goods for sale to crew members in offshore petroleum activities.

For deliveries of goods to be exempt from VAT, the delivery must take place in accordance with a special order form, see [the Directorate of Taxes Regulations \(no. 60\) of 22 February 1974](#). Dispensation can be granted from the requirement for an order form in special cases and on specific conditions, cf. [the Ministry of Finance Regulations section 6 second paragraph](#). Such dispensation may only be granted in connection with the sale of foodstuffs and groceries for consumption by the crew on drilling platforms and other installations and special vessels. The same applies to the sale of deck equipment and machinery.

### **8.7.3 Which services are covered by the exemption?**

The exemption for services is governed by [section 2](#) of the Regulations and applies to:

- Services performed in the drilling, extraction or exploration area or on pipelines, or installations and facilities relating to the exploitation of natural deposits in the ocean area outside Norway's territorial waters.
- Services performed in Norway on equipment and operating assets relating to installations or facilities as mentioned above.
- Services that concern engineering, drawing, design and other technical assistance relating to installations or facilities as mentioned above.
- Services concerning transportation between the shore and drilling, recovery or installation sites in ocean areas outside Norway's territorial waters.

Nor, when delivery of the service is exempt from VAT pursuant to the above-mentioned rules, shall VAT be paid on materials delivered in connection with the work. The requirement for the use of an order form does not apply to deliveries of services alone.

#### **8.7.4 Base enterprises' activity**

Base enterprises with an obligation to register shall not calculate and pay VAT on sales at the base area of services involving storage, unloading, transport etc. (handling) of goods for the account of a client as mentioned in [the Regulations sections 1 to 4, cf. the Regulations section 5](#).

### **8.8 Special rules for goods and services for special vessels in offshore petroleum activity**

Special exemption rules also apply to deliveries of goods and services to special vessels used in the oil activities. The exemption is governed by section 4 of [the Ministry of Finance Regulations \(no. 27\) of 19 February 1974](#).

Special vessel means a specially built or altered ship for use in the petroleum activities that carries out assignments in connection with such activities. Diving vessels, pipe-laying vessels and supply vessels are examples of such vessels.

All goods, including provisions, that are delivered to special vessels are covered by the exemption. However, the goods must be intended for use on a vessel on assignment for the petroleum activities outside Norway's territorial waters.

The exemption for services is limited and only applies to:

- Work on the vessel or the vessel's permanent equipment.
- Towing of the vessel.
- The renting out of permanent operating equipment that is delivered to the vessel.
- Brokerage fees that are paid by a Norwegian ship-owner for voyage charters of special vessels or for the transportation of cargo on special vessels.

There is no requirement that an order form must be used in connection with service deliveries.

### **8.9 Obligation to provide information to the VAT authorities**

Pursuant to [the Value Added Tax Act section 49 a](#), businesses and public bodies that award foreign businesses on-site assignments for construction and assembly work must unsolicited provide information about the assignment and about any and all contractors carrying out assignments in connection with the main assignment.

The following information must be provided:

- the contractor's name, address and registration number in the VAT Register
- the dates on which the assignment is expected to start and finish,
- the place where the assignment is to be carried out, and
- the contract amount.

The information must be given to the tax office in the region in which the work is carried out as soon as possible after the contract is signed and no later than 14 days after the work has commenced.

The obligation to provide information largely corresponds to the duty that follows from [the Tax Assessment Act section 6-10](#), see Chapter 2. The duty to provide information pursuant to [the Value Added Tax Act section 49 a](#) is therefore deemed to have been fulfilled if the business in question has provided corresponding information to the Central Office - Foreign Tax Affairs if the latter is informed at the same time of the contractor's registration number in the VAT Register.

### **8.9.1 Sanctions for failure to comply with the obligation to provide information**

The [Value Added Tax Act section 52](#) contains a provision on sanctions whereby the VAT authorities can impose a daily enforcement fine on persons who have failed to fulfil their obligation to provide information.

## **9 About Altinn**

### **9.1 What is Altinn?**

Altinn is a web portal for reporting to public agencies. The portal is a collaboration between the Brønnøysund Registers and the Directorate of Taxes, among others.

At Altinn.no, forms can be submitted to the tax authorities, including the reporting of foreign labour, VAT statements, tax returns, statements relating to the tax assessment, employers' payment record form for National Insurance contributions and payroll withholding tax. Forms can also be submitted to other public agencies. A list of all the forms in Altinn is available at [www.altinn.no/no/Skjema-og-tjenester/](http://www.altinn.no/no/Skjema-og-tjenester/). More information about the tax authority's forms is available at skatteetaten.no.

### **9.2 Who can use Altinn?**

#### **9.2.1 Businesses**

In order to be entitled to submit forms on behalf of a business, you must be registered in the Central Coordinating Register of Legal Entities with a particular role in the enterprise. Such roles include manager, chairperson of the board, accountant, auditor etc.

A person registered with a particular role in the enterprise can delegate rights to other employees in his/her enterprise. It is possible to delegate rights to several persons at the same time. Accounting and auditing firms must do this for each of their clients.

In order to gain access to report in Altinn, it is also necessary, in addition to having a right, to have a Norwegian identity number/D number and an access code. Private persons' tax deduction cards contain access codes, see 9.2.2. Contact Altinn's user service if you do not have a tax deduction card with access codes. Among other things, it is possible to obtain a Smartcard to access Altinn.

#### **9.2.2 Private persons**

Private persons with a tax deduction card from the Central Office - Foreign Tax Affairs are for the time being not provided with an access code to Altinn, and it is thus not possible for them to submit private information via Altinn. Those who have a tax deduction card from another tax office, on the other hand, have access codes on their tax deduction cards.

### **9.3 Why choose Altinn?**

By using Altinn:

- You can fill in and submit forms directly on the internet or transferring them from your internal systems for finance, wages and annual accounts.
- You get online help with filling in forms.
- You can easily delegate rights.
- You get a receipt confirming that forms have been submitted.
- You have a 10-year electronic archive
- You have a work process in which several different people may fill in and have access to forms before they are submitted. For example, an enterprise's general manager, accountant and auditor can carry out all the required operations in Altinn up until the tax return for businesses/self-employed persons is submitted.
- As an accountant and auditor, you can handle clients more efficiently. Among other things, you get a good overview of clients and can monitor the status of forms that are to be submitted.
- The deadlines for submitting tax returns for businesses/self-employed persons and employers' payment record form for National Insurance contributions and payroll withholding tax are longer.

#### **9.4 Contact information**

To get help in connection with logging on, navigating, delegation or other matters relating to the use of Altinn, contact Altinn user service:

Altinn user service: (+47) 75 00 60 00

E-mail: [support@altinn.no](mailto:support@altinn.no)

For [questions concerning how to complete the forms](#), contact the agency/service whose form it is.