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Doing business in Norway

A comparative guide

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A guide to doing business in Norway

Deloitte Legal compiled this guide for Legal 500, providing an overview of the laws and regulations on doing business in a variety of jurisdictions. The following country chapter contains the relevant information on the systems of law, the legal forms through which people carry out business, capital requirements, how entities are operated and managed, expansion possibilities, corporate governance, employment law and more.

No.	Question
A. Legal system and landscape	
1	**Is the system of law in your jurisdiction based on civil law, common law or something else?**
	Norway is a civil law country.
B. Entity establishment	
2	**What are the different types of vehicles/legal forms through which people carry on business in your jurisdiction?**
	• Private limited liability companies (No. 'aksjeselskap', abbreviation "AS"), regulated by the Norwegian Private Limited Liability Companies Act; • Public limited liability companies (No. 'allmennaksjeselskap', abbreviation "ASA"), regulated by the Norwegian Public Limited Liability Companies Act; • Companies with liability (abbreviations «ANS» or «DA»), regulated by the Norwegian Act of 21 June 1985 No. 83; • Limited partnerships (No. 'kommandittselskap', abbreviation "KS"), regulated by the Norwegian Act of 21 June 1985 No. 83; • Co-operatives (No. 'samvirkeforetak', abbreviation "SA"), regulated by the Norwegian Act of 29 June 2007 No. 81; • A permanent establishment of a foreign entity (No. 'Norsk avdeling av Utenlandsk Foretak', abbreviation NUF) regulated in home jurisdiction and subject to registration in Norway in accordance with the Norwegian Act of 21 June 1985 No. 78; • Foundation (No. 'Stiftelse') regulated by the Norwegian Act of 15 June 2001 No. 59; • Sole proprietorships (will not be further included in this questionnaire).
3	**Can non-domestic entities carry on business directly in your jurisdiction, i.e., without having to incorporate or register an entity?**
	A non-domestic entity carrying out a business in Norway would not necessarily have to incorporate a Norwegian legal entity but would have to register in the Norwegian Business Register as a NUF (see above) as well as for general business purposes, such as tax purposes and employer status, and other regulatory purposes depending on the scope of the business.
4	**Are there any capital requirements to consider when establishing different entity types?**
	Public and private limited liability companies have requirements for minimum share capital amounts prescribed by law, and in addition, requirements prescribed by law concerning the maintenance of proper levels of equity and liquidity. Also, limited partnerships ("KS") have requirements for a determined capital.
5	**How are the different types of vehicles established in your jurisdiction? And which is the most common entity/branch for investors to utilize?**
	Both public and private limited liability companies as well as co-operatives are established by a memorandum of incorporation including a minimum set of articles of association, to be filed with the Norwegian Register of Business Enterprises, together with necessary confirmations of share capital insertion from a body with the legal authority to confirm. Companies with liability (ANS and DA) and limited partnerships (KS) are established by entering into a company agreement, also to be filed with the Norwegian Register of Business Enterprises.
6	**How is the entity operated and managed, i.e., directors, officers or others? And how do they make decisions?**
	Public and private limited liability companies are required to have a board of directors. For public limited liability companies, the minimum number of required board members is three (five, if the company has a corporate assembly as defined in the Public Limited Liability Companies Act). The minimum number of required board members for private limited liability companies is one (five, if the company has a corporate assembly as defined in the Private Limited Liability Companies Act). The board of directors has the responsibility for administration and supervision of the company and passes its resolutions in meetings unless the chair of the board finds that the matter may be submitted in writing or handled in another manner. There is a requirement pursuant to the public and private limited liability companies acts that the procedure must be adequate. Public limited liability companies are required to appoint a general manager, while private limited liability companies may appoint a general manager.
7	**Are there general requirements or restrictions relating to the appointment of (a) authorized representatives/directors or (b) shareholders, such as a requirement for a certain number, or local residency or nationality?**
	For public limited liability companies, the minimum number of required board members is three, while the minimum number of required board members for private limited liability companies is one (in both cases five if the company has a corporate assembly as defined in the public or private limited liability companies act, see above under question 6). The general manager and at least half of the board members shall be pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Private Limited Liability Companies Act, and be: 1. Resident in Norway; or 2. Citizens of states that are part of the EEA agreement or citizens of the United Kingdom of Great Britain and Northern Ireland, when they are resident in such state.

	The employees of a public limited liability company or a private limited liability company may have the right to appoint board members if certain thresholds stipulated in the legislation are met. In public limited liability companies, there are also certain gender representation requirements.
8	**Apart from the creation of an entity or establishment, what other possibilities are there for expanding business operations in your jurisdiction? Can one work with trade/commercial agents, resellers and are there any specific rules to be observed?**
	From a corporate law perspective, there are no restrictions in expanding business operations in Norway. Unless specifically noted in the articles of association, an entity or establishment is free to work with trade/commercial agents and resellers.

C. Entity operation

The most common entity in Norway should be deemed to be the private limited liability company, abbreviation “AS”, and the remaining questions of this questionnaire will therefore only be answered in relation to such entity.

C1. Governance

9	**Are there any corporate governance codes or equivalent for privately owned companies or groups of companies? If so, please provide a summary of the main provisions and how they apply.**
	The Norwegian Corporate Governance Board ("NCGB" or "NUES") issues the recommendation on corporate governance for companies listed in Norway. For more information, please refer to English | NUES.

C2. Capital

10	**What are the options available when looking to provide the entity with working capital? i.e., capital injection, loans, etc.**
	Share capital increases, potentially including share premium, are in private limited liability companies executed in accordance with Chapter 10 of the Norwegian Private Limited Liability Companies Act and may be made by, for example, cash contribution. A resolution for a share capital increase by cash contribution shall be passed by the general meeting of the company following a proposal by the board of directors and requires a confirmation of received share deposit by an entity with authorization to make such confirmation and shall be registered in the Norwegian Register of Business Enterprises.

C3. Return of proceeds

11	**What are the processes for returning proceeds from entities? i.e., dividends, returns of capital, loans, etc.**
	Dividends from a private limited liability company may be distributed if certain criteria stipulated by law are met based on the latest approved annual accounts, and extraordinary dividend may also be based on an interim balance provided that certain requirements which are outlined in the Norwegian Private Limited Liability Companies Act are met. A general requirement that the company shall have a proper equity following a dividend distribution also exists. Distribution of dividend is resolved by the general meeting following a proposal by the board of directors.

C4. Shareholder rights

12	**Are specific voting requirements/percentages required for specific decisions?**
	The general rule under the Norwegian Private Limited Liability Companies Act is that the general meeting passes resolutions by a simple majority of the votes cast, provided that the Norwegian Private Limited Liability Companies Act does not stipulate otherwise. The Norwegian Private Limited Liability Companies Act requires that resolutions to amend the articles of association of the company requires a majority of two-thirds of both the votes cast and the share capital represented at the general meeting. Furthermore, the Norwegian Private Limited Liability Companies Act also contains regulation that certain and specific types of resolutions require a qualified majority of the supporting vote of owners of shares comprising more than nine-tenths of the share capital represented at the general meeting and in addition a majority as required for amendments of the articles of association. Certain and specific types of resolutions may under the Norwegian Private Limited Liability Companies Act also require the majority of all shareholders.
13	**Are shareholders authorized to issue binding instructions to the management? Are these rules the same for all entities? What are the consequences and limitations?**
	The shareholders of a private limited liability company pass their resolutions through the general meeting of the company which is the highest corporate body of the company. Outside the general meeting, the shareholders do not have authorization in the company, and any instruction to the board of directors of the company must consequently be made through a resolution in the general meeting.

C5. Employment

14 **What are the core employment law protection rules in your country (e.g., discrimination, minimum wage, dismissal, etc.)?**

Right/Protection	Details
National minimum wage	In general, there are no minimum wage requirements set out in the Norwegian employment legislation. However, minimum wages have been introduced in certain sectors and employers in these sectors are obligated to pay minimum wages in accordance with general application of collective agreements. Also, immigration legislation has minimum remuneration requirements in order to obtain residence and work permits in Norway.
Holiday	According to the Norwegian Holiday Act, employers are obliged to ensure that employees have four working weeks plus one working day of vacation every calendar year (holiday year). Employees with six days working week will be entitled to 25 vacation days, and employees with five days working week is entitled to 21 vacation days. All days count as working days, except Sundays and public holidays. Employees over the age of 60 are entitled to one extra working week of holiday. Employers subject to Collective Bargaining Agreements (CBA) is normally obliged to offer four or five additional working days as vacation, ending up with a total of 30 days of vacation for employees with six days of ordinary working week and 25 days of vacation for employees with five days of ordinary working week. Holiday pay from the employer is calculated on the basis of remuneration paid in the calendar year preceding the holiday year. This means that holiday pay for holiday in year two is calculated on remuneration paid during calendar year one. Holiday pay is calculated at the rate of 10.2% (if not subject to CBA) or 12% (if subject to CBA).
Working hours	As a main rule, the maximum working hours set out in the Norwegian Working Environment Act are nine hours a day, and 40 hours over a seven-day period. Exemptions can be made through CBAs or based on application towards the Norwegian Labor Inspection Authority.
Rest periods	As a main rule, employees are entitled to a minimum of 11 hours of rest during a 24-hour period, and 35 hours over a period of seven days.
Pension rights	All employers, both Norwegian and foreign, are obliged to provide an occupational pension plan in accordance with the minimum requirements set out in the Mandatory Occupational Pension Act. Currently, the minimum is set to be a 2% defined contribution plan.
Discrimination	The Equality and Anti-Discrimination Act promotes equality and prevents discrimination on the basis of gender, pregnancy, ethnicity, religion, disability, sexual orientation, gender identity, gender expression, age or other significant characteristics of a person.
Maternity leave/pay	A pregnant employee is entitled to leave of absence for 12 weeks during pregnancy. After giving birth, the parents are entitled to a minimum of 12 months leave in total or for a longer period as long as the parents receives maternity/paternity allowances from the Norwegian National Insurance Scheme. The first six weeks after birth are reserved for the mother and the other parent is entitled to two weeks' leave together with the mother immediately after the birth. The maternity/paternity allowances are paid by the Norwegian National Insurance Scheme if various conditions are fulfilled, i.e., minimum working period of six of the 10 months before the commencement of the maternity leave.
Paternity leave	In connection with the birth of a child, the father, co-mother or other person who assists the mother during the pregnancy is entitled to two weeks' leave immediately after the birth. In addition, the

		parents can share the total period of 12 months leave except for the six weeks that is reserved for the mother.
	Statutory sick pay	Employees can receive sickness benefits for a maximum of 52 weeks. This applies regardless of whether they are fully or partially on sick leave. The first 16 days are covered by the employer, and the following are covered by the Norwegian National Insurance Scheme up to a maximum threshold of six times the Basic Amount. If the employee's ordinary remuneration exceeds six times the Basic Amount, employers can decide to cover the amount exceeding the maximum payment from the Scheme and up to ordinary remuneration level. To be entitled to sickness benefits in Norway, the employee must have performed work for at least four consecutive weeks before the employee is absent from work due to sickness.
	Statutory notice periods	The minimum notice period according to the Working Environment Act is one month and the maximum is six months, depending on the age and seniority. The notice period runs from the first day of the month following the month the notice is given. During a six months' probation period, the notice period can be set at 14 days. While ordinary notice periods commence the first day in the first month following a written notice, the notice period during a probation period commences the first day after the notice is given.
	Unfair dismissal	A dismissal must be fair, which means there must be specific reasons for the dismissal. An ordinary dismissal must be based on circumstances related to the undertaking, the employer or the employee. A summary dismissal can be considered if the employee is guilty of a gross breach of duty or other serious breaches of the employment contract. Employees are protected against unfair dismissal, and in the case of an unfair dismissal, the employee may raise legal claim for compensation for economic and non-economic loss. In addition, the dismissal may be ruled invalid by the court.
	Statutory redundancy payment	There are no requirements related to statutory redundancy payment set out in the Norwegian employment legislation, but the employee is entitled to full remuneration throughout the notice period. The employee is also obliged to perform work through the notice period, but the employer and employee can agree that the employee's obligation to perform work is waived while continuing to receive remuneration through the notice period.
15	**On what basis can an employee be dismissed in your country, what process must be followed and what are the associated costs? Does this differ for collective dismissals and if so, how?**	
	A dismissal must be objectively justified based on circumstances which can be related to the undertaking, the employer or the employee. Before termination of an employment contract, the employer shall arrange for a consultation meeting with the employee. In the consultation meeting, the employer should explain the reasons for considering termination, and let the employee give his/her statement about these and other reasons why the termination should not be carried out. After the meeting, the employer must take into consideration what was said during the meeting before making a final decision regarding the termination. The dismissal must be given in writing and shall include specific formalities and information. A dismissal which does not fulfill the specific requirements and formalities is not valid and may be considered as void. In the event of collective dismissals, the employer shall at the earliest opportunity enter into consultations with the employees' elected representatives with a view to reaching an agreement to avoid collective dismissals or to reduce the number of persons who will be dismissed. Further requirements related to the cause of the termination and formal requirements in the dismissal also applies in the event of collective dismissals.	
16	**Does your jurisdiction have a system of employee representation/participation (e.g., works councils, co-determined supervisory boards, trade unions, etc.)? Are there entities which are exempt from the corresponding regulations?**	
	The Companies Act of 13 June 1997, No. 44 and No. 45, states that all companies established in accordance with the acts are obliged to form a corporate assembly if the company employs more than 200 employees. The corporate assembly will have a minimum of 12 members, according to the decisions made by the general meeting of the shareholders. One-third of the members of the corporate assembly shall be employees elected by the employees. The duties of the corporate assembly are to elect members of the company	

	board, supervise the board and the general manager's management of the company, and make a statement to the general meeting of the shareholders regarding the accounts. It is possible to make agreements with the employees that the company shall not establish a corporate assembly, and the company's articles of association may also stipulate a corporate assembly even if the company employs fewer than 200 employees. The employees of a company without a corporate assembly can request that there be employee representatives on the board of the company. Such a request must be proposed by a majority of the employees, and employee representatives on the board may only be requested if the company employs more than 30 people. The number of employee representatives on the board depends on the size of the company.

C6. Anti-corruption/bribery/money laundering/supply chain

17	**Is there a system governing anti-bribery or anti-corruption or similar? Does this system extend to non-domestic constellations, i.e., have extraterritorial reach?**
	Yes, there is anti-bribery legislation in Norway as well as legislation proscribing the facilitation of tax evasion, both forms part of the Criminal Code of 20 May 2005 No. 28. In both cases, a corporate entity can be liable for failure to prevent bribery or the facilitation of tax evasion (as the case may be). In addition, a number of laws regulating fraudulent conduct are likely to be relevant in the context of acts of bribery or corruption.
18	**What, if any, are the laws relating to economic crime? If such laws exist, is there an obligation to report economic crimes to the relevant authorities?**
	See responses to question 17, above. In certain circumstances, there may be an obligation to report money laundering to the relevant law enforcement agency. In general terms, the obligation applies to individuals and organizations operating in certain regulated sectors, such as banks, law firms, accountancy practices, casinos, and estate agents.
19	**How is money laundering and terrorist financing regulated in your jurisdiction?**
	Money laundering and terrorist financing activities are proscribed by the Criminal Code of 20 May 2005 No. 28. Measures to combat this type of activity is set out in The Anti Money Laundering and Terrorist Financing Act of 1 June 2018 No. 23. Broadly, this legislation: (i) requires obliged entities to undertake appropriate customer due diligence; and (ii) requires obliged entities to establish an internal money laundering reporting function.
20	**Are there rules regulating compliance in the supply chain (for example, comparable to the UK Modern Slavery Act, the Dutch wet kinderarbeid, the French loi de vigilance)?**
	The Norwegian Transparency Act of 18 June 2021 No. 99 (åpenhetsloven) will enter into force on 1 July 2022. The Act shall promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions. The Act applies to Norwegian and foreign enterprises residing in Norway, which are offering goods and services in or outside of Norway, and which is one of the following: - The enterprise is covered by Section 1-5 of the Accounting Act (i.e., public limited companies, listed companies and other accounting entities); or - An enterprise which, on the balance-sheet date, meets at least two of the following three conditions: • Over MNOK 70 in sales revenue; • Over MNOK 35 in balance sheet total; • Over 50 man-years in the average number of employees in the financial year. The enterprises must carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises. Through due diligence the enterprises must: a) Embed responsible business conduct into the enterprise's policies; b) Identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the enterprise has either caused or contributed towards, or that are directly linked with the enterprise's operations, products or services via the supply chain or business partners; c) Implement suitable measures to cease, prevent or mitigate adverse impacts based on the enterprise's prioritizations and assessments pursuant to (b); d) Track the implementation and results of measures pursuant to (c); e) Communicate with affected stakeholders and rights-holders regarding how adverse impacts are addressed pursuant to (c) and (d); and f) Provide for or co-operate in remediation and compensation where this is required.

	The due diligence must be carried out regularly and in proportion to the size of the enterprise, the nature of the enterprise, the context of its operations, and the severity and probability of adverse impacts on fundamental human rights and decent working conditions. The enterprise must report annually on how the due diligence process is handled, any revealed adverse impacts that the enterprise contributes to or can potentially contribute to, and what the enterprise does to prevent such adverse impacts. When the Transparency Act enters into force as from 1 July 2022, any person will have the right to ask the enterprise to provide information on how actual and potential adverse impacts are addressed, either in general or related to a particular product or service that the enterprise offers. The information must be provided in writing within three weeks. Enterprises that do not uphold their duties in accordance with the Transparency Act risk getting sanctions from the Norwegian Consumer Agency. Sanctions may include injunctions/prohibitions, compulsory fine, and fine for violations.

C7. Compliance

21	**Please describe the requirements to prepare, audit, approve, and disclose annual accounts/annual financial statements in your jurisdiction.**
	A private limited liability company shall, pursuant to the Norwegian Private Limited Liability Companies Act, hold an ordinary general meeting within six months following the end of each financial year of the company. At the ordinary general meeting, one of the items prescribed by law to consider and decide is the annual accounts and potential annual report, including distribution of dividend. The annual accounts shall be audited. There are, however, certain exemption rules for auditing requirements which are detailed in the Norwegian Private Limited Liability Companies Act (certain thresholds which the company must meet), and provided that the company meets the requirements for such an exemption, a decision to omit auditing may be made when incorporating the company or passed by the general meeting of the company. The annual accounts, annual report, and auditor's report shall be public and must, pursuant to law, be sent to the Register of Company Accounts.
22	**Please provide details on any corporate/company secretarial annual compliance requirements?**
	Please refer to question 23 below.
23	**Is there a requirement for annual meetings of shareholders, or other stakeholders, to be held? If so, what matters need to be considered and approved at the annual shareholder meeting?**
	A private limited liability company must hold an ordinary general meeting each year, within six months from the end of the company's financial year, with the following required matters to be considered and decided upon pursuant to Section 5-5 of the Norwegian Private Limited Liability Companies Act: 1. Approval of the annual accounts and potential annual report, including distribution of dividend; and 2. Other matters, which are pursuant to the law, or the articles of association, pertain to the general meeting.
24	**Are there any reporting/notification/disclosure requirements on beneficial ownership/ultimate beneficial owners ("UBO") of entities? If yes, please briefly describe these requirements.**
	On 1 November 2021, the law related to the identification of beneficial owners entered into force in Norway. The purpose of the new rules is for public authorities, AML ("anti-money-laundering") reporting entities, and the public to have better access to information about who actually controls companies in Norway. The companies must gather and document information about beneficial owners, including size of ownership interests, and the scope of voting rights the beneficial owners have. The information shall be provided to the authorities when needed.

C8. Tax

25	**What main taxes are businesses subject to in your jurisdiction, and on what are they levied (usually profits), and at what rate?**
	The main tax is corporate income tax that is levied on the profits of the company, which consists of business/trading income, passive income and capital gains (with the broad exemptions outlined below). The rate of corporate income tax is 22%. Normal business-related expenses are usually deductible in the computation of the taxable income. Whether the costs are deductible in the income year they are incurred or must be depreciated over a longer period depends on the nature of the costs. Losses can be carried forward indefinitely and can be offset against any type of income/gain. Companies with employees are also liable for employer's contribution tax. This tax is differentiated regionally and ranges from 0 to 14.1 %. Note that the employer's contribution tax is deductible as an expense when computing the company's taxable corporate income.

	Dividends and capital gains on shares are, as a starting point, taxable. However, pursuant to the Norwegian participation exemption method, dividends and capital gains on shares derived from Norwegian limited companies and limited companies tax resident in the EEA area is largely tax exempt. Only 3% of dividends are subject to the corporate income tax of 22% (resulting in an effective taxation of 0.66%). The participation exemption method can also apply to gains on shares and dividends from limited companies tax resident in non-EEA countries, provided that the company is not residing in a low-tax jurisdiction. An additional requirement for non-EEA companies is that the shareholder owns at least 10% of the shares and voting rights in the company over a two-year period. Intragroup dividends from Norwegian companies are 100% tax exempt, provided the ultimate parent company owns more than 90% of the shares and voting rights of in the company grating the group contribution and the recipient of the group contribution. If the said requirements are met, the Norwegian companies can also distribute group contributions to and from each other, to offset profits in one part of the group with losses in another. Norway does also have Controlled Foreign Company (CFC rules), whereby Norwegian owners are taxed for the income earned by low-taxed companies' resident abroad. Certain industries, oil and waterpower, are subject to special tax regimes.
26	**Are there any particular incentive regimes that make your jurisdiction attractive to businesses from a tax perspective (e.g., tax holidays, incentive regimes, employee schemes, or other)?**
	One incentive regime is «SkatteFUNN». The purpose of this regime is to provide incentives for investments in R&D. In this incentive scheme, a company can receive a tax credit of 19% of the cost related to an R&D project. The tax credit of 19% is not applicable for costs above NOK 25 million per income year and certain other limitations. If the tax credit exceeds the taxpayer's tax for the income year, the difference will be paid to the taxpayer. Note that it is a requirement that the R&D project has been approved by the Norwegian Research Council ("Forskningsrådet"). Furthermore, the form in the corporate income tax return applying for the tax credit must be signed by an auditor. There is also a tax incentive scheme relating to share options in startup companies. Under this incentive scheme, neither the offering nor the exercise of the option will be taxable for the employees in the share option program, i.e., taxation will take place when the employee sells the shares. There are, however, several requirements that must be met for the company employing the participants in the share option program. The company cannot, i.e., be older than 10 years at the time of the offering of the options. Furthermore, it cannot have more than 50 full-time employees, or a balance and turnover that exceeds NOK 80 million. There are also restrictions as to the business activities the startup company can engage in. Shipping companies are subject to a generous tonnage tax regime where operating income is basically exempt, and the finance income is taxable at the ordinary CIT rate.
27	**Are there any impediments/tax charges that typically apply to the inflow or outflow of capital to and from your jurisdiction (e.g., withholding taxes, exchange controls, capital controls, etc.)?**
	Domestic rules contain provisions for levying withholding taxes ("WHT") on dividends, interest, and royalties. Note, however, that WHT on royalty and interest payments is limited to where the recipient is a related party entity tax resident in a low-tax jurisdiction. The rate of WHT is 15% for both interest and royalty payments. An exemption to this applies for residents of EEA countries who are carrying out real economic activities in the EEA state. The statutory WHR rate on dividend distributions is 25%. However, no WHT is levied on dividends paid by a Norwegian limited company to an EEA resident corporate shareholder, provided that the dividend is lawful according to company law and the shareholder carries out real economic activities in the EEA state. If the above-mentioned exemptions are not available, relief from WHT can be sought from tax treaties to avoid double taxation. Currently, Norway has entered into tax treaties with more than 90 jurisdictions. Most of the treaties are based on the OECD model. Through these treaties, WHT on dividends, royalties and interest payments may be reduced or altogether eliminated. There is no branch remittance tax. There is no withholding tax on fees for technical services (unless a part can be deemed as royalty, see above).
28	**Are there any significant transfer taxes, stamp duties, etc. to be taken into consideration?**
	No significant transfer taxes are levied in Norway.

C9. M&A

29	**Are there any public takeover rules?**
	The Norwegian rules on takeover bids are stipulated in the Norwegian Securities Trading Act Chapter 6 and the Securities Trading Regulations Chapter 6. The rules implement Directive 2004/25/EF on takeover bids (the Takeover Directive). The obligation to make a

	mandatory bid is triggered by the acquisition of shares representing more than one-third of the voting rights in a company listed on a Norwegian regulated market. The mandatory bid obligation is again triggered by the acquisitions of shares representing more than 40% and 50% of the voting rights (repeat bid obligation). More information: Oslo Børs as the Norwegian Takeover Supervisory Authority | euronext.com
30	**Is there a merger control regime and is it mandatory/how does it broadly work?**
	Yes, there is. Companies and other business enterprises have a duty to notify the Norwegian Competition Authority of any mergers, acquisitions and agreements by which they acquire control of other companies, if the turnover of the concerned undertakings exceeds certain turnover thresholds, see Section 18 of the Norwegian Competition Act. The Act uses the term "concentrations" for such mergers, acquisitions and agreements. A concentration must be notified to the Authority if the combined annual turnover of concerned undertakings exceeds NOK 1 billion in Norway. However, there is no duty to notify a concentration if only one of the concerned undertakings has an annual turnover exceeding NOK 100 million in Norway. Concentrations may not be implemented before the Norwegian Competition Authority has received a notification and has finalized its review of the notified transaction (standstill obligation). More information: Mergers and acquisitions - Konkurransetilsynet
31	**Is there an obligation to negotiate in good faith?**
	In general, no. There is a requirement to act loyal to contracting parties.
32	**What protections do employees benefit from when their employer is being acquired, for example, are there employee and/or employee representatives' information and consultation or co-determination obligations, and what process must be followed? Do these obligations differ depending on whether an asset or share deal is undertaken?**
	The rights and obligations for the employer and employee differ depending on whether an asset or share deal is undertaken. **Asset deal** If the employee is being acquired through the sale of assets to a third party, a transfer of ownership of the undertaking is likely. Whenever there is a change of ownership of undertakings, the employees do have rights according to the EU Directive 2005/56/EF, which is implemented in Norwegian Law. Local Norwegian legislation defines clear obligations towards employees in the event of the transfer of ownership of undertakings in the Working Environment Act (WEA) of 2005 Chapter 16. According to Chapter 16, the new and former employer shall inform the employee's elected representatives and the employees in due time before the merger. As a minimum, the employees must be informed 14 days before the transfer of the undertaking. The employees' elected representatives should be informed in advance so that the process will allow for minimum discussions and consultation. The information for the employees and employees' elected representatives should as a minimum include the following: • The reason for the transfer; • The agreed or proposed date for the transfer; • The legal, economic, and social implications of the transfer for the employees; • Changes in circumstances relating to collective pay agreements; • Measures planned in relation to the employees; and • Rights of reservation or preference and the time limit for exercising such rights. Mandatory legislation does not require negotiations on the mentioned topics, but a minimum of discussions and consultations with the employees' elected representatives is required. Special rules related to process, negotiations, consultation, and timelines may be laid down in an applicable CBA. If the previous or new owner is planning measures in relation to their respective employees, such as restructuring/changes of work/positions, terminations, etc., they shall consult with the elected representatives as early as possible on the measures with a view to reaching an agreement. The timeline must allow for the employees' elected representative to perform appropriate investigations. As a main rule, the employee is entitled to, and obliged to, be transferred to a new employer if the deal is covered under the EU Directive 2005/56/EF. The individual rights and obligations in the contract of employment on the date of transfer shall be transferred unchanged to the new employer, cf. WEA § 16-2 (1). An employee may object to the transfer of the employment relationship (right of reservation) to the new employer and has a minimum of fourteen days counting from the day that the information regarding the transfer is provided, cf. WEA § 16-3. **Share deal** There is no specific obligation to inform and discuss a share deal with the employees in advance, however, there is a general duty for employers employing more than 50 employees to inform and discuss issues of importance with the employees' elected representatives. A share deal could represent an issue of importance. The information to the employees' elected representatives shall be provided "as

	soon as possible". According to case law, the consultation should already be done at the stage of planning the change. The employees' elected representatives should be allowed an "appropriate amount of time" to assess the information, make appropriate investigations and prepare any consultations. Normally some days are needed for submitting invitation to consultation to hold the meeting, up to maximum one week, depending on whether any of the parties are covered under a CBA. If the employer is covered under a CBA, the CBA may require informing the employees' elected representatives about the transfer of shares immediately after the board has certain knowledge of the transfer when the change of ownership is above a certain threshold.

C10. Foreign direct investment

33	**Please provide details on any foreign direct investment restrictions, controls or requirements. For example, please provide details on any limitations, notifications and/or approvals required for corporate acquisitions.**
	The National Security Act of 1 January 2018 No. 24 requires the notification of certain proposed transactions involving entities operating in certain specified sectors of the economy. Notifiable transactions cannot proceed to completion without approval having first been obtained from the Ministry of Justice and Public Security. There are also many-faceted restrictions on the purchase of land, as set out in Act of 28 November 2003 No. 98 on concession to purchase land. Foreign investments in the hydropower production sector are further severely restricted under the Water Rights Act of 14 December 1917 No. 16.
34	**Does your jurisdiction have any exchange control requirements?**
	Norway has no relevant exchange control requirements.

D. Entity closure

35	**What are the most common ways to wind up/liquidate/dissolve an entity in your jurisdiction? Please provide a brief explanation of the process.**
	The dissolution and liquidation of a private limited liability company is regulated in Chapter 16 of the Norwegian Private Limited Liability Companies Act. A private limited liability company may be dissolved and liquidated by a resolution of the general meeting of the company. The dissolution and liquidation process requires to be started by a resolution of the general meeting which must be notified and registered in the Norwegian Register of Business Enterprises, triggering a six-week creditor notice period. There are certain further obligations for the board of directors to make during the liquidation period, which are detailed in Chapter 16 of the Norwegian Private Limited Liability Companies Act, before an audited final settlement may be presented to the general meeting. When the general meeting has resolved to approve the audited final settlement, a notification to the Norwegian Register of Business Enterprises on the final dissolution and deletion of the company from the register may be sent. The foregoing is only a brief and not exhaustive overview of the process, and details to be adhered to follow from Chapter 16 of the Norwegian Private Limited Liability Companies Act.

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