

Check-list for foreign companies

Norway

This check-list is a short introduction to some of the issues related to doing business in Norway for foreign companies.

The check-list is divided into several different topics with separate sessions. It is intended that you follow the link under each topic to the next relevant session, in order to get the information applicable to your business.

If you have any questions, or need legal assistance in any of the below mentioned topics, please contact associate lawyer alf.bakke-loyning@visma.no in Visma Advokater AS.

In order to get the information relevant to your business, you will have to answer the following questions below.

Question: Will the company conduct business in Norway for a longer period, or plan to set up a separate Norwegian entity?

Question: Will the company have a registered place of business in Norway?

Question: Will the company have foreign or Norwegian employees?

Question: Will the company conduct business in Norway for a longer period, or plan to set up a separate Norwegian entity?

Yes, move to [1.1](#) No, move to [1.2](#)

1 Incorporation

1.1 AS/DA/ANS

If your company is planning to conduct activity in Norway for a longer time period, you should consider setting up a separate Norwegian company. The most common company types in Norway are General Partnership (ANS), Limited Partnership (DA) and Limited Liability Company (AS).

The stock capital required for establishing a Limited Liability company is NOK 30 000. There are no equity requirements for establishing a Partnership.

All company types must be registered at the Companies Registry, and certain administrative fees (not exceeding NOK 6 000) may apply.

Partnerships and Limited Partnerships are separate legal entities, but are considered transparent for tax purposes.

Note that businesses cooperating in a joint venture may be considered as a partnership. If the foreign company jurisdiction considers a partnership as a taxable entity, this could increase the risk of double taxation.

Question: Will the company have a registered place of business in Norway?

Yes, move to [2.1](#) No, move to [2.2](#)

1.2 NUF

If the company will be present in Norway only for a shorter time period, it might not be necessary or advisable to establish a Norwegian company. The foreign company must then register as a *Norwegian registered foreign company* (NUF). The company will subsequently be given an organisation number and be registered in the Companies Registry.

Question: Will the company have a registered business address in Norway?

Yes, move to [2.1](#) No, move to [2.2](#)

2 VAT

2.1 VAT-Registration

Most companies doing business in Norway will have to apply, and be registered, for VAT in Norway. As a main rule, this applies to all companies conducting activity in Norway that generates a turnover of at least NOK 50 000 in any twelve-month period. Certain goods and services are exempt from or excepted for VAT.

Question: Will the company have foreign or Norwegian employees?

Foreign employees, move to [3.1.1](#)

Norwegian employees, move to [3.1.2](#)

2.2 VAT-Representative

If the foreign company does not have a registered business address in Norway, and conducts activity in Norway that generates a turnover of at least NOK 50 000 in any twelve-month period, the company will have to be registered for VAT with a Norwegian VAT-representative.

The VAT-representative will handle all invoices to your Norwegian clients, and will file all necessary VAT-reports to the Norwegian tax authorities.

Visma is one of Norway's biggest players in the VAT-representative business, and can assist you in any matter related to this.

Question: Will the company have foreign or Norwegian employees?

Foreign employees, move to [3.1.1](#)

Norwegian employees, move to [3.1.2](#)

3 Reporting

3.1 Reports related to employees

3.1.1 Reporting of foreign employees to COFTA

If a Norwegian company or public body contracts a company resident abroad, this company as well as the foreign company are jointly obliged to file reports about the foreign company and the employees contracted to complete the assignment. The foreign company is further obliged to provide information about the employees used during this contract.

Failure to report according to this within two weeks after commencement of the work may result in a fee or compulsory charge.

It is also necessary for the employee to obtain a Norwegian ID-number ("personnummer" or "d-nummer"), and to receive a tax card. This must be done immediately and no later than 14 days from the work commencement.

The reporting is to be done by way of filing the Tax Authority form RF-1199.

The company will also have to report the income of the employees to the tax authorities, [3.1.3](#).

Furthermore, the company will need to be compliant with Norwegian labour law, see [Labour law in Norway](#)

3.1.2 Norwegian employees

All employees must be registered in the employer- and employee registry (AA-registeret) if the employment lasts for more than seven days with at least four hours of work per week, (i.e. always). The registration will have to be updated upon any changes in the employment, including working hours, title and workplace.

The company will also have to report the income of the employees to the tax authorities, [3.1.3](#).

Furthermore, the company will need to be compliant with Norwegian labour law, see [Labour law in Norway](#)

3.1.3 Reporting income of employees to the tax authorities

The employer is obliged to deduct and pay tax in advance from the employee's salary, based on the information in the employee's tax card. This is an obligation regardless of from where the salary is paid. As long as the work is performed in Norway, these obligations apply. The retrieved advance tax needs to be transferred to a dedicated bank account which the employer is required to establish in a Norwegian bank. An exemption from the advance tax payment obligation may be granted upon application. A Norwegian bank account will as a starting point be required in that respect.

Six times a year (every second month), the employer is furthermore obliged to report the period's salary, tax deducted, and social security contribution to the tax authorities. In the end of the year, an annual report must be sent to the tax collector. The employer may, however, apply for an exemption from the reporting requirements and be granted longer reporting intervals.

The annual pay statement shows what salary (total amount, including all benefits) is paid to the employee in the end of the year, and the tax deducted. The employer is obliged to send a copy of the pay statement to the employee, and a copy to the tax collector. These must be filed by the end of January in the year after the working year is finished.

Failure to fulfil the obligation to provide information pursuant to the Tax Assessment Act may result in sanctions such as enforcement fines and severe penalty charges.

The company will also have to submit an annual tax return, [3.2](#).

3.2 Annual tax returns for the company

If the company generates income that is taxable to Norway, the company is obliged to submit an annual tax return.

For companies that are not resident in Norway, the deadline for the annual tax return is 30th April.

Failure to deliver the annual tax return, or a tax return providing complete and correct information, may result in additional tax and compulsory fines.

Visma is Norway's biggest accounting firm and has experienced and well-qualified tax attorneys. We can assist you in all matters related to the annual tax return.

Read more about Corporate tax in [4.1](#)

4 TAX

4.1 Corporate tax

Norwegian companies are subject to corporate income tax, employer's social security contribution and value added tax. Norwegian companies are generally taxed on the basis of their worldwide income.

Companies that are resident abroad are only subject to tax on their economic activities in Norway. All business activities that are in or managed from Norway are generally subject to Norwegian tax, unless otherwise provided for in an applicable tax treaty. Having an assessment of whether the business activities in Norway will be taxable here is an important part of the preparatory work prior to setting up the business.

To the extent a foreign company's business is taxable in Norway, it will, normally, be subject to the same tax principles and tax rates as Norwegian companies.

You should also take into consideration taxes related to employees, [4.2](#).

4.2 Taxes related to employees

If an employee is resident in Norway for tax purposes, the person is liable for tax on their global income and capital. Persons not resident in Norway are generally only liable to tax on income from sources in Norway.

The general income tax in Norway is 28 %. In addition to this all members of the national social security system must pay an additional 7,8 % in social security contribution.

If the employee makes more than a certain amount, the person must additionally pay a surtax of 9%/12% depending on the income.

As an employer, you are also obliged to make a contribution to the social security system. This is 14,1 % of the employees salary. There are some geographical variations to the percentage that the employer has to pay. If the employee is a member of another national social security system, an exemption from this contribution may be granted.

The employee is furthermore obliged to submit an annual tax return. From experience, we recommend seeking professional advice before delivering the annual tax return if the employee has only worked in Norway for part of the year.

You can also read more about [Bookkeeping in Norway](#) and [Labour law in Norway](#).

5 Labour law in Norway

5.1 Foreign employees

All employees working in Norway must have a work permit. If the foreign employee is from an EEA state, it is sufficient that the employee registers at the immigration police.

If a foreign employee is employed in a Norwegian company in Norway, his or her employment is governed by the entire Norwegian Work Environment Act (Norwegian Labor Law). But what if the employee remains employed in a foreign company, and is dispatched to Norway for a certain period of time?

Due to the implementation of the EU directive regarding dispatched employees in foreign countries, foreign employees dispatched to Norway are subject to certain and important parts of the Norwegian Working Environment Act. We can assist your company in fulfilling mandatory requirements as set out in the Norwegian Environment Act in this regard, hereunder;

- Ensure that the employment contracts meet mandatory requirements
- Explain mandatory working hours and working environment regulations, and construct guidelines so that your company meets these regulations.
- Assist with applications for work- and residence permits
- Apply to Norwegian authorities for permission to operate on extended working hours/shifts
- Ensure that the requirements regarding the employees' right to holiday and holiday pay are met
- Explain mandatory regulations related to the employees' right to leave of absence, and construct company guidelines in this regard
- Assist the company with fulfilling new requirements related to temporary hire of staff

5.2 Norwegian employees

All Norwegian employees have certain rights as defined in the Norwegian Labour Law. In addition, there are several tariff agreements regulating the rights and obligations of the employer and employees in certain business sectors.

6 Bookkeeping in Norway

Foreign companies that conduct business in Norway and are taxable to Norway for their income are obliged to keep their books in accordance with the Norwegian Accounting and Bookkeeping acts.

The accounting needs to be made in accordance with the Norwegian Generally Accepted Accounting Principles (NGAAP). As a main rule, the books must be stored in Norway, but can be kept abroad. It is generally accepted that the books can be stored in an EEA country, if they are sufficiently available to Norwegian authorities.

Read more about [Labour law in Norway](#).



7 Other useful information

International website of the [Tax Administration in Norway](#).

[Visma accounting, staffing and payroll-services](#).

The [Brønnøysund Register Centre](#) (Business Registry etc).

[Living and working in Norway](#) (Norwegian Welfare and Labour publication)