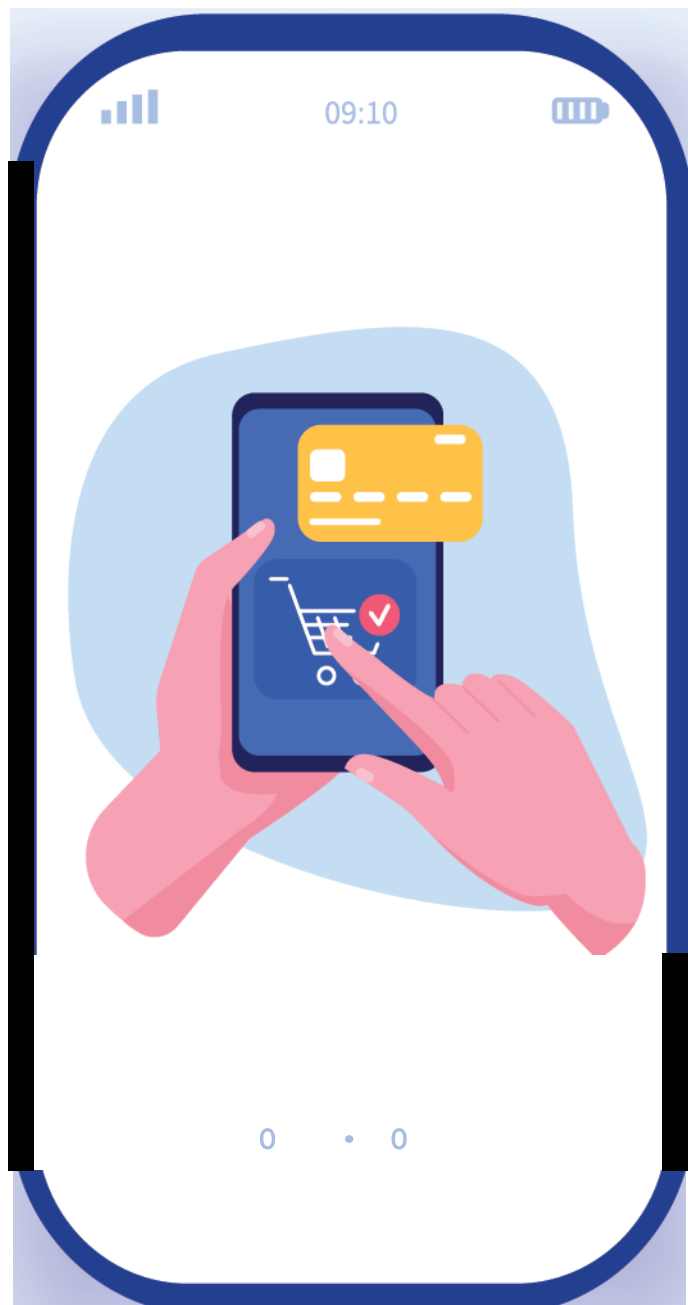


# Sell, charge and ship goods to Norway - how to get compliant with the Norwegian VOEC scheme

## Guidelines - VAT on e-commerce



## Guidelines for VAT On Electronic Commerce (VOEC)

### Innhold

1	Introduction .....	3
2	Important changes from 1 January 2024 - background for the VOEC-scheme.....	3
2.1	Overview – the Norwegian VAT system .....	4
2.2	VOEC scheme – VAT on low value goods .....	5
3	VOEC scheme – key features.....	5
4	More on the term “low value goods” .....	7
4.1	Low value goods – multiple goods in one order – bundling.....	8
5	Goods outside of VOEC-scope .....	9
6	Basis for calculation of VAT on low value goods .....	9
7	Who is liable for VAT – “supplier” of goods.....	10
8	Safeguards – “good faith” – limited compliance risks .....	11
9	Preventing double taxation – shipment information and digital labeling of shipments .....	12
9.1	Managing double taxation .....	13
10	VOEC scheme – administrative details .....	13
10.1	Who are entitled to register in the VOEC scheme and who are required to use ordinary domestic VAT registration.....	13
10.2	How to register.....	14
10.3	When to register .....	15
10.4	Reporting and payment .....	15
10.5	Currency conversion – determining whether VAT applies to a supply .....	16
10.6	Currency conversion – determining the amount of VAT payable .....	17
10.7	Corrections – refunds – returns of goods .....	17
10.8	Point of sale .....	18
10.9	VAT deductions .....	18
10.10	Documentation and compliance requirements .....	18
10.11	Deletion from the simplified registration system.....	19
10.12	Administrative provisions – sanctions .....	19
11	Suppliers that chooses ordinary registration in the VAT Registry .....	19
12	More information – contact information .....	20
	Appendix: Definition of "books".....	24
	Appendix: Information regarding sales of Collectables - Stamps, Coins and Banknotes.....	25
	Appendix: Deciding the correct form of registration .....	26
	Change log .....	28
	Amendments and clarifications of 11 June 2020: .....	29

# 1 Introduction

VOEC (VAT On E-Commerce) is a simplified scheme established for sellers and online marketplaces to register, declare and pay VAT on business-to-consumer (B2C) supplies of *low value goods* and *remotely deliverable services (including electronic services)*. The VOEC-scheme is an alternative to ordinary Norwegian VAT-registration.

The VOEC-scheme has similarities with the EU IOSS-scheme and the principles in the OECD Guidelines on cross-border trade and the report from March 2019 on the Role of Digital Platforms in the Collection of VAT/GST on Online Sales.

## 2 Important changes from 1 January 2024 - background for the VOEC-scheme

Please note that important amendments to the VOEC-scheme takes effect from 1 January 2024. These amendments are incorporated in these guidelines and in this document [LINK], but are in summary:

1. **The temporary customs declaration exemption for goods valued below NOK 350, that has existed since 2020, will be abolished.** This means that all goods without a VOEC number will be stopped on import to Norway for payment of VAT and duties. It is therefore important to correctly provide the VOEC number to avoid delays, extra fees from the transporter, and double-taxation as a consequence of VAT charged a second time at border crossing.
2. **From 1 January 2024, you must provide the VOEC number digitally.** You cannot any longer choose to write the number physically on the package labeling. The VOEC number must be provided to the transporter of the goods responsible for the border crossing, and the transporter must present the VOEC number digitally to the Norwegian Customs. Additionally you must provide relevant information about the contents of the consignment, included its value, a description of the goods, and quantity of the goods.
3. **New portal solution for VOEC.** A new login portal and reporting system has been introduced. You have to create a new user in this portal. See detailed information here (LINK)

## 2.1 Overview – the Norwegian VAT system

Norway is not a member of the EU. Thus, the comprehensive secondary legislation as regards to VAT, especially the VAT directive Dir. 2006/112/EC, is not binding for Norway. Even so, the Norwegian system is largely based on the same principles as in the EU.

VAT is payable on all goods and services unless specifically exempted, e.g. financial services, health and social services and letting of real property, or zero-rated, e.g. books, newspapers etc.

Foreign businesses with business activities in Norway must calculate and pay VAT to the same extent as Norwegian businesses.

As regards to VAT on international transactions, the Norwegian system is highly influenced by the OECD work, both as regards the destination principle and as regards mechanisms for the effective collection of VAT. Norway was among the first countries to introduce a simplified vendor regime for B2C transactions of electronic services.

Cross-border sales of goods and services are treated in accordance with the destination principle. Hence, imports to Norway are in principle VAT liable through either border collection or use of the reverse charge mechanism or the VEOC scheme, while exports from Norway are zero-rated. Please note that the VAT legislation applies to the Norwegian mainland and all areas within the territorial border, but does not include Svalbard, Jan Mayen or the Norwegian dependencies. Sales to these areas are not subject to Norwegian VAT.

The VAT rate structure is:

- 25% – Standard VAT rate
- 15% – Foodstuffs
- 12% – Personal transport, letting of rooms in hotels etc.
- 0% – Books, newspapers etc. (including electronic books and audiobooks)

Foreign businesses are liable to registration in the Norwegian VAT Registry when VAT liable turnover exceeds the registration threshold. The VAT registration threshold is 50,000 Norwegian Kroner (NOK) during a 12 month period.

Foreign businesses without place of business in Norway can register directly in the VAT Registry. However, if the country of establishment and Norway do not have an agreement on mutual administrative assistance, the foreign business must register through a representative.

The VOEC scheme is an extension of the previous scheme for electronic services called VOES (Vat On Electronic Services). The VOES scheme is a simplified alternative to this ordinary registration process, and is provided to foreign businesses supplying electronic services to consumers in Norway. The VOES scheme provides such businesses a simplified registration process, and simpler terms for charging, collecting and remitting VAT to the Norwegian tax authorities. The VOES scheme is, broadly, an equivalent to the EU MOSS-scheme.

## **2.2 VOEC scheme – VAT on low value goods**

The main element of the scheme is that foreign sellers and intermediaries with a total turnover in Norway exceeding NOK 50,000 will be liable to pay Norwegian VAT when selling low value goods to consumers in Norway. Zero rated goods – e.g. books – are to be included in the calculation of the turnover limit. If a seller uses an electronic marketplace to sell low value goods, only the operator of the marketplace will be regarded as the supplier for VAT purposes. This corresponds to the previous simplified scheme for electronic services. For more information on when an intermediary shall be regarded as the supplier of goods, see point 7 “Who is liable for VAT –“supplier” of goods”.

Foreign suppliers with turnover exceeding the NOK 50,000 threshold will be allowed to manage their VAT liability on sales of low value goods through the VOEC scheme, instead of through an ordinary registration in the Norwegian VAT Registry. For information about registration in the VAT Registry, see point 10.1 and 12.

Suppliers who do not exceed the registration threshold, and who are therefore not liable to pay Norwegian VAT, but otherwise meet the requirements (i.e. carries out supply of goods comprised by the VOEC scheme), may choose to register in the simplified registration system. The alternative for such supplies of goods is border collection of Norwegian VAT.

## **3 VOEC scheme – key features**

The key features of the VOEC scheme are:

- The VOEC scheme will be only applicable for the collection of VAT.
- The VAT liability on sales of low value goods (physical goods valued at less than NOK 3000) is shifted from the Norwegian consumer to the foreign supplier of the goods.
- Instead of the consumers paying VAT at the point of importation (border collection), the supplier must collect Norwegian VAT at the point of sale and report and pay the VAT to Norwegian tax authorities.
- The VOEC scheme is a simplified “pay only”-system. VOEC-suppliers are not entitled to VAT deductions

- The VOEC-goods are subject to simplified customs procedures, with no customs declaration. However, in order to avoid a second collection of VAT at the border the supplier must provide VOEC-information, showing that VAT has been collected at the point of sale. See point 9 “Preventing double taxation – shipment – information and labelling of shipments”

The VOEC scheme includes all goods, except:

- Foodstuffs, which are any goods meant for human consumption, including nutritional and dietary supplements that are not medicinal drugs. Importation of medicinal drugs is restricted
- Goods subject to excise duties, including tobacco products and alcoholic beverages. See here for information on excise duties <https://www.skatteetaten.no/en/business-and-organisation/vat-and-duties/excise-duties/>
- Restricted or illegal goods according to Norwegian law. See here for information on restricted goods <https://www.toll.no/en/corporate/import/goods-with-import-restrictions/>

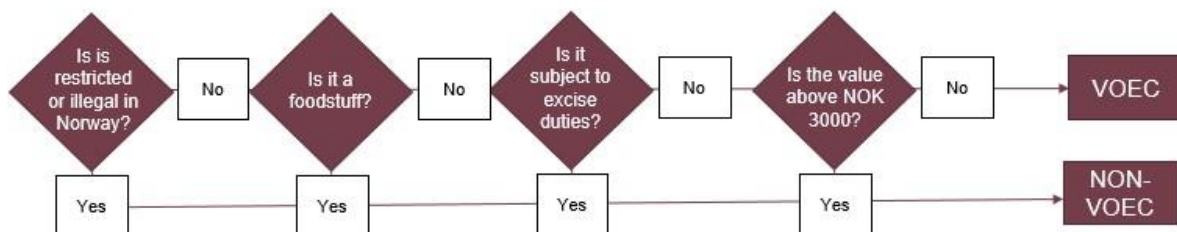
Zero-rated goods (newspapers, periodicals, books etc.) are included in the VOEC scheme. More on the definition of "books" can be found in the appendix.

The threshold for customs duties has been raised from NOK 350 to NOK 3,000 for goods where the obligation to collect Norwegian VAT is handled through the VOEC scheme. This means that no good within the scope of the VOEC scheme will be subject to excise duties or customs duties.

The VOEC scheme entails a simplified registration process, with simpler reporting requirements and fewer administrative burdens in general than an ordinary VAT registration.

Flow chart:

## Is this item within the VOEC scheme?



## 4 More on the term “low value goods”

The VOEC scheme is only applicable for sales of low value goods (and remotely deliverable services). Low value goods means:

- Physical goods valued at less than NOK 3,000. (NOK 3,000 is equivalent to approx. Low value goods – The NOK 3,000 threshold

The less than NOK 3,000 threshold is applied per item – not per consignment. The value of the item at “point of sale” is decisive. Additional costs and fees – e.g. shipping and insurance costs – are excluded when determining if the value is within the NOK 3,000 threshold (but to be included when calculating the VAT, see point 6 «Basis for calculation of VAT on low value goods”).

Point of sale is when the consumer purchases the good, i.e. on checkout, when the customer accepts the total price and commits to the payment for the item.

For the purpose of determining whether goods are individually valued less than NOK 3000, the supplier must convert the sales price in foreign currency to NOK at the point of sale. See guidance for

### **Example 1:**

Customer A buys a guitar for NOK 2,999 from Supplier B. The shipping charge is NOK 300. Supplier B must collect VAT according to the provisions on low value goods, as the value of the guitar excluding the shipping charge is below the threshold. The shipping charge is to be included when calculating the amount of VAT to be collected.

### **Example 2:**

Customer A buys a sports item with retail price NOK 2,999 following currency conversion at the point of sale according to the provisions for currency conversion. In the period between the point of sale and the point of importation, the exchange rate fluctuates which leads to the sports item’s value rising to NOK 3,049 at the point of importation. The sports item is still within VOEC-scope, as the value was below the threshold at the point of sale.

### **Example 3:**

An underlying supplier misstates the value in e.g. transportation documents, which leads to the value exceeding the threshold in the transport documents. The item is still within the VOEC-scope, as the value at point of sale is decisive.

currency conversion below in point 10.5 "Currency conversion – determining whether VAT applies to a supply".

#### **4.1 Low value goods – multiple goods in one order – bundling**

A supply of multiple goods that individually has a value of less than NOK 3,000 is still considered a "supply of low value goods", even if the total value of the consignment exceeds the NOK 3,000 threshold. The supplier must collect VAT on each item.

On the other hand, if a supply of multiple goods consists of one or more goods valued above the NOK 3,000 threshold, or one or more goods that fall outside of the VOEC scheme (e.g. foodstuffs or restricted goods), the consignment must be split into separate consignments in order to avoid ordinary customs declaration of the low value goods.

The same applies if a good within the VOEC scheme is bundled with goods outside the VOEC scheme and combined into one item.

Any unbundling or separation of goods that are offered and sold as one unit to avoid passing the value limit of the VOEC scheme is prohibited.

If items within the VOEC scheme and non-VOEC items are sold in the same transaction and sent in the same consignment, the supplier can choose not to charge VAT for the item(s) within the VOEC scheme and make the whole shipment subject to border taxation. This possibility does not exempt the supplier from registering in the VOEC scheme and charging VAT on items within the VOEC scheme on purchases or shipments that consist of only VOEC items.



**Example 4:** Customer A buys a T-shirt for NOK 499, a jacket for NOK 1,999 and a pair of shoes for NOK 899 from Supplier B. Supplier B must collect VAT on all items even if the total price exceeds NOK 3,000, as the value of each of the items is below the threshold.

**Example 5:** Customer A buys a serving tray combined with foodstuffs. Presumed this make up a single supply of foodstuff; in this case the whole item is outside of the VOEC scheme. VAT, and any excise duties or custom duties, is subject to border collection.

**Example 6:** Customer A in Example 4 adds a sports item worth 3,500 to the purchase ("items in basket"). The items with an individual value below the threshold form one supply, and Supplier B collects VAT on these items. The sports item falls outside of the VOEC scheme and the supplier chooses to send it in a separate shipment subject to border taxation.

**Example 7:**

The supplier in example 6 wishes to send all the items (below and above the NOK 3,000 threshold) as one shipment. The supplier chooses not to charge VAT to any of the items in the purchase. Thus, the whole shipment and all items are subject to border taxation.

## 5 Goods outside of VOEC-scope

Goods valued above the NOK 3,000 threshold, as well as foodstuffs, restricted goods and goods subject to excise duties are treated according to current rules for importation of goods. Starting point for comprehensive information on customs legislation and procedures can be found here:

<https://www.toll.no/en/corporate/import/>

## 6 Basis for calculation of VAT on low value goods

The basis for calculation of VAT on low value goods is the consideration. The VAT itself shall not be included in the basis of calculation. All costs relating to the performance of the agreement are included in the basis for calculation of VAT, regardless of whether such costs are included in the consideration or are subject to a separate payment claim. For example, freight and insurance costs are included in the basis for calculation of VAT. Discounts and Rebates that are pre-agreed and given directly in connection with the sale, is subtracted from the basis of calculation.

All reporting and payment must be done in NOK. See point 10.6 “Currency conversion – determining the amount of VAT payable” for guidance on determining the VAT payable amount.

**Example 8:**

Customer A buys a T-shirt for NOK 499, a jacket for NOK 1,999 and a pair of shoes for NOK 899 from Supplier B. In addition, Supplier B charges NOK 299 for freight of the goods. The basis for calculation of VAT is NOK 3,696. The amount of VAT collected is NOK 924.

## **7 Who is liable for VAT – “supplier” of goods**

If a supplier of goods sells goods through its own online store etc., the supplier shall calculate and pay VAT on the supplies.

If the supply of the goods is facilitated with the use of an intermediary, the intermediary shall be regarded as the supplier for VAT purposes, instead of the underlying supplier of the goods. This, effectively, means that an operator of an online marketplace facilitating the distance sales of low value goods to consumers in Norway through the use of an electronic interface (e.g., marketplace, platform, app, portal), for VAT purposes will be regarded to have supplied those goods himself.

The supplier provision is mandatory. This means that where an online marketplace (intermediary) is facilitating the sale of low value goods, the underlying supplier cannot be registered for the sale through the online marketplace. The underlying supplier and intermediary cannot freely choose who shall be VAT liable for the supply.

A supplier that sells goods within the VOEK-segment without the use of an intermediary – typically from its own web store – is liable for VAT and may use the VOEK scheme. If a supplier sells goods both via its own web store and through an intermediary who is regarded as the supplier for VAT purposes, the supplier is VAT liable for the sales via its own web store but not for the sales through the intermediary. For the latter, the intermediary shall calculate and pay VAT.

Where low value goods are sold through an intermediary, it must be decided whether the underlying supplier or the intermediary shall be regarded as the supplier”. A general guideline for this assessment is to determine which subject the consumer primarily deals with to buy the particular good. Generally, if the intermediary facilitates the sale of goods through an electronic interface, the intermediary shall be regarded as the supplier of goods. Facilitate means that the intermediary, through the electronic interface, allows the customer and underlying supplier to enter into contact that results in a supply of goods through the electronic interface to that customer. When carrying out this assessment, especially the following elements should be taken into account:

- It is not decisive whether underlying agreements between the parties classify the relationship as involving a subcontractor, intermediary, agent or commissioner etc.
- It is not necessarily decisive who is contractually responsible for the supply of goods.
- An important factor is who, from the standpoint of the consumer, appears to be the seller, and who is responsible for the actual delivery.

However, an intermediary shall not be regarded as the supplier if all of the following conditions are met:

- The intermediary does not set, either directly or indirectly, the general terms under which the supply of goods is made;
- The intermediary is not, either directly or indirectly, involved in charging the customer in respect of the payment made;
- The intermediary is not, either directly or indirectly, involved in the ordering or delivery of the goods.

Additionally, an intermediary shall not be regarded as the supplier if the intermediary only provides any of the following:

- the processing of payments in relation to the supply of goods;
- the listing or advertising of goods;
- the redirecting or transferring of customers to other electronic interfaces where goods are offered for sale, without any further intervention in the supply.

This assessment is similar to the assessment made in the VOES-system in determining the responsible party for VAT on sales of electronic services B2C, and is also designed in a similar way as in the EU system that entered into force 1 January 2021.

## **8 Safeguards – "good faith" – limited compliance risks**

An intermediary who is regarded as the supplier is fully liable for VAT on the supply of goods.

The intermediary is in many cases dependent on information provided by underlying suppliers and third parties to comply with the VAT obligations. The intermediary shall not be held liable for the payment of VAT in excess of the VAT, which is declared and paid on the supplies, where all of the following conditions are met:

- the taxable person (the intermediary) is dependent on information provided by suppliers selling goods through an electronic interface or by other third parties in order to correctly declare and pay the VAT on those supplies;
- the information received by the taxable person is erroneous; and
- the taxable person can demonstrate that he did not and could not reasonably know that this information was incorrect.

The customer shall be presumed to be a non-taxable person. This presumption releases the interface from the burden of having to prove the status of the customer.

## **9 Preventing double taxation – shipment information and digital labeling of shipments**

The VOEC scheme is based on VAT collection at the point of sale, not border collection as in regular cross-border trade of goods B2C. Further, VOEC-goods are free of excise duties and customs duties. Consequently, there is no border collection of VAT, excise duties or customs duties for VOEC-goods.

However, the border crossing may affect shipments within the VOEC-segment, as goods outside the scheme is subject to border collection of VAT, excise duties and customs duties. If the VOEC-goods cannot be easily identified, there are risks of delayed border crossing and double taxation. Thus, to secure simplified importation and to avoid the risk of double taxation, the suppliers of VOEC-goods must follow the mandatory steps to ensure that relevant digital information about the VOEC-goods is available to the transporter and, subsequently, the Norwegian Customs. The VOEC number must be provided digitally in the following manner:

Freight by postal service:

- Provide the VOEC number (7 digits) via “electronic advance data” (M33/ITMATT V1.) when booking the freight from your local postal service.
- Enter your 7-digit VOEC number in the ITMATT field «sender.identification.reference». You must not use any other letters, symbols, or characters.

Freight by other transporters, for example, couriers, express delivery services:

- Enter your VOEC number (7 digits) in the EDI message or via API as directed by the carrier when booking the freight.

The transporters must make sure that the VOEC-information is available to the Norwegian Customs, preferably in a prenotification in digital form, alternatively – at the latest – upon presentation of the goods at the border.

A supplier or transporter in good faith is not held responsible for misuse of VOEC-numbers, see point 8.

## **9.1 Managing double taxation**

When the obligation to provide the VOEC number digitally comes into force on 1 January 2024, there will be a risk of double taxation if the VOEC number is not correctly specified. Double taxation takes place because the Norwegian customer must pay VAT a second time when the goods cross the border if the VOEC number is not provided digitally as described above.

Such double taxation should be corrected, and the responsibility for such corrections lies with you as a VOEC-registered company.

We emphasise that such correction is a matter between you and your Norwegian customers. It is a prerequisite for correction that you reimburse the customer the VAT you collected on the sale in question. You must document that VAT has been refunded to the customer and then correct your VOEC return for the reduced VAT amount. You must also obtain documentation from the customer showing that value added tax has been paid a second time upon crossing the border.

## **10 VOEC scheme – administrative details**

The VOEC scheme is a simplified vendor registration schemes for the effective collection of VAT for suppliers who has no registered business address or residence in Norway and shall only calculate and pay VAT on low value goods and electronic services.

### **10.1 Who are entitled to register in the VOEC scheme and who are required to use ordinary domestic VAT registration**

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<sup>2</sup> UPU (Universal Postal Union) member countries and their designated operators can provide the ITMATT ver. 1.5.0 (both M33-11 and M33-12) with the assigned VOEC-number as the ITMATT reference – “sender.identification.reference”. If your designated operator uses the old ITMATT ver.1.2.1 (M33-8G) the respective field is “item.submitter-party.ID”.

The term “supplier” is discussed above in point 7 “Who is liable for VAT – ‘supplier’ of goods”. Besides the definitions and distinctions discussed in that chapter, there are formal requirements for registration in the VOEC scheme.

The VOEC scheme is only applicable to suppliers that have no registered business address or residence in Norway. Further, the VOEC scheme is only applicable to suppliers that shall only calculate and pay VAT on remotely deliverable services and low value goods.

If a supplier has a registered business address or residence in Norway, or is VAT liable for any other supplies of goods or services, the supplier must register in the ordinary VAT Registry for all of the supplier’s taxable supplies, including low value goods. Such suppliers cannot opt for the simplified VOEC scheme. The same applies to suppliers that have a high degree of business adaptation towards the Norwegian market, and therefore are deemed to be domestic Norwegian businesses, even if they otherwise fulfil the criteria for VOEC-registration. This may be the case after an overall assessment is made, where key criteria are whether the supplier appear to be a Norwegian business from the viewpoint of a Norwegian consumer, the business predominantly is marketed and directed towards Norway, and if the goods formally are considered delivered in Norway according to the Norwegian Sales of Goods Act. Please contact the VOEC office for further guidance in such cases.

If a supplier already has an ordinary registration in the Norwegian VAT registry, and wants to change registration to VOEC-registration, the supplier must fulfill the VOEC terms as stated above, including not being deemed a domestic Norwegian business. Please note that a combination of VOEC-registration for goods below NOK 3000 and ordinary VAT registration for goods above NOK 3000 is, as a general rule, not possible.

Only supplies to private individuals and non-business customers (B2C) can be calculated and reported via the VOEC scheme. Note, however, that a supplier will not disqualify for the VOEC scheme if the supplier also make similar supplies to businesses and public sector bodies (B2B). For B2B-supplies, the recipient is liable to calculate and pay VAT.

For example, if a Norwegian underlying supplier, i.e. a Norwegian supplier that sells goods to consumers in Norway through an intermediary, e.g. the operator of an electronic marketplace, is a “taxable person”, the sales from the underlying supplier through the electronic marketplace are outside the scope of VOEC. Such supplies are considered as domestic supplies. Consequently, the underlying seller shall calculate and pay VAT on the supplies. The underlying seller is considered a “taxable person” if the underlying supplier is or should be registered in the ordinary VAT Registry. This would be the case e.g. if the underlying supplier also sells goods through a physical store in Norway.

## **10.2 How to register**

The simplified registration, reporting and payment-process take place through the Norwegian Tax Administration [www.skatteetaten.no/voec](http://www.skatteetaten.no/voec)

After initial registration, the supplier is assigned an identification number (VOEC number).

Please note that a new portal solution for VOEC is introduced from 2024. The goal of the new portal is to make it easier and more efficient for you to report correctly. Please note that a new portal solution for VOEC is introduced from 2024. The goal of the new portal is to ensure a more user-friendly and efficient reporting for up to five users in an organisation. It will replace the existing solution in Altinn. You must report the fourth quarter of 2023 in the new solution.

The new solution will ensure a more user friendly and efficient reporting and allows you to share data with up to five users in your organisation. You will also have the opportunity to have a dialogue with us directly in the new solution, so that you have everything gathered in one place. It will replace the existing solution in Altinn..

If you are already registered in VOEC, you must create a new user in the new portal and connect your user with your VOEC company. You only have to do this the first time you log in to the new solution, and you must have your Altinn username and VOEC number ready before you log in.

### **10.3 When to register**

The obligation to register arises when the total value of deliveries to consumers in Norway exceeds NOK 50,000 during a period of 12 months. Only turnover liable for VAT and zero-rated turnover is taken into consideration when to decide whether the business or organisation is required to register. Suppliers who do not exceed this threshold but otherwise meet the requirements may choose to register in the simplified registration system.

A VOEC-registered supplier that has supplies to consumers in Norway below the amount limit of NOK 50,000 and who has not been deleted from the simplified registration system, will remain registered for a period of two calendar years and calculate and pay VAT and submit VAT returns during this period, unless the supplier applies for a de-registration from the VOEC scheme.

### **10.4 Reporting and payment**

VAT must be declared and paid quarterly, with a deadline for the submission of returns and payment 20 days after the end of the period.

The reporting periods, VAT declaration and payment due by:

**Reporting period**

**VAT declaration and payment due by**

1 January to 31 March	20 April
1 April to 30 June	20 July
1 July to 30 September	20 October
1 October to 31 December	20 January

### **10.5 Currency conversion – determining whether VAT applies to a supply**

To determine whether VAT applies to a supply, the value of the good shall be measured at the point of sale according to the principles set out in point 4.1 “Low value goods – The NOK 3,000 threshold”. If the good in question is listed in foreign currency, the supplier must convert the foreign currency amount to NOK at the point of sale. The supplier may use any of the following exchange rates:



- the rate provided by [Norwegian Customs](#) (fixed weekly rate);
- [the Central Bank of Norway rate](#) , or a reference rate published by another central bank;
- an exchange rate provided by a foreign exchange organisation or foreign exchange data vendor.

The exchange rate to be used for conversion must have been published within 30 [...] days of the conversion time (point of sale). If a rate other than the most recently published rate is used, the practice for sourcing the rate must be consistent.

## **10.6 Currency conversion – determining the amount of VAT payable**

All reporting and payment must be done in NOK. When converting foreign currency to NOK to determine the amount of VAT to be returned, a supplier may use the chosen exchange rate mentioned above at:

- the point of sale;
- the last day of the taxable period;
- the time of filing the tax return but at the latest the deadline day for the submission of returns and payment of VAT;
- another time as agreed with the Norwegian Tax Administration.

Once the supplier chooses a method other than expressing amounts in NOK at the point of sale, the chosen method must be used consistently for a period of 24 months, unless otherwise agreed with the Norwegian Tax Administration.

## **10.7 Corrections – refunds – returns of goods**

The supply may be subject to double taxation (VAT may be charged at the point of sale and the supply may be subject to border collection of VAT) if sufficient information about the shipment is not provided, or if a supplier charges VAT on the sale of goods that are not low value goods and therefore subject to border collection.

The need for corrections may also arise from return of goods and bad debt relief.

In these situations, the supplier may decrease payable VAT due to reimbursement of VAT to the customer.

Corrections, including refunds related to return of goods, can be made in subsequent VAT returns in a designated field for "corrections to previous VAT returns".

There are no formal procedures or requirements for making corrections to previous VAT returns, besides the declaration of the corrected amount in the VAT return. This also applies to corrections

caused by refunds related to returns of goods. However, the explanation and basis for the correction must be documented – see point 10.10 below – where particularly documentation mentioned in letter (D) and (K) is relevant (that is: information on subsequent increase or reduction of taxable amount, and: proof of possible returns of goods, including the taxable amount and VAT rate applied). Please note that return of goods is not a requirement for making corrections. However, the suppliers must - even in such cases - fully reimburse the customer for the full amount, including VAT, to be entitled to corrections. Reimbursements must be documented according to the requirements in point 10.10 below. There are no particular procedures and documentation requirements concerning VAT for the consumer when returning goods.

The regular rules on bad debt relief in the Norwegian VAT Act applies to the VOEC-scheme: When the customer does not pay the platform/supplier, the platform/supplier may be entitled to bad debt relief. In such cases, the taxable amount should be reduced accordingly if the platform/supplier has made reasonable effort to ensure payment. Please contact the tax administration – see point 12 – for guidance on what constitutes reasonable steps to recover the debt.

### **10.8 Point of sale**

The VAT is payable at the point of sale. Point of sale is when the consumer purchases the goods, i.e. on checkout, when the customer accepts the total price and commits to the payment for the item. Failure in delivery to customer/no importation to Norway of the goods entitles corrections of “the VAT on point of sale”.

### **10.9 VAT deductions**

VOEC is a "pay only"-scheme, and VOEC-suppliers are not entitled to VAT deductions. However, Norway has, similar to other countries, a general refund scheme for traders not established in Norway if these suppliers have VAT expenses in Norway related to their business activity here. More information on VAT refund here: [www.skatteetaten.no/vatrefund/](http://www.skatteetaten.no/vatrefund/)

### **10.10 Documentation and compliance requirements**

A VOEC-registration carries fewer documentation requirements than an ordinary VAT registration. In the simplified registration system, the supplier must keep a list of transactions that concerns the sale of low value goods to Norwegian consumers. The list of transactions must be sufficiently detailed for it to be compared with the VAT return and thereby function as a means of control.

The transaction record shall at least contain the following information

- (a) the description and quantity of goods supplied;
- (b) the date of the supply of goods;

- (c) the taxable amount indicating the currency used;
- (d) any subsequent increase or reduction of the taxable amount;
- (e) the VAT rate applied;
- (f) the amount of VAT payable indicating the currency used, and method of currency exchange;
- (g) the date and amount of payments received;
- (h) any payments on account received before the supply of goods, if available;
- (i) where an invoice is issued, the information contained on the invoice;
- (j) the information used to determine the place where the dispatch or the transport of the goods to the customer begins and ends;
- (k) proof of possible returns of goods, including the taxable amount and VAT rate applied;
- (l) the unique consignment number or unique transaction number.

The list of transactions must be stored for 5 years and, at the Norwegian tax authorities' request, it must be made available electronically within three weeks.

### **10.11 Deletion from the simplified registration system**

A supplier will be deleted from the simplified registration system when the enterprise ceases trading or when the conditions for using the simplified registration system are no longer met. A supplier that repeatedly fails to fulfil the obligations pursuant to the Value Added Tax Act and the Tax Administration Act may also be deleted.

Deleted suppliers who still engage in activities that are liable for VAT are obliged to register in the Norwegian VAT Registry.

### **10.12 Administrative provisions – sanctions**

As regards compliance with the regulations, suppliers in the simplified registration system will be subject to most of the general administrative provisions that apply for ordinary VAT registration. Among other things, this means that the suppliers will have a general duty to disclose information that has a bearing on VAT control, and that the VAT authorities can obtain information about the suppliers from third parties.

It also means that the VAT authorities can stipulate VAT by discretionary judgement and impose sanctions such as additional tax or penal sanctions if a supplier provides incorrect or incomplete information or fails to submit a VAT return.

## **11 Suppliers that chooses ordinary registration in the VAT Registry**

Information can be found at

<https://www.skatteetaten.no/en/business-and-organisation/vat-and-duties/vat/>

## **12 More information – contact information**

Read more here:

The Norwegian Tax Administration: [www.skatteetaten.no/voec](http://www.skatteetaten.no/voec)

Norwegian Customs: <https://www.toll.no/en/corporate/import/>

## **Appendix: Examples of foodstuffs, restricted goods and goods subject to excise duties in Norway**

From 1 January 2020, the VAT exemptions for low value goods (goods with a value below 350 NOK) are abolished for foodstuffs, restricted goods and goods subject to excise duties. These goods will now be charged with taxes when imported to Norway.

The following is a list of examples of such goods, by category. Please note that these lists are not complete or exhaustive. They are meant as examples of goods that will be charged with taxes upon crossing the Norwegian border, and are not a part of the new VEOC scheme (read more about the VEOC scheme in the enclosed guidelines).

### **Examples: Excise duties**

- Alcoholic beverages
- Non-alcoholic beverages
- Beverage packaging
- Sugar
- Chocolate and sugar products
- Technical ethanol
- Tobacco products
- Lubricating oil
- Mineral products
- Products that use or produce gasses such as HFC, PFC, NO<sub>x</sub>, TRI or PER, or the gasses/mixtures of gasses themselves

The list is not comprehensive or complete. Read more at <https://www.skatteetaten.no/en/business-andorganisation/vat-and-duties/excise-duties/>

### **Examples: Restricted goods**

- Alcohol
- Tobacco
- Foodstuffs, plants, seeds, animals
- Endangered animal and plant species (CITES goods)
- Medicines
- Waste
- Explosives, fireworks and hazardous substances
- Weapons, weapons parts, and ammunition
- Cultural monuments, antiques

The list is not comprehensive or complete. Read more at <https://www.toll.no/en/corporate/import/goods-withimport-restrictions/>

## **Examples: Foodstuffs**

(in any form – fresh, chilled, dried, frozen, preserved or powderized, or otherwise)

- Any meats, poultry, fish, shellfish and such.
- Tripe, edible offal.
- Animal biproducts like dairy, honey, and such
- Fruit and Vegetables
- Legumes, nuts and seeds
- Tea and coffee and other plant based beverages
- Spices and herbs
- Grains, such as rice, quinoa, oats and such
- Flours
- Oils, juices, squashes and extracts (plant based or animal)
- Plant mucus and thickeners
- Plant based biproducts
- Fats, lard, fish oils and their fractions, and such
- Glycerol
- Sugars, such as raw, sirups, granulated, fructose, by itself or as a biproduct
- Candy, sweets, and confectionery including gum, pastilles and such
- Cocoa, chocolate and chocolate products
- Prepared foods for children
- Prepared foods
- Malt extract
- Pasta products
- Cakes and cake mixes
- Baked goods
- Pickels, jams and preserves
- Yeast
- Products for the production of beverages (like sirups and such)
- Pastilles and chewing gum, including those containing nicotine
- Drinking water
- Non-alcoholic beverages
- Alcoholic beverages
- Salts and vinegars
- Vanillin, Ethylvanillin
- Sucralose
- Heterocyclic compounds
- Vitamins and their derivatives
- Dietary supplements, health foods, protein powders and such

The list is not comprehensive or complete. Please contact Norwegian Customs if you are uncertain whether the product you are exporting / importing to Norway is a foodstuff.

## Appendix: Import Guide to Norway

- When you send goods into Norway, you must declare to Norwegian Customs at the border what you are bringing in, and how much.
- Usually, a forwarding agent or a customs broker can deliver a customs declaration on your behalf. A forwarding agent or a customs broker is a person or company that can provide transport, customs clearance, and the like on behalf of others. The forwarding agent declares the goods electronically by submitting information to Norwegian Customs' customs clearance system. The declaration from the forwarding agent and response from Norwegian Customs are both electronic. Neither the importer nor the forwarding agent needs to meet physically with Norwegian Customs to declare the goods, unless requested by Customs
- Even if you use a forwarding agent, you as the importer are responsible for ensuring that the customs clearance is carried out in accordance with the regulations.
- There are essentially three types of tax that may be payable on imports:
  - 1) VAT
  - 2) duty
  - 3) excise duties
- You, as the importer, are responsible for paying and reporting duties and taxes. If you are registered in the Norwegian VAT register or the VOEC scheme, you must calculate and report the import VAT to the Norwegian Tax Administration by way of the new tax return. If you are not registered in either of these (private individuals, non-registered foreign companies, etc.) you must pay import VAT, any excise duties and customs duties to Norwegian Customs on import.
- You will generally report and pay VAT on all goods you import into Norway, even if you do not pay customs duty on the goods. The Norwegian government sets the rate of VAT each year. VAT is currently 25 per cent. One exception is foodstuffs, for which the rate is 15 per cent.
- Most goods are free of customs duty. In broad terms, customs duties only apply to textiles (e.g. clothing), agricultural products and foodstuffs (food and drink). If duty is to be paid on the goods, this must be paid upon import.
- Excise duties are due on some goods. The Norwegian government sets the rates each year. The excise duties rates and how to calculate them vary. If an excise duty is due on the goods you are importing, you must familiarize yourself with the regulations for this excise duty.
- The import of some goods may be prohibited or restricted. The Norwegian authorities may require documentation or permits to import these goods into Norway. Check the regulations from the competent Norwegian authority before trading such goods. There may also be restrictions in the exporting country that require you to have an export license permit. This must be checked with the seller or the authorities in the country of export.
- In some cases you can apply for a refund of duties and taxes. For example, if you return a consignment, cancels a purchase, or return damaged goods.

Read more at <https://www.toll.no/en/corporate/import/import-guide-for-beginners/>

## Appendix: Definition of "books"

### Section 6-4 Books

#### Section 6-4-1 Books

"Books" means publications that are not newspapers or periodicals. This includes electronic books and audiobooks.

#### Section 6-4-2 Publications that are not books

The following publications are not books:

- a) printed documents for completion, insertion, sticking, binding or tearing out/off
- b) small printed documents such as circulars, circular letters, brochures, prospectuses, folders, etc.
- c) regulations, instructions, articles of association, laws treaties, agreements, parliamentary documents, announcements from public institutions
- d) printed minutes of negotiations
- e) prints of verdicts, judgments, registers, land registries, etc.
- f) school and study plans, lecture and course catalogues
- g) organisation and regulation plans and similar
- h) almanacs, annual calendars, and other publications with a calendar
- i) programs for exhibitions, gatherings, lectures, meetings and other events,
- j) lists or tables of numerical circumstances for the calculation of amounts or other numerically expressed entities such as prices salaries, discounts, points, fees, taxes, coins, dimensions, weight, etc.
- k) sheets, booklets and books of music. Song books shall nevertheless considered as books even if they contain music
- l) traffic routes
- m) loose covers and folders if the cover or folder is not intended to enclose a book or a particular publication which is exempt from value added tax
- n) collections of printed images, etc. if the pages are without text or only state the name of the location or persons or give a description, brief instructions or similar
- o) lists of properties, products, fixed assets, exhibition objects, stocks and other movables
- p) lottery lists
- q) address and company lists
- r) lists of streets and service locations
- s) lists of subscribers
- t) lists of rates, prices, fees, freight charges, share prices and exchange rates, etc.
- u) maps other than atlases; "atlas" means a stapled or bound series of maps covering at least one country
- v) printed advertising, including printed documents which are distributed free of charge and attract attention towards the products or services of a number of companies, a trade or an industry
- w) other printed publications which in accordance with a special printing assignment are supplied for internal use by a company

This is an excerpt of the Norwegian VAT Regulation. The full text can be found [here](#).



## **Appendix: Information regarding sales of Collectables - Stamps, Coins and Banknotes**

Stamps, coins and banknotes sold as collectables are exempted from VAT and 25% VAT shall not be added.

**If VAT is collected on such goods by mistake, corrections should be made toward the parties concerned. VAT should not be collected from the customers, and not included in the VAT declaration.**

Please note that only coins and banknotes that previously have been valid means of payment – legal tender – in the issuing country, are defined as collectable, and exempt from VAT.

Postcards and envelopes are also VAT exempt as collectables, provided they have been subject to postal treatment, that is passed through the post. Such postcards and envelopes with pre-printed postage are also VAT exempt.

## Appendix: Deciding the correct form of registration

A supplier within the scope of the VOEC scheme – according to the terms described in the guidelines above – must use the correct form of registration to report and pay VAT. There are two alternatives:

- 1) VOEC registration
- 2) Ordinary registration in the Norwegian VAT registry

The principal form of registration for suppliers within the scope of VOEC is the VOEC registration, which is designed for suppliers within the VOEC scheme, and entails a simplified registration process, with simpler reporting requirements and fewer general administrative burdens than an ordinary VAT registration.

The VOEC registration may be used when the following requirements are met:

- The VOEC registration is only applicable to suppliers that have no registered business address or residence in Norway, and
- The VOEC registration is only applicable to suppliers that shall only calculate and pay VAT on B2C sales of electronic services and low value goods.

Consequently, if a supplier has a registered business address or residence in Norway, or is VAT liable for any other supplies of goods or services, the supplier must register in the ordinary VAT registry for all of the supplier's taxable supplies, including low value goods. Such suppliers cannot opt for the simplified VOEC scheme. On the other hand, a supplier entitled to VOEC registration may voluntarily choose registration in the Norwegian VAT registry, instead of a VOEC registration.

Beside these two main categories of cases, there is a third variant where a supplier must use an ordinary registration instead of VOEC, even if the supplier otherwise fulfils the requirements for use of VOEC:

Such mandatory use of registration in the Norwegian VAT registry applies to suppliers that have a high degree of business adaptation towards the Norwegian market, and therefore are deemed to be domestic Norwegian businesses. To decide if the supplier is to be considered a domestic Norwegian business in relation to VAT, or a supplier that is entitled to use the VOEC-registration, one must undertake an assessment, where several criteria are relevant and must be taken into consideration.

Before we review the central criteria in this assessment, we want to outline two typical scenarios concerning adaptation to the VOEC scheme, and their overall legal status in relation to registration form. Please note that these are examples, and that assessments have to be made on case-by-case basis (please contact the VOEC office for further guidance):

1. **Deregistration:** A business already registered in the Norwegian VAT registry, wants to deregister, and then change to VOEC registration.

**The Tax Administration's general view** is that this business cannot change to VOEC registration, as it still is considered a Norwegian domestic business, as long as the establishment and overall business adaptation towards the Norwegian market is the same as before deregistration.

2. **Combination of registrations:** A Norwegian domestic business already registered in the Norwegian VAT registry, wants to adapt to VOEC by shipping low value goods from abroad, and register in VOEC specifically for the sales of goods valued between NOK 0 – 3000. At the same time, the domestic Norwegian VAT registration is used for sales above NOK 3000:

**The Tax Administration's general view** is that this change of business model to establish a combination of registrations is not compatible with the VOEC scheme, when the overall business adaption towards the Norwegian market is the same as before the change. This may be the case even if sales of goods below NOK 3000 formally are established in a separate foreign legal entity, when these sales otherwise appear as an integrated part of the Norwegian domestic business (however, please contact the VOEC office for guidance in such cases). Thus the new system is designed for businesses not established and registered in Norway selling B2C supplies (remotely deliverable services and goods) into Norway.

Besides these examples, the following central criteria must be taken into consideration when assessing if the suppliers must register in the Norwegian VAT registry, instead of the VOEC registry. Particularly, the following characteristics – in isolation – indicates that it is a Norwegian business (and therefore not eligible for use of VOEC):

- **The place of supply is in Norway:** If the goods contractually are considered delivered within Norway and therefore considered to be domestic sales, the supplier is likely to be outside of the VOEC scheme. Please note that this may be the case even when place of supply is outside of Norway, when the assessment otherwise suggests that it is a Norwegian business.
- **The business is adapted to the Norwegian market:** The website and marketing is tailored to Norwegian consumers, e.g. by use of Norwegian language on website, marketing and in customer service, and a choice of Norwegian marketing channels, so that the business appears to be a Norwegian business from the viewpoint of a Norwegian consumer.

The following criteria – in isolation – characterize businesses that cannot be considered as having turnover in Norway:

- **The business operates in multiple countries, and use country-specific adaptations:** The fact that a supplier also provides the same market adaptations in other countries (language, marketing customer service), does not exclude a requirement for a Norwegian registration. It is not a condition that these adaptations must be exclusive to the Norwegian market.
- **The business uses non-Norwegian payment solutions and invoicing routines.** The use of a non-Norwegian bank, and the customer's knowledge of this, and invoices in a different language, does not exclude a requirement for Norwegian registration.
- **The business is established outside of Norway and have no permanent establishment in Norway:** The foreign establishment, and the customer's knowledge of this, does not exclude a requirement for Norwegian registration.
- **However,** it is important to emphasize that the presence of these criteria does not exclude the business from being considered to have domestic turnover.

**Please note:** These are examples of criteria that are a part of an overall assessment, and that these have to be considered on a case-by-case basis.

Please contact the VOEC office for further guidance.

## Change log

Version	Date	Change
1.0	24 February 2020	Document published
1.1	18 March 2020	Adjustment of letter k) in appendix about books, due to translation error. <i>k) sheets, booklets and books of music. ; <del>and s</del>-Song books shall nevertheless considered as books even if they contain music</i>
1.2	6 April 2020	Added appendix about stamps, coins and banknotes as collectables. Originally not mentioned.
1.3	15 April 2020	Adjusted the appendix about stamps etc. by removing one (unnecessary) sentence.
1.4	24 April 2020	Added a sentence in the appendix about stamps etc. about postcards and envelopes.
1.5	11 June 2020	Numerous amendments and clarifications (see next page).
1.6	5 August 2020	A clarification on rules for Svalbard in section 2.1: " <i>Please note that the VAT legislation applies to the Norwegian mainland and all areas within the territorial border, but does not include Svalbard, Jan Mayen or the Norwegian dependencies. Sales to these areas are not subject to Norwegian VAT.</i> "
1.7	21 October 2020	Added appendix about deciding the correct form of registration Added a sentence in the appendix about books, and section 2.1 by clarifying that audiobooks and electronic books are to be considered as books.
1.8	21 December 2023	Adjustments due to removal of temporary customs declaration exemption. See chapter 2.

## **Amendments and clarifications of 11 June 2020:**

### **Amendment section 4.2 (Low value goods – multiple goods in one order – bundling)**

*If items within the VOEC scheme and non-VOEC items are sold in the same transaction and sent in the same consignment, the supplier can choose not to charge VAT for the item(s) within the VOEC scheme, and make the whole shipment subject to border taxation. This possibility does not exempt the supplier from registering in the VOEC scheme and charging VAT on items within the VOEC scheme on purchases or shipments that consist of only VOEC items.*

### **New wording in example 6 and new example 7:**

*Example 6: Customer A in Example 4 adds a sports item worth 3,500 to the purchase ("items in basket"). The items with an individual value below the threshold form one supply, and Supplier B collects VAT on these items. The sports item falls outside of the VOEC scheme and the supplier chooses to send it in a separate shipment subject to border taxation.*

*Example 7: The supplier in example 6 wishes to send all the items (below and above the NOK 3,000 threshold) as one shipment. The supplier chooses not to charge VAT to any of the items in the purchase. Thus, the whole shipment and all items are subject to border taxation.*

### **Amendment in section 10.1 (amendments marked in italic)**

#### **10.1 Who are entitled to register in the VOEC scheme *and who are required to use ordinary domestic VAT registration***

[...]

If a supplier has a registered business address or residence in Norway, or is VAT liable for any other supplies of goods or services, the supplier must register in the ordinary VAT Registry for all of the supplier's taxable supplies, including low value goods. Such suppliers cannot opt for the simplified VOEC scheme. *The same applies to suppliers that have a high degree of business adaptation towards the Norwegian market, and therefore are deemed to be domestic Norwegian businesses, even if they otherwise fulfil the criteria for VOEC-registration. This may be the case after an overall assessment is made, where key criteria are whether the supplier appear to be a Norwegian business from the viewpoint of a Norwegian consumer, the business predominantly is marketed and directed towards Norway, and if the goods formally are considered delivered in Norway according to the Norwegian Sales of Goods Act. Please contact the VOEC office for further guidance in such cases.*

*If a supplier already has an ordinary registration in the Norwegian VAT registry, and wants to change registration to VOEC-registration, the supplier must fulfill the VOEC terms as stated above, including not being deemed a domestic Norwegian business. Please note that a combination of VOEC-registration for goods below NOK 3000 and ordinary VAT registration for goods above NOK 3000 is, as a general rule, not possible.*

### **Amendment in section 10.3 (When to register)**

The obligation to register arises when the total value of deliveries to consumers in Norway exceeds NOK 50,000 during a period of 12 months. *The 12 months period starts at 1 April 2020. Only turnover liable for VAT and zero-rated turnover is taken into consideration when to decide whether the business or organisation is required to register.* Suppliers who do not exceed this threshold but otherwise meet the requirements may choose to register in the simplified registration system.

### **Amendment in section 10.7 (Corrections – refunds – returns of goods)**

*Please note that return of goods is not a requirement for making corrections. However, the suppliers must - even in such cases - fully reimburse the customer for the full amount, including VAT, to be entitled to corrections. Reimbursements must be documented according to the requirements in point*

*10.10 below. There are no particular procedures and documentation requirements concerning VAT for the consumer when returning goods.*