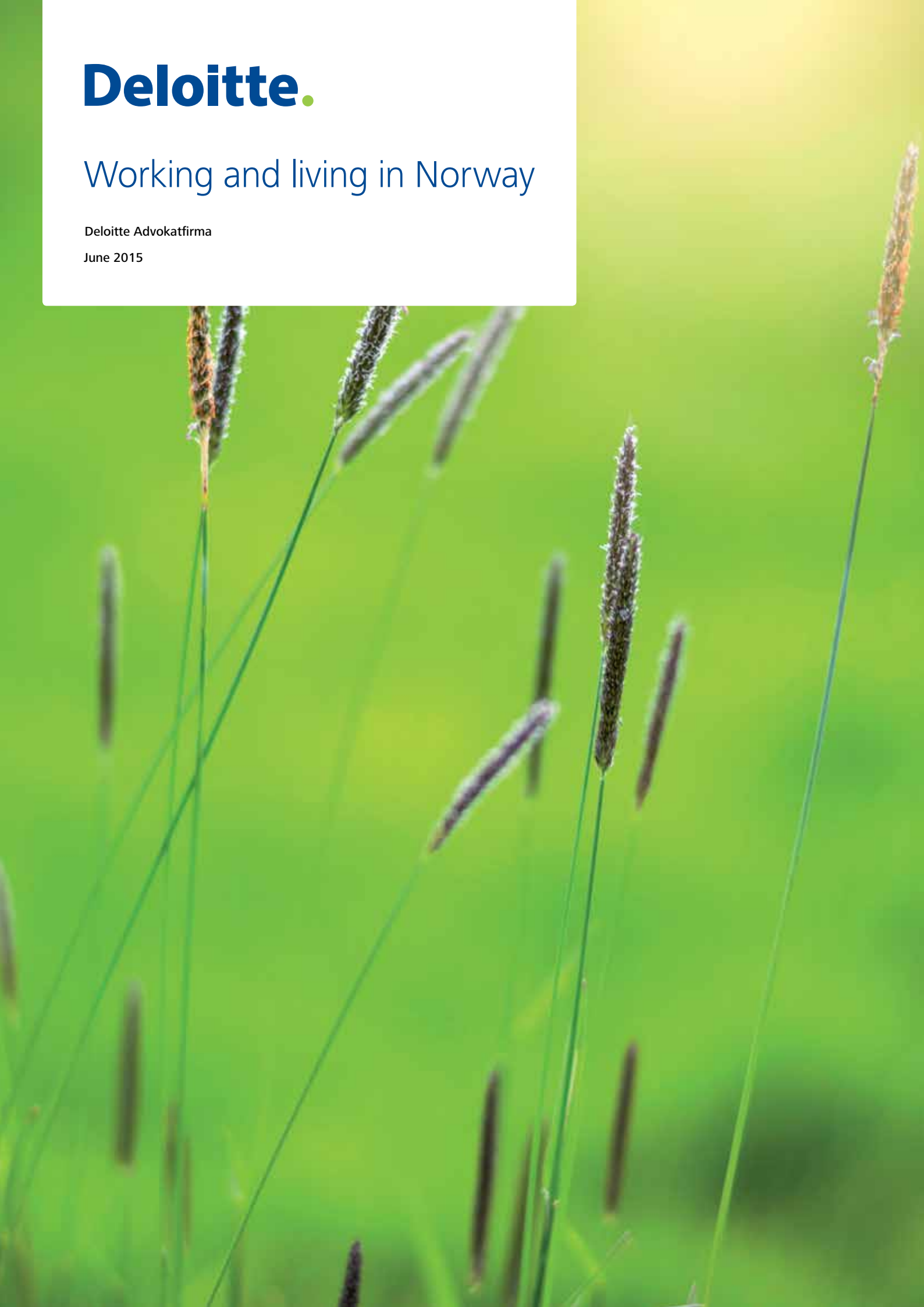


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Working and living in Norway

Deloitte Advokatfirma

June 2015



Introduction

This document contains summary information on tax, immigration, social security, pension and employment legislation in Norway as of January 1 2015. If you either represent an employer considering assigning an employee to Norway, or if you as an employee have been offered an assignment in Norway, the following may give valuable information.

The information is only intended to provide an overview for information purposes. It should not be relied upon as legislation may be amended from time to time and it may be necessary to consider more detailed information than is provided in this document.

Please contact Deloitte Advokatfirma AS for further information. Our Global Employer Services (GES) team is supported by a global network of GES specialists within Deloitte which provides services within the fields of;

- International tax
- Immigration processing (work permit procedures)
- International social security and pension issue
- Employment and/or assignment contracts and international employment law
- Global Mobility Transformation
- International assignment policy
- Payroll services for foreign employers

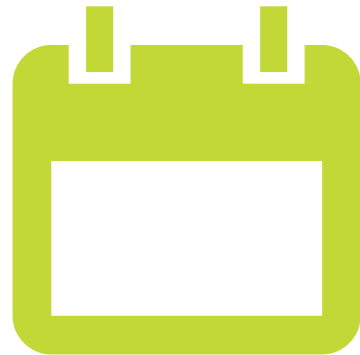
Supported by a global network of GES specialists within Deloitte, the GES team will always be able to present cost efficient solutions to you. cost efficient solutions to you.



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Quick facts

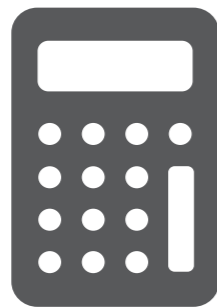


National Holidays

New Year's Day: (January 1)
Easter (Maundy Thursday, Good Friday, Easter Eve, Easter Sunday and Easter Monday)
Labour Day: (May 1)
Ascension Day (varies from year to year)
National Day: (May 17)
Whit Sunday and Monday (varies from year to year)
Christmas: (December 25 and December 26)

Currency

The Norwegian currency, the "Krone", floats freely against other currencies.



Hospitals

Medical facilities are widely available, but may be limited outside urban areas.

International Dialling Codes

The country code for Norway is 47. City codes are not required.



Vaccination Requirements

There are no vaccination requirements for any international traveller to Norway.



Tax Year

The Norwegian tax year is equivalent to the calendar year.

Tax Calendar

April 2	Tax return available electronically on www.altinn.no
April 30	Tax return filing deadline
May 31	Deadline for payment of expected tax arrears without interests
June 20	Tax assessments issued consecutively until the middle of October. Appeal deadline six week after the issue date.
August 20	First deadline for paying tax arrears
December	Tax deduction card for next year issued

Pre-assignment procedures

1 Immigration (work and resident permit)

In general all foreign nationals must have a residence permit in order to reside and/or work in Norway.

The conditions that have to be met in order to obtain a residence permit in Norway, will primarily depend on the nationality and to a certain extent the profession/ qualifications of the employee.

1.2 Visa Requirements

A visa may be required to allow non-Schengen nationals to visit Norway and the Schengen area for a short period of time. One must apply online through the Norwegian Directorate of Immigration's Application Portal, pay a fee and book an appointment for handing over the required documents in person. The visa will be issued at the Norwegian Foreign Service Mission in the country of which the applicant resides.

The visa can be valid for maximum 90 days in the course of a period of 180 days. The period is calculated from the date one first crossed the external Schengen border. A visa is generally granted for a single entry and will in general not allow you to work in Norway. Schengen nationals or persons who have a valid residence permit in a Schengen country do not need a visa to enter Norway. In addition, Norway has entered into bi-lateral agreements with several countries in which the visa requirements are waived. Nationals from these countries may enter Norway without applying for visas, and may stay in Norway for a period up to maximum 90 days in the course of a period of 180 days.

A residence permit will also include a valid entry visa.

1.3 Foreign Nationals from non- EU/EEA Member States

A valid residence permit is compulsory before an individual is allowed to perform work in Norway.

A residence permit may only be granted for certain categories of employees such as skilled workers, seasonal workers, trainees and au-pairs. In most cases, the application for a residence permit must be filed at the Norwegian Foreign Service Mission in the country in which the applicant resides. In these cases, the employee may not enter Norway until the permit has been granted.

An employer may apply for a residence permit on behalf of the employee from within Norway if the employee is considered a "skilled worker". In order to qualify as a "skilled worker", it is required that the individual has completed a vocational training program corresponding to upper secondary education level i.e. at least three years or has completed education from a university/ university college, or has special qualifications obtained through long work experience.

Some business activities such as meetings, negotiations and certain other activities are allowed without a residence permit during visits of less than 90 days. This applies to employees that do not have an employer in Norway and who belong to specific groups further detailed in applicable regulations (inter alia):

- Commercial and business travelers
- Technical experts who are to install, repair, perform maintenance etc. on machinery or technical equipment or provide information about the use of such equipment. The need for this labour must not exceed three months, and you or your employer must notify the police in writing before you enter Norway.
- Staff on foreign trains, aircraft, buses or trucks
- Employees employed by an international company and are to undergo internal company training for a period of up to three months

The case processing time may vary according to the work load of the Immigration authorities, the complexity of the case and whether the application is sent from the employer within Norway or to the Norwegian Foreign Service Mission in the country which the applicant resides. The case handling may vary in the range between 10-15 working days and 12 weeks.

In some situations one may apply to commence work in Norway before the permit is granted.

1.4 Registration required for EU/EEA nationals

An EU/EEA national is allowed to perform work in Norway without a residence permit.

For working periods exceeding three months, the employee must register with the police. The individual shall register online through the Application Portal, book an appointment and subsequently meet in person at the local police station or at a Service Centre for Foreign Workers. A valid identity card or passport and additional documentation, e.g. employment contract, is required. A registration certificate will be issued. This certificate is issued free of charge and is valid indefinitely as long as the conditions are fulfilled.

Nationals from the Nordic countries (Sweden, Denmark, Finland and Iceland) are exempted and may live and work here without having to register with the police.

2 Registration for tax and residence purposes

2.1 Registration with the tax office

Norwegian authorities identify individuals residing in Norway either by a Norwegian ID-number (“Fødsels- og personnummer”) or by a temporary D-number (“D-nummer”). Individuals born in Norway are granted an ID-number at birth, while foreign individuals moving to Norway apply for a D-number when entering Norway. If the stay is expected not to be temporary, the individual may be granted an ID-number instead.

Foreign employees apply for a D-number by registering with the Norwegian authorities. There are multiple local tax offices in Norway which in general assess individuals who are not temporary in Norway and/or have a Norwegian employer. The Central Office for Foreign Affairs (COFTA) assess individuals who are temporary in Norway and who have a foreign employer. ID control is required for both individuals assessed at a local tax office and those assessed at COFTA. The ID control is performed at the local tax offices, where individuals must meet at a tax office in person and present valid ID to be granted a D-number. Exceptions only apply to individuals who are assessed at COFTA and are working offshore.

2.2 Tax withholding card

Withholding of tax at source is applied, i.e. to payments of income from employment, fees for directors, committee members etc., taxable social security benefits, pensions, annuities and other similar payments. The withholding is made by the employer (or the pension institution) based on tax tables/tax deduction card received from the local tax office.

The tax-withholding card is produced at the end of a tax year or after registering with the authorities. The individual receives a tax-withholding report with information regarding the basis on which the tax-withholding card is calculated. The tax deduction card itself is available online through www.altinn.no for employers who have access. It is possible for foreign employers who do not have this access to use the information about the tax-withholding level received by the individual – Tax-withholding report (Skattetrekksmelding) as documentation of withholding rate.

The amount of tax to be withheld is computed based on the taxpayer’s tax-withholding card in such manner that, in principle, at the end of the year the amount of tax withheld corresponds to the amount of tax payable on the income subject to withholding. Tax is withheld at a fixed rate of 50 % if the taxpayer does not have a valid tax-withholding card in the online system.

3 Social security coverage

Prior to assignment, it is necessary to consider and take actions for the assignees social security position during the assignment as the main rule is that an individual is compulsory insured under the Norwegian scheme as from the first day of work in Norway.

Within the EU/EEA-area and for countries with a social security agreement with Norway it may be possible to apply for an A1/Certificate of Coverage from Home Country that will exempt the employee from the compulsory coverage in Norway. For assignees from other countries and for situations where it is not possible to obtain an A1/Certificate of Coverage, the employees will be regarded as members of the Norwegian National Insurance Scheme during the assignment in Norway. For further information, see section 16.

4 Checklist before arrival

- Check whether a visa and/or work/residence permit will be required, both for the employee and for his/her dependants and process applications if necessary.
- Review the tax consequences of the timing of the planned move, both in the home country and in Norway. Would it make sense to delay the start of the assignment, if possible?
- Apply for a social security certificate of coverage, if applicable.
- Check the Norwegian tax implications of potential stock options exercised during and after the assignment.
- Investigate the impact of participation in pension plans.
- Review investments in home country and consider disposals prior to the move if these may result in negative tax effects.
- Review the rules for severing residency in the country of origin and take necessary steps if negative consequences of double residency may be expected.
- In case of home ownership, review the advantages/disadvantages of renting out and selling, and consider any potential tax consequences if the home is sold during a foreign assignment.
- Participate in cultural and language training, if available.

5 Checklist upon arrival

- Ensure work/residence permit has been issued before commencing work
- Register with municipal authorities and obtain wage tax card. ID control is performed in certain „ID-offices“.
- Apply for child benefits, if applicable.
- Open a Norwegian bank account (recommended).



On assignment

6 Tax residence status

6.1 Tax residence

A person becomes a tax resident in Norway if days spent in Norway exceeds 183 days during any 12-month period, or 270 days during any 36-month period.

An individual who moves to Norway during the year and spends more than 183 days in Norway during the calendar year of arrival will be resident from the first day of arrival. An individual who spends less than 183 days during the first calendar year but exceeds 183 days in a 12-month period the following year, will be resident from 1 January the second year.

The same principle applies for the 270 days rule. The individual becomes tax resident from 1 January the year he has spent more than 270 days in Norway during a 36 month period.

Any part of a day spent in Norway counts as a full day in the day count tests.

6.2 Non-residence

Any individual who is not regarded as resident in Norway, ref above, will be seen as non-resident.

Non-residents are only taxed on Norwegian sourced income. Please see section "Taxation of non-residents" for further information.

6.3 Dual residence

An individual who is considered tax resident in Norway may also be considered tax resident in his home country. Such dual residency may lead to double taxation of income or wealth. Norway has entered into tax treaties with many countries in order to avoid double taxation. Please see appendix C for a complete list over tax treaties.

Foreign individuals considered as tax resident in Norway according to Norwegian domestic legislation will often be considered to be tax treaty residents in their home country. Consequently, Norway's right to tax the worldwide income of the individual is limited. Whether the individual is tax treaty resident in Norway or in another state according to a tax treaty is to be evaluated on an individual basis.

7 Norwegian taxation and tax rates

7.1 Introduction

An individual who is tax resident in Norway is liable to Norwegian tax on worldwide income and wealth. Individuals are subject to state and municipal income taxes. Both employed and self-employed individuals are subject to social security contributions.

The Norwegian income tax system operates with two income tax bases: General income and personal income.

Norway has a progressive tax system due to standardized and itemized deductions that will reduce the basis for general income tax. General income tax of 27 % is calculated from the General Income. The top tax and National Insurance (NI) contribution is calculated from the gross income basis with up to 12 % top tax and 8.2 % NI. Marginal tax rate is then 47.2 %.

7.2 General Income

General income is a "net income" tax base and is calculated for all taxpayers, both companies and individuals. It includes all taxable income from work, business and capital. Tax allowances and reliefs are deductible in the computation of general income for individuals. The most important of these are interest payments on debt and standardized deductions on employment and pension income. In addition, travel expenses to and from work in excess of NOK 16 000, trade union fees, documented child care expenses etc. are deductible.

7.3 Personal income

Personal income is a "gross income" tax base. It is the total amount of gross employment and pension income and is used to calculate security contributions and top tax. "Employment income" is a broad term that is defined as the sum of wages, salaries and other income related to personal services such as company cars, free telephone, stock options etc. In general, all kinds of fringe benefits are regarded as personal income.

Self-employed individuals, active partners in partnerships (provided that at least two thirds of the partners are active) and active shareholders in companies (provided that at least two thirds are active) are levied a tax based on an adjusted gross income from the self-employment, partnership and company.

7.4 Tax class allowance – personal deduction/ allowance

The personal tax system is divided into two tax classes - Class 1 and Class 2. The main difference being a larger personal deduction in Class 2 deduction than the deduction in Class 1. Single individuals and dual-income married couples are taxed in Class 1, whilst single income couples are taxed in tax class 2. For 2015, the personal deduction in tax class 1 is NOK 50 400 and NOK 74 250 in tax class 2.

7.5 Marginal tax rate

The highest (marginal) tax on employment related income is currently 47.2 %, including a social security contribution of 8.2 %. The highest rate for income from self-employment (and active partners / shareholders) is 50.4 %.

Individuals living in northern Norway (Nord-Troms and Finnmark) generally have lower tax rates, higher thresholds and a special allowance, as shown in the table in section 6.4.

8 Tax filing requirements

8.1 Taxable period

The tax year is equal the calendar year.

8.2 Tax Returns and Assessment

The tax office issues pre-filled tax returns in April the year after the tax year. The pre-filled tax return contains information reported from employers and financial institutions. Based on this information, a preliminary assessment is also included. If the information in the pre-filled tax return is complete and correct, it is not necessary to actively file the tax return. It is however the taxpayer's sole responsibility to complete any missing information or to correct any incorrect information.

The tax assessment is finalized by the tax office in the period between June and October. The tax assessment is based upon information given by the taxpayer in the pre-filled tax return (with supporting schedules) and other available information. If the tax authorities find the information given by the taxpayer incomplete or incorrect, they may alter, add or delete amounts. They may always alter estimates given by the taxpayer.

8.3 Payment of Tax

For individual taxpayers, income taxes are generally collected during the tax year, partly by withholdings at source and in some cases partly by preliminary assessments.

The preliminary assessment is usually performed at the beginning/middle of the year and is based on the taxpayer's income and net wealth stated in the most recent assessment and the tax rates for the coming year. The preliminary assessment takes account of the amount of tax that has been withheld at source.

If the amount of tax levied in the final assessment exceeds the amount already paid by way of withholding or by way of a preliminary assessment, the excess must normally be paid within three weeks of the date on which the amount due was announced or, if the excess tax is at least NOK 1 000, in two instalments, within three and eight weeks. Conversely, any excess tax paid is refunded. Excess amounts charged or refunded to taxpayers are usually increased by interests.

9 Taxable employment income

9.1 Salary and benefits in kind

As a general rule, all types of remuneration derived from employment are taxable. It is irrelevant whether the benefit is paid in cash or in kind, whether it is paid as ordinary salary or as a gratuity, commission, fee, bonus, etc. Reimbursements of work-related expenses in excess of actual costs are taxable. Reimbursements of private expenses are taxable as employment income.

If the total amount of benefits from an employer to an employee paid in cash or in kind, does not exceed NOK 1 000 during an income year, the amount is tax-free.

9.2 Benefits in kind

The fair market values of all benefits in kind are, as a main rule, taxable. Special valuation rules exist for some benefits, such as company cars, free accommodation and low-interest loans from employers. Some of these will be explained in the following.

9.3 Company car

The taxable benefit of a company car is based on the list price of the car. In general, the taxable benefit is calculated as 30 % of the first NOK 280 100 plus 20 % in excess of this amount.

In the following cases the taxable benefit is based on 75 % of the list price of the car:

- The car is older than three years as of January 1 of the tax year
- The job-related use of the car exceeds 40 000 kilometres per annum

For electric cars, the taxable benefit is based on 50 % of the list price of the car

If a car is older than three years and the job-related mileage exceeds 40 000 kilometres per annum, the taxable benefit is based on 56.25 % of the list price of the car (0.75 x 0.75).

If an electric car is older than three years the taxable benefit is based on 37.5 %. If job-related mileage exceeds 40 000 kilometres per annum for an electric car, the taxable benefit is based on 50 %.

If the car has been available for only a part of the year, the taxable benefit is adjusted proportionally. The payment threshold is adjusted annually in accordance with the consumer price index.

9.4 Beneficial loan from employer

The taxable benefit of an interest-free or low-interest-rate loan from an employer is computed at a rate determined by Parliament in the annual budget. This is currently 2.50 % (November - December 2014), and is expected to increase by 0,25 % in 2015.

9.5 Telecommunication (mobile phone, landline, broadband etc.):

A free telephone or other telecommunication subscription is also a taxable benefit. It is irrelevant whether the costs have been charged as an expense or given as a benefit in kind.

The annual taxable benefit is set to NOK 4 392 (NOK 366 per month). Where the subscriptions are charged as expense, the annual benefit is set to the lower of NOK 4 392 and the expense covered.

For other telecom services charged on a subscription basis, such as donations, music services, parking and information services is non-taxable up to NOK 1 000 annually.

If the employee got the phone during the year, the benefit will be calculated with 1/12 of NOK 4 392 from the month the employee got the telephone/internet.

9.6 Discounted shares (share plan)

Where an employee acquires shares in the company of employment or in its parent company at a discounted price, the benefit is taxed as employment income at the time of acquisition. The benefit is calculated to the difference between the price paid by the employee and the fair market value of the share.

A tax free amount of NOK 1 500 may be available where shares are granted by the employer or the parent company, provided that the parent company owns more than 90 % of the voting rights of the subsidiary.

9.7 Stock options

Share options granted in connection with employment are also regarded as benefits and will be taxed as employment income at the time of exercise. A tax free amount of NOK 1 500 is available when shares are acquired at a price below market value if shares are granted by the employer or the parent company, provided that the parent company owns more than 90 % of the voting rights of the subsidiary.

The participant may choose to calculate the taxes over the term of the options - i.e. at the applicable rate for the taxable benefit as if equally spread over the years from and including grant to and including exercise. This may lead to a reduction in tax paid by the employee as the taxable income may be subject to lower tax thresholds.

10 Other taxable income

10.1 Pension income

Pensions and pension contributions to non-tax favourable pension plans are taxable.

10.2 Directors' Remuneration

There are no special provisions regarding directors' remuneration. Such income is taxed as employment income.

10.3 Business Income

Taxable income derived from a business is generally fixed according to the rules applicable to companies.

11 Personal Deductions, Allowances and Credits

Interest expenses are tax deductible irrespective of the purpose of the loan and irrespective of whether the loan is secured by mortgage. Limitations may however apply if the individual owns property in certain other states. This must be evaluated on a case-by-case basis and will amongst other things depend on the tax resident status of the individual.

Child care expenses for children under the age of 12 may be deducted, subject to certain limits. The maximum deduction is NOK 25 000 for one child and is increased by NOK 15 000 per child for each additional child. Married or cohabiting parents can determine the distribution of the deduction between them.

Alimony and similar periodic payments are not deductible.

Donations to certain charities may be deducted, subject to an annual limit of NOK 20 000.

11.1 Minimum deduction

Minimum deduction is a standardized deduction calculated based on the employment income and/or pension income. The Norwegian tax system allows a wide range of itemized deductions, but some expenses incurred in connection with the employment should be seen as included in the minimum deduction. It is possible to claim deduction for actual expenses, but this is very rare due to the high maximum deduction.

The minimum deduction is calculated as 43 % of total remuneration (salaries, other types of remuneration for work in public and private service, including fees, commissions, bonuses, tips, and benefits in kind, etc., as well as pensions, annuities, alimony and sickness benefits. Directors' fees and certain types of royalties are also included). Salaries are subject to a minimum of NOK 31 800 and a maximum of NOK 89 050. Pensions have lower minimum allowance. The minimum allowance does not cover additional expenses incurred while living away from home, travel expenses, pension premiums, interest and childcare expenses. Such deductions may be claimed in addition to the minimum deduction.

In addition to the minimum deduction, personal taxpayers are granted a personal deduction. Please see 5.1.4 for further information in this regard.

If the information in the pre-filled tax return is complete and correct, it is not necessary to actively file the tax return. It is however the taxpayer's sole responsibility to complete any missing information or to correct any incorrect information

11.2 Seafarer's deduction

Seafarers are, on certain conditions, entitled to a special deduction of 30 % of employment income. The maximum deduction is set to NOK 80 000.

11.3 Travel between home and work

Where expenses relating to travel between home and the place of work exceed NOK 16 000, the amount exceeding NOK 16 000 is tax deductible. The same rule applies to commuters travel expenses between home and work. Please note that deduction is based on km, not actual expenses such as train and/or bus fare.



11.4 Standard Deduction for Foreign Employees

A standard deduction of 10 % of gross remuneration/ wages subject to a maximum of NOK 40 000 per annum is available to both tax residents and non-residents. The deduction can be claimed the two first years as a tax resident in Norway, and every year as non-resident. Non-resident individuals can claim the standard deduction every year.

An individual can choose whether to claim the standard deduction or deduction for other itemized deductions, which the standard deduction is meant to replace. Such deductions include commuting expenses, interests paid, expenses for kindergarten and losses from the sale of shares etc.

The Ministry of Finance has stated that an individual who has lived in Norway and claimed the standard deduction and then left Norway (i.e. the residency status has ceased) will be entitled to the deduction again if individual moves back to Norway.

11.5 Commuters

Individuals who commute to Norway from another EU/EEA country may, under certain conditions laid out in the Tax Act, claim deduction for housing, travel expenses and per diem. Deduction is available for actual housing costs, travel expenses according to mileage up to 75 000 km per year or actual travel expenses (limitations apply). Furthermore, deduction for travel expenses is limited to the amount exceeding NOK 16 000. Maximum deduction for travel expenses is therefore NOK 76 500. Per diem deduction is available according to fixed rates based on the type living arrangements in Norway.

Individuals who commute to Norway from a country outside of the EU/EEA-area may claim deduction for actual travel expenses with other means of transportation than by a private vehicle. If it can be documented that a private vehicle has in fact been used for the home travels, the expenses are deductible according to mileage up to 75 000 km per year.

Expenses are deductible up to NOK 92 500 and limited to the amount which exceeds NOK 16 000. Maximum deduction for travel expenses is therefore NOK 76 500.

If an individual is regarded as a commuter under the Tax Act and commutes to Norway, commuter expenses covered by the employer are non-taxable for the employee.

If the employee chooses to claim the standard deduction, the employer's expense coverage will be taxable. A social security contribution will also be payable on this amount. As the standard deduction is subject to an upper limit, it may be more beneficial for an employee to opt for tax-free commuter benefits than the standard deduction.

11.6 Personal Allowances/Deductions (2015 rates)

Deductions – applicable when computing general income (basis for computation of municipal tax)	NOK	(US\$) ¹
Personal deduction – class 1	50 400	6 713
Personal deduction- class 2	74 250	9 889
Basic relief (minimum deduction)		
-- Rate	43%	
-- Upper limit	89 050	11 860
-- Lower limit	4 000	532
-- Alternative deduction	31 800	4 235
Particular allowance for persons in Finnmark and Nord-Troms		
Personal deduction (Finnmark and Nord-Troms)	15 500	2 064
Particular allowance for seafarer		
-- Rate	30 %	
-- Upper limit	80 000	10 655
Allowance for labour unions fees	3 850	513
Minimum threshold for deducting daily travel expenses related to work	16 000	2 131
	1,50 per km	
Above 35,000 km	0.70 per km	
Child care allowance		
-- -- One child	25 000	3 330
---- More than one child	+15 000 per child	1 998
Tax credits		
Home savings scheme for persons below 34 years		
-- Maximal annual saving amount	25 000	3 330
Maximal accumulated savings	200 000	26 638
Tax credit rate	20 %	

¹ US\$ 1 = NOK 7,5081

12 Tax rates (2015)

12.1 Income and Capital Gains

The national and municipal income taxes on net/ordinary income are levied at a combined maximum rate of 27 %.

12.2 Top Tax

Top tax/Surtax are computed on gross income derived from employment and pension income. Special rules apply for self-employed and partners/shareholders as outlined below.

Taxable Income (NOK)	Taxable income (US\$) ¹	Rate
0 – 550 550	0 – 73 327	0 %
550 550 – 885 600	73 327 – 117 953	9 %
885 600 -	117 953	12 %

¹ US\$ 1 = NOK 7,5081

The taxable base for the national income tax on gross income (toppskatt til staten) includes gross income from the following sources:

- Wages and salaries and other remuneration for work performed in or outside an employment situation, including fees, commissions, tips, etc;
- Remuneration as a member of Board of Directors, committee, etc,
- Benefits in kind received in connection with the above sources;
- Pensions and life annuities received in relation to employment;
- Various social security income payments (sick pay, unemployment benefits)

12.3 Tax Base for Self-Employed

Self-employed individuals are subject to a top tax based on an adjusted net profit from the self-employment, partnership or company, following various adjustments.

The adjustments are basically computed by eliminating any income or loss from capital, capital gains and capital losses, and by subtracting that part of the income which is deemed to be yielded from capital used in the business (at a rate of interest determined annually by the Parliament) and by further subtracting some other elements.

13 Investment income/Capital income

13.1 Dividends

The shareholder model is applied on dividends in Norway. It is intended to reduce the difference between taxation of capital income and taxation of employment income. The shareholder model will apply to all kinds of shares in:

- private limited companies LTD
- public limited company PLC
- savings bank and other independent finance enterprises
- co-operatives
- funds, trusts
- equivalent foreign companies etc.

The shareholder model requires dividends exceeding a risk-free return on the investment (the cost base of the shares) to be taxed as general income when distributed to personal shareholders. When added to the 27 % company taxation, this gives a total maximum marginal tax rate on dividends of 46.71 % (0.27+0.73*0.27). The part of the dividend that is not exceeding a risk-free return on the investment, is not taxed on the hand of the shareholder, and is thus subject to the 27 % company taxation only. If the dividend for one year is less than the calculated risk-free interest, the surplus tax free amount can be carried forward to be offset against dividends distributed a later year, or against any capital gain from the alienation of the same share.

Dividends and possible profits from Norwegian companies and foreign companies shall be treated equally.

Shares owned by companies are not comprised by the shareholder model. The shareholder model is also applicable for residents of other EU/EEA states who are liable to Norwegian withholding tax.

13.2 Interests and royalties

Interests and royalties are taxable at a rate of 27 %.

13.3 Capital Gains

There is no separate capital gains tax in Norway. Capital gains are included in general income, and are subject to tax at a rate of 27 %. Capital gains realized on the sale of movable or immovable property are generally taxable (and capital losses deductible). However, a number of exemptions and special rules apply.

Taxation of capital gains also takes place when a company is liquidated. The first-in, first-out method is used if the shareholder sells only part of his holding in a particular company. This means that the first acquired shares are considered to be sold first if share capital is issued at different points in time.

Gains from the sale of other securities, e.g. bonds and debentures, are taxable irrespective of whether they are part of a business or not. Gains from bonds are only taxable if they were acquired on or after May 11th, 1990. Gains from other securities are only taxable if they were acquired or issued on or after January 1st, 1992.

Gains on private movable property, e.g. furniture and other goods used in the taxpayer's household, are exempt.

Gains from the sale of own dwellings (a taxpayer's home) are as a main rule taxable. However, due to special regulations such gain may be tax-free if one has lived and owned the dwelling more than one year in the past two years.

13.4 Partnerships

Partnerships (general and limited) are transparent entities in Norway, and partners are taxed on their share of the profits. Distributions from and alienation of an interest in a partnership are from 2006 onwards taxed in a similar way as distributions from corporations and alienation of shares in private or public limited companies. In general, only 73 % of a distribution from a partnership is taxed due to the fact that partnerships are transparent entities. The taxable amount of a distribution is subject to detailed calculations.

14 Wealth tax

14.1 Net Wealth Tax

Tax resident individuals are subject to national wealth tax (formuesskatt til staten) and municipal wealth tax (formuesskatt til kommunen) on their worldwide net wealth. The wealth tax is levied on the net value of the taxpayer's assets at the end of the tax year. When calculating net wealth, any debt in or outside of Norway is as a main rule deductible. Note that limitations may apply if the individual owns real estate abroad. Married couples are usually taxed jointly for wealth tax.

14.2 The Wealth Tax Rates for 2015

Municipal net wealth tax is only payable on net wealth in excess of NOK 1 200 000. The rate is currently 0.7 % in all municipalities.

National net wealth tax is only payable on net wealth in excess of NOK 1 200 000. The rate is 0.15 %.

Municipal wealth tax		
Net wealth (NOK)	(USD) ¹	Rates
0 – 1 200 000	0 – 159 827	0.0 %
1 200 000 –	159 827 –	0.7 %

National wealth tax		
Net wealth (NOK)	(USD) ¹	Rates
0 – 1 200 000	0 – 159 827	0.0 %
1 200 000 –	159 827 –	0.15 %

¹ US\$ 1 = NOK 7,5081

15 Taxation of non-residents

15.1 Taxable items

The tax liability of non-residents is restricted to certain types of Norwegian-sourced income such as:

- Income from immovable property and from tangible movable property situated in Norway,
- Income from trade or business in Norway,
- Income (including pensions) as a director, member of a Board of Directors or similar controlling body of a company or other entity resident in Norway, including fees and other emoluments from such company or other entity, and
- Income from personal services carried out in private or public employment in Norway by non-residents temporarily present in Norway, including persons sent to Norway by employment agencies.

However, a tax treaty can limit Norway's right to tax, as the income might be exempt pursuant to the relevant provision in the tax treaty.

The income tax rates applicable to non-residents are the same as for residents. Expenses incurred in connection with the earning of taxable income are generally deductible. Some deductions are however granted on a pro rated basis equal to the time present in Norway during the tax year. This applies the minimum deduction and the personal deduction. If an individual has spent only two months in Norway during an income year, the deduction will be limited to 2/12 of the full amounts.

Dividends paid from Norwegian companies to non-residents are subject to source withholding tax (kildeskatt) at a rate of 25 %, unless an exemption or a lower rate applies under a tax treaty.

Pensions paid from the Norwegian National Insurance or from Public Occupational Pension Schemes in Norway, to a non-resident, are subject to withholding tax at a rate of 15 %. If the non-resident is domiciled in an EU/EEA country and taxed in Norway for a substantial part (90 % or more) of his income, and therefore claims deductions in Norway, the pension will be taxed in Norway as general income, and be subject to top tax. Exemption or a lower rate may apply under a tax treaty.

In general, there is no income or withholding taxes on interest or royalties derived by non-residents.

Capital gains derived by non-residents from the disposal of shares in Norwegian companies are taxable only if the shareholding is effectively connected to a business carried on by the shareholder in Norway.

15.2 Taxes on Capital

Non-residents are subject to Norwegian net wealth taxes with respect to the property of a Norwegian business carried on by them or in which they participate, and with respect to immovable and tangible movable property located in Norway. Tax treaty provisions may further restrict the tax liability of non-residents.

Non-residents are not entitled to the NOK 1 200 000 allowance for municipal wealth tax purposes. For the state wealth tax the personal allowance of NOK 1 200 000 will apply.

15.3 Deductions

Non-resident individuals are not eligible to claim deduction for itemized deductions that do not have a connection with the income that is taxable in Norway. Such itemized deductions include interests paid on a loan/mortgage, loss from sale of property abroad or loss from sale of shares and securities. However, in some very special situations, it is possible for EU/EEA residents to claim deduction for interests paid on loans and full year allowances/tax brackets if at least 90 % of the income is taxable in Norway.

Non-residents who have a personal residence or vacation home in Norway may be able to claim deduction for interests paid in connection with a loan on the Norwegian property.

Prior to assignment, it is necessary to consider and take actions for the assignees social security position during the assignment as the main rule is that an individual is compulsory insured under the Norwegian scheme as from the first day of work in Norway

16. Social security

16.1 Domestic Legislation

There are three main social insurance schemes in Norway, the National Insurance Scheme (NIS), The Family Allowance Scheme and the Scheme for cash benefits for families with small children.

16.2 Membership

Generally, individuals are members of the NIS either through permanent residency, or by performing work as an employee in Norway. An individual may however be exempt from membership in the NIS according to applicable social security agreements. A Certificate of Coverage (CoC) is needed to document an exemption.

If an individual is not considered compulsory insured under the NNIS, he/she may, under certain conditions; apply for NIS voluntary insurance.

16.3 Financing

The NIS is funded by contributions from members with personal income (employees, self-employed individuals and others), the employers and the Norwegian State. The contribution rates are set by Parliament once a year.

In 2015, the employee's contribution rate is 8.2 % of gross income. Income derived from self-employment is subject to a maximum rate of 11.4 %. The contribution rate for other kinds of personal income (e.g. pensions) is 5.1 %.

The employer's contribution rate is 14,1% for most of the employers, but are differentiated geographically

between five contribution zones in Norway. The employer's contribution ranges from 0 % up to 14.1 %, depending on the geographical zone to which the employer is tax liable. The employers are obliged to report and pay the contributions to the authorities without further notice from the Tax Collector.

16.4 Social security agreements

16.4.1 EU/EEA Area

Norway is a member of the European Economic Area (EEA) and thereby subject to the EU/EEA regulation 883/2004 on social security. In the event of any conflict between domestic law and the EU/EEA regulation, the EU/EEA regulation shall prevail.

According to the EU/EEA-regulation an individual is as a main rule subject to the social security legislation of the member state he or she works. Exemptions are granted for individuals seconded from another member state (in general for a period of maximum five years) if the sending member state's authorities have issued form A1. Form A1 documents that the individual remains insured under the sending member state's legislation during the secondment and correspondingly is exempted from the NIS.

When subject to a member state's social security scheme, all social security contributions, both the employee's part and the employer's part, shall be paid to that member state's authorities according to domestic laws and regulations. At the same time one is exempt from paying similar contributions to other member states. Social security coverage will therefore affect both the employer and the employee, as contributions are payable to one member state only and the contribution rates varies significantly from one country to another.

16.4.2 Social security agreements

Norway has also entered into bilateral social security agreements with different countries. For further information, see appendix F. In the event of any conflict between domestic and the social security agreements, the provisions in the social security agreement shall prevail.

Generally, the social security agreements state that an individual is subject to the social security legislation in the country where work is performed. Exemptions are made for individuals that holds Certificate of Coverage from another country. The CoC documents the exemption from paying social security contributions in the member state in which the individual performs work.

16.5 NNIS benefits

Members of the NIS are entitled to free accommodation and treatment in Norwegian public hospitals. A “cost sharing fee” up to a certain amount is charged for services provided by for example a family doctor, specialist, and psychologist. When the upper limit is met, a member can receive such services for the remaining period of the calendar year free of charge.

16.5.1 Sickness cash benefit

Upon certain criteria, employees who have performed work for at least four consecutive weeks with an annual income exceeding half the Basic Amount (BA), currently NOK 44 185 (May 2014), are entitled to sickness cash benefit.

The employer is responsible for sickness cash benefits for the first 16 calendar days of the sickness period. Sickness cash benefits for periods exceeding 16 days are paid from the NIS. Income exceeding 6 times the BA, currently NOK 530 220 (May 2014), is not taken into consideration when calculating sickness cash benefits from the NIS. The benefit is paid from the first day of sickness for a maximum period of 52 weeks. It is quite common, but not mandatory, for an employer to pay the cash benefit throughout the whole period of sickness and to claim a refund from the NIS.

Daily cash benefits are also available for a specific number of days in other situations such as when the employee is absent from work due to care for a sick or disabled child, or if the regular child minder is sick. For sickness periods exceeding 52 weeks, see the following section for long term disability.

16.5.2 Long term disability benefit

Individuals with prior income are entitled to a disability pension from the NNIS if certain requirements are met. The disability pension is set to 66 per cent of the average income in the three best years of the last five years. Income exceeding 6 times the BA, currently NOK 530 220 (2014), is not taken into consideration. The pension is at the earliest available after 52 weeks of sickness cash benefit. Note that the applicant in general must have been a member of the NIS for a minimum of three years immediately before the onset of incapacity. The pension is reduced proportionally in cases of partial disability and if the individual has less than 40 years of membership in the NIS.

16.5.3 Unemployment cash benefit

A member may be entitled to unemployment cash benefit, provided that the particular requirements are met, such as previous employment income of at least 1,5 times the BA, currently NOK 132 555 (2014). The individual must register with the employment office and must report to the employment office every 14 days in order to keep the right to this benefit.

The daily unemployment benefit normally amounts to approximately 60 % of an individual’s previous employment income, subject to a maximum of 6 times the BA, currently NOK 530 220 (2014). Income exceeding 6 times the BA is not taken into account when calculating the daily unemployment benefit. The unemployment benefit is given for a period up to maximum of 104 weeks.

16.5.4 Parental cash benefit

Members who have been employed with income for at least six out of the ten months prior to the period of parental leave are entitled to parental cash benefits during parental leave. For both the maternity and the paternity leave, ten weeks are exclusively reserved each parent. For the maternity leave the three weeks before and six weeks following confinement, can only be taken by the mother. The parental leave period is either 49 weeks of 100 % of covered earnings or 59 weeks with a compensation rate of 80 % of covered earnings. The benefits are calculated the same way as described under section 16.5.1 for sickness cash benefit, where income exceeding 6 times the BA, currently NOK 530 220 is not taken into consideration.

If the mother is not entitled to daily cash benefits, she is entitled to a lump sum (maternity grant) of NOK 38 750.

16.5.5 Old Age Pension

Members of the NIS can earn old age pension rights both through work related income but also by earning membership periods in NIS. The legislation of old age pension was significantly changed in 2011.

The old scheme is still applicable for individuals born before 1954. For individuals born between 1954 and 1962 a combination of the old rules and new rules for earning pension rights apply. For individuals born 1963 or later the new rules for pension earnings, apply.

Within the old pension scheme the individual must have been a member of NIS or another EU/EEA country’s National Insurance Scheme for at least three years to have a right to claim a pension. It is possible to use membership periods from other EU/EEC states to fulfil this requirement.

The old age pension from NIS is partly exportable depending on which country the pension is exported to.

New old age pension scheme - income based pension earnings

The new old age pension scheme is a defined contribution scheme, and consists of a guaranteed pension and an income based pension. The guaranteed pension is based on membership periods in NIS. Full earnings of guaranteed pension is granted to individuals with at least 40 years of membership in the National Insurance Scheme. In case of a shorter insurance period, the guaranteed pension is proportionally reduced based on the total membership years.

As for the income based pension, all years of employment in Norway up until the age of 75 counts towards one’s pension. For each year of pension earnings, a pension capital is accumulated. The annual pension earnings are 18.1 % of the individual’s pensionable income. Income above 7.1 times the BA, currently NOK 627 427 (2014), is not taken into account. The maximum contribution in 2014 is NOK 113.564.

The income based pension is determined on the basis of the pension capital at the time of withdrawal. The pension is then adjusted in accordance with the general life expectancy of the population. The pension age is flexible, and pension can be drawn from the age of 62 to 75. In order to draw an old age pension before attaining the age of 67, the pension must equal a certain minimum level. The level will be adjusted pro rata for people with pension earnings from other countries. It is possible to draw full or partial pension rights of 20, 40, 60 or 80 %.

Old rules of pension earnings

Individuals born before 1954 or between 1954 and 1962 will have pension calculated according to the “old” scheme. The old age pension according to the old rules consists of a basic pension and a supplementary pension. The basic pension is based on the insurance periods both as employed and as a resident in Norway. Hence, both employees and residents may earn rights to the

basic pension. A full basic pension requires 40 years of insurance under the scheme.

The supplementary pension is calculated according to the number of pension earning years and annual pension points based on one’s income. A full supplementary pension requires as a general rule 40 pension earning years. If there are less than 40 pension earning years, the pension is reduced proportionally.

The rules concerning pension age, pension levels and life expectancy adjustments are also valid for old age pension according to the old rules.

16.5.6 Other Benefits

Several other benefits are covered under the NIS, including work assessment allowance, benefits to surviving spouse, children’s pensions, benefits in case of occupational injury, benefits to single parents and funeral grants.

16.5.7 Family Allowances

Family allowances, such as child benefit and cash benefit for families with small children are derived from separate legislation. Parents with children under the age of 18 residing in Norway are entitled to a monthly child benefit of NOK 970 (2014). Please note that entitlements to the allowance also may arise if the child resides within the EEA area, in accordance with the provisions of EEC regulation 883/2004.

Cash benefit is granted for children resident in Norway between the ages of one and two and who does not attend a day care center that receives a state grant. The maximum cash benefit is NOK 60 000 per annum. Where a child attends a day care center with state grant on part time basis, the caretaker may be entitled to a reduced benefit, depending on the amount of hours spent in day care.

16.5.8 Taxation on Benefits

Benefits received from the NIS scheme are generally liable to income tax. Exceptions include lump sum grants and benefits in kind. Family allowances and cash benefits for families with small children are not taxed as income.

17. Mandatory occupational pension plans

The Act on Mandatory Occupational Pension requires all employers to provide an occupational pension plan in accordance with the minimum requirements of the Act. Foreign employers who fall within the scope of the Act also have obligations pursuant to the Act.

The objective of the obligation to provide occupational pension plans is to ensure that employees earn pension entitlements supplementing the NIS's old age pension scheme.

A mandatory occupational pension plan can be established under three different Acts; The Company Defined Contribution Act (Innskuddspensjonsloven) or The Service Pension Act (Tjenestepensjonsloven) or the Company Defined Benefit Act (Foretakspensjonsloven).

The minimum pension plan that fulfil the legal requirements is a 2 % defined contribution plan. Income above 12 times the Basic amount, currently NOK 1 060 440, is not taken into account.

As long as the requirements of these pension acts are met, the plans are treated beneficial from a tax perspective. This implies that the employers' premiums to the plan are not treated as taxable income for the employee, and the employer is entitled to tax deductions for these payments. Premiums to the plan are subject to Norwegian employer's contributions.

The entitlements earned under the mandatory occupational pension plan can be withdrawn as from the time of retirement, which is normally from the age of 62 – 70 years.

18. Employment law

18.1 Introduction

Employees who are subject to Norwegian employment legislation have extensive protection. Employers and employees should be aware of the mandatory provisions that apply when working in Norway, both when Norwegian law and foreign law is chosen as applicable legislation in the assignment contract/employment contract.

18.2 Domestic Legislation

The Working Environment Act includes specific rules concerning working hours, working conditions and procedures relating to the termination of employment, entitlement to leave of absence due to sickness and maternity etc.

Generally, an employee shall be appointed permanently. Temporary employment may nevertheless be agreed upon in certain situations, e.g. when warranted by the nature of the work and the work differs from that which is ordinarily performed in the undertaking or when there is a need for a temporary replacement of another employee.

Normal working hours in Norway are 40 hours per week, including lunch break. Different rules apply for employees working irregular hours. Overtime work may only be imposed when deemed necessary, and there are maximum restrictions related to the total amount of overtime. Overtime work shall be compensated with a minimum of 40% additional salary. Top-executives and employees in particularly independent positions who manage their own day and work tasks, are exempted from the working time provisions.

The Working Environment Act contains detailed regulations regarding termination of employment. An employee cannot be dismissed without "justifiable basis" either due to the circumstances of the company, the employer or the employee. The Working Environment Act requires minimum notice periods between 1 and 6 months, depending on age and seniority.

In general, there is no statutory minimum salary requirement in Norway. Various collective agreements, including minimum pay, may however be in force for the Norwegian entity

In addition, in some sectors as e.g. the building and construction industry and facility sector may be subject to minimum salary requirements as they are subject to Generally Applicable Collective Agreements even if neither the employer nor the employee are party to the relevant agreement.

18.3 International Legislation

Norway has implemented EU Regulations regarding Seconded Employees, which apply to employees who are seconded to work in Norway, both from countries within and outside of the EU/EEA. These regulations are in accordance with the EU Posting Directive and state that employees seconded to Norway are subject to Norwegian employment legislation in certain areas.

Pursuant to these regulations, the choice of applicable law must not deprive an employee of the protection of some "imperative provisions" of the Norwegian legislation. If the parties have chosen the sender state's legislation as the prevailing for the assignment contract, this choice of law will only apply as far as the provisions are more beneficial to the employee than the Norwegian minimum protection rules.

Examples of areas which must, as a minimum, be in accordance with Norwegian Employment legislation include working conditions, working hours, entitlement to an employment contract in writing, the required contents of the working contract, protection from dismissal due to pregnancy and confinement, the Norwegian Vacation Act and gender equality.

Pursuant to the Norwegian Holiday Act, an employee's holiday payment is 10.2 % of gross salary earned during the preceding calendar year

Vacation rights

The Norwegian Holiday Act states that employees are entitled to four weeks and one day of holiday per year. Pursuant to the Norwegian Holiday Act, an employee's holiday payment is 10.2 % of gross salary earned during the preceding calendar year.

Employers subject to collective agreements shall generally offer five weeks of holiday every calendar year and holiday pay of 12 %. Within many sectors, it is common to offer five weeks holiday and 12 % holiday pay and weeks of vacation even if the parties are not subject to a collective agreement. As the holiday payment is calculated based on previous income in Norway, a seconded employee may not be entitled to any holiday pay during the first calendar year of employment in Norway.

When terminating employment in Norway, an employee is entitled to earned rights to holiday payment, both for the previous year and the year of departure.

Post assignment procedures

19 Deregistration

Individuals are required to notify the Norwegian National Registry when moving from Norway. The notification is done by filling out a form, either electronically or by postal mail. Correspondence from all Norwegian authorities will be sent to the address registered in the Norwegian National Registry. As such, it is important to make sure that the authorities have a correct and updated address registered at all times.

Deregistration with the Norwegian National Registry must not be mistaken for emigration from Norway for tax purposes. This will be described in the next chapter.

20 Emigration

Tax residence for individuals will cease the year when all of the following conditions are fulfilled:

- Permanent move from Norway
- No home at disposal in Norway
- The stay in Norway does not exceed 61 days during the year a permanent stay abroad is established

A residence is to be regarded as a "home" when it can be used for living purposes all year round. A holiday home or a hotel room is not considered a home according to the definition above, however exceptions may apply.

If real estate purchased/acquired by the individual more than five years ago has been rented out for the last five years prior to the foreign assignment, it may be accepted that this is not his home.

Special rules apply for individuals that have been considered permanent residents in Norway for at least ten years. The ten-year limit applies from date to date. In such cases, permanent residency ceases after the third entire tax year after the income year in which all of the above conditions have been met. If a person left Norway in June 2014, and sold his house in January 2015, his permanent residency will cease in January 2019.

When calculating the number of days in Norway, both entire calendar days and parts of calendar days present in Norway should be included.

The individual must prove towards the Tax Authorities that all conditions have been fulfilled for each of the three tax years after moving. The individual is obliged to submit a Personal Tax Return each tax year during this three year period. Permanent residency will cease as from January 1, year four.

21 Tax filing requirements

An individual will have a tax return filing obligation in Norway as long as domestic residency status is maintained. Please see above; some conditions need to be met in order to break domestic residency status. Due to the strict requirements, some individuals may need to file a Norwegian tax return several years after departure.

22 Exit Taxation

The exit taxation includes gain on shares, parts of company with liability, primary capital certificates in Norwegian companies and in similar foreign companies, subscription rights, options and other financial instruments where the underlying object is an asset mentioned above. For simplification, we will in the following use the term "share".

Norway has also established exit taxation on business assets/equipment removed from Norwegian tax jurisdiction. These rules are only applicable if you are in business, so we limit the information only to inform that such rules exist.

Gains on shares owned by an individual at the time of emigration from Norway are taxable at the last day before the emigration is final. Emigration can either take place in accordance with the Norwegian Tax Act or in accordance with a tax treaty. Transfer of shares to a spouse who is not a tax resident in Norway, will also provoke exit taxation.

Losses on shares are deductible by emigration to another EEA country to the same extension as a gain is taxable in accordance with the Tax Act regulations of exit taxation. The loss is calculated in emigration year, but the settlement is postponed until the share is actually realised.

A total gain of all taxable gains reduced with deductible losses that do not exceed NOK 500 000 is not included in the exit taxation regime. However, if the gain exceeds this amount, the whole gain is subject to taxation.

The individual taxpayer can be granted a postponement on settlement of assessed exit tax if sufficient security for the tax is given. If moving to another EU/EEA country postponement is given without security if Norway can obtain information about the taxpayer's income and fortune according to agreement with the other state and may claim assistance from foreign tax collectors regarding collection. The postponed settlement is carried forward by exemption of assessed tax from the settlement of taxes for the emigration year. Postponement of the settlement is excluded by transfer of the shares by gift to a person who does not have his habitual abode in Norway and by liquidation of a partnership.

The exit tax is reduced or annulled if the individual realizes the shares at a lower value than the value on the time of emigration. In such case, the tax payer may claim the gains calculated of the real realization value. Realization value cannot amount to a lower value than the acquisition cost. Dividends that have not been taxed or have been taxed at a low rate in the last five years are added to the realization value. The choice of realization value is not available by loss or by transfer of gifts.

If the gain is taxable to another country, tax credit relief is given.

The exit taxation is reversed if the individual taxpayer has not realized the share within five years after the end of taxability to Norway either in accordance with the Norwegian Tax Act or in accordance with tax treaty with a foreign country. The taxability is also excluded if the individual returns to Norway to live, or be deemed as having his habitual abode in Norway in accordance with the tax treaty.

23 Checklist before departure

- Review the tax consequences of the timing of the planned move out of Norway. Would it make sense to accelerate or delay departure?
- Check the tax implications of potential stock options exercises.
- Review investments and consider disposal prior to the move if negative tax effects may be expected.
- If contributions to the Norwegian compulsory pension scheme have been made, consider options regarding future retirement benefits, including opportunities for reimbursement.
- De-register with the municipal authorities.
- Keep bank accounts open for as long as tax assessments are outstanding.



Appendix A: 2015 Rates

An overview of income tax and social security rates

National insurance contribution

Earned income	8,2 %
Pension income	5,1 %
Lower limit for paying national insurance contribution	NOK 49 650

Surtax

Level 1 - Amounts exceeding	NOK 550 550	9.0 %
Level 1 - Finnmark and Nord-Troms	NOK 550 550	7.0 %
Level 2 - Amounts exceeding	NOK 885 600	12.0 %

Tax on ordinary income

Persons	27.0 %
Persons in Finnmark and Nord-Troms	23.5 %

Maximum marginal tax rates

Ordinary income	27.0 %
Employment income	39.0 %

Marginal rate on employment income - (Tax and National Insurance contribution)	47,2 %
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Wealth tax

Municipality / State	Between NOK 0 and NOK 1 200 000	0 %
Municipality / State	Above NOK 1 200 000 -	0.85 %

Appendix B: 2015 Simplified Personal Tax Calculation

A simplified 2015 Norwegian Personal Tax Calculation

	Class 1			
	Local	Local	Expat	Expat
	NOK	NOK	NOK	NOK
Salary	450 000	950 000	450 000	950 000
Company car	50 000	50 000	50 000	50 000
Personal income	500 000	1 000 000	500 000	1 000 000
Capital gains	10 000	20 000	10 000	20 000
Minimum deduction	-89 050	-89 050	-89 050	-89 050
Travelling cost to and from work (less 16 000)	-4 000	-4 000		
Interest expenses on mortgage and loss	-10 000	-20 000		
10 % standard deduction			-40 000	-40 000
Ordinary income (net income)	406 950	906 950	380 950	890 950
Personal allowance	-50 400	-50 400	-50 400	-50 400
Income tax	96 269	231 269	89 249	226 949
Top tax	0	43 883	0	43 883
Social security	41 000	82 000	41 000	82 000
Total tax and social security	137 269	357 151	130 249	352 831
Net cash income	312 732	592 849	319 752	597 169
Employer's contribution to social security (14,1 % of personal income)	70 500	141 000	70 500	141 000

Appendix C: Double Taxation Agreements

	Class 2			
	Local	Local	Expat	Expat
	NOK	NOK	NOK	NOK
Salary	450 000	950 000	450 000	950 000
Company car	50 000	50 000	50 000	50 000
Personal income	500 000	1 000 000	500 000	1 000 000
Capital gains	10 000	20 000	10 000	20 000
Minimum deduction	-89 050	-89 050	-89 050	-89 050
Travelling cost to and from work (less 15 000)	-4 000	-4 000		
Interest expenses on mortgage and loss	-10 000	-20 000		
10 % standard deduction			-40 000	-40 000
Ordinary income (net income)	406 950	906 950	380 950	890 950
Personal allowance	-74 250	-74 250	-74 250	-74 250
Municipal tax	89 829	224 829	82 809	220 509
Top tax	0	43 883	0	43 883
Social security	41 000	82 000	41 000	82 000
Total tax and social security	130 829	350 712	123 809	346 392
Net cash income	319 171	599 289	326 191	603 609
Employer's contribution to social security (14,1 % of personal income)	70 500	141 000	70 500	141 000

General tax conventions between Norway and other states

Updated per: 15 November 2014

Source: Norwegian Ministry of Finance

Code of symbols:

Status 0: Treaties terminated.

Status 1: Treaties in force

Status 2: Treaties which are signed, but not yet ratified/in force

Status 3: Ongoing negotiations for treaty/renewals (full or partial) of an existing treaty

T/I

T = Tax Treaty

I = Information Exchange Agreement

Country	T/I	Signed	Status	In force
Albania	T	14.10.1998	1	13.08.1999
Andorra	I	24.02.2010	1	18.06.2011
Anguilla	I	14.12.2009	1	10.04.2011
Antigua and Barbuda	I	19.05.2010	1	15.01.2011
Argentina	T	08.10.1997	1	30.11.2001
Aruba	I	10.09.2009	1	01.08.2011
Azerbaijan	T	24.04.1996	1	20.09.1996
Australia	T	06.05.1982	0	19.10.1983
- New treaty		08.08.2006	1	12.09.2007
Austria	T	28.11.1995	1	01.12.1996
- Protocol		14.11.2005	1	01.12.2006
- Protocol		16.09.2009	1	01.06.2013
Bahamas	I	10.03.2010	1	09.09.2010
Bahrain	I	14.10.2011	1	12.07.2012
Bangladesh	T	15.09.2004	1	22.12.2005
Barbados	T	15.11.1990	1	30.07.1991
- Protocol		03.11.2011	1	01.06.2012
Belgium	T	14.04.1988	1	04.10.1991
- Protocol		10.09.2009	1	19.07.2013
- New treaty		23.04.2014	2	
Belize	I	15.09.2010	1	26.02.2011
Benin	T	29.05.1979	1	24.06.1982
Bermuda	I	16.04.2009	1	22.01.2010
Bosnia Hercegovina	T		1 (a)	
Botswana	I	20.02.2013	2	
Brazil	T	21.08.1980	1	26.11.1981
- Protocol		20.02.2014	2	

Country	T/I	Signed	Status	In force
British Virgin Islands	I	18.05.2009	1	03.12.2010
Brunei	I	27.06.2012	2	
Bulgaria	T	01.03.1988	1	01.04.1989
- New treaty		22.07.2014	2	
Cayman Islands	I	01.04.2009	1	04.03.2010
Canada	T	12.07.2002	1	19.12.2002
Chile	T	26.10.2001	1	22.07.2003
China	T	25.02.1986	1 (e)	21.12.1986
Cook Islands	I	16.12.2009	1	06.10.2011
Costa Rica	I	29.06.2011	1	13.04.2014
Croatia	T		1 (a)	
Cyprus	T	18.05.1955	0 (d)	11.05.1955
- New treaty		24.02.2014	1	08.07.2014
Czech Republic	T	19.10.2004	1	09.09.2005
Denmark: Nordic countries	T			
(The commonwealth of) Dominica	I	19.05.2010	1	22.01.2012
Egypt	T	20.10.1964	1	30.07.1965
- New treaty			3	
Estonia	T	14.05.1993	1	30.12.1993
Faroe Islands: Nordic countries	T			
Finland: Nordic countries	T			
France (included protocol 1984)	T	19.12.1980	1	10.09.1981
- Protocol		14.11.1984	1	01.10.1985
- Protocol		07.04.1995	1	01.09.1996
- Protocol		16.09.1999	1	01.12.2002
Gambia	T	27.04.1994	1	20.03.1997
Georgia	T	10.11.2011	1	23.07.2012
Germany	T	04.10.1991	1	07.10.1993
- Protocol		24.06.2013	1	03.02.2015
Gibraltar	I	16.12.2009	1	08.09.2010
Greece	T	27.04.1988	1 (c)	16.09.1991
Greenland	T	04.08.2005	1	21.12.2005
Grenada	I	19.05.2010	1	09.02.2012
Guatemala	I	15.05.2012	2	
Guernsey	I	28.10.2008	1	07.10.2009
Hong Kong, Kina	I	22.08.2014	2	
Hungary	T	21.10.1980	1 (c)	20.09.1981
Iceland: Nordic countries	T			
India	T	31.12.1986	0 (c)	02.07.1987

Country	T/I	Signed	Status	In force
- New treaty		02.02.2011	1	20.12.2011
Indonesia	T	19.07.1988	1	16.05.1990
Ireland			0	
- New treaty	T	22.11.2000	1	28.11.2001
Isle of Man	I	30.10.2007	1	06.09.2008
Israel	T	02.11.1966	1	11.01.1968
- New treaty			3	
Italy	T	17.06.1985	1	25.05.1987
- New treaty			3	
Ivory Coast (French)	T	15.02.1978	1	25.01.1980
Jamaica	T	30.09.1991	1	01.10.1992
- Protocol		04.12.2012	1	12.09.2013
Japan	T	04.03.1992	1	16.12.1992
Jersey	I	28.10.2008	1	07.10.2009
Kazakhstan	T	03.04.2001	1	24.01.2006
Kenya	T	13.12.1972	1	10.09.1973
Latvia	T	19.07.1993	1	30.12.1993
- Protocol			3	
Liberia	I	10.11.2010	1	17.05.2012
Liechtenstein	I	17.12.2010	1	31.03.2012
Lithuania	T	27.04.1993	1	30.12.1993
Luxembourg (French)	T	06.05.1983	1 (c)	27.02.1985
- Protocol (French)		07.07.2009	1	12.04.2010
Macau/China	I	29.04.2011	1	18.12.2011
Macedonia	T	19.04.2011	1	01.11.2011
Malawi	T	18.05.1955	0 (d)	16.12.1963
- New treaty		08.12.2009	1	10.12.2012
Malaysia	T	23.12.1970	1	09.09.1971
- New treaty			3	
Malta	T	02.06.1975	0	22.07.1977
- New treaty		30.03.2012	1	14.02.2013
Marshall Islands	I	28.09.2010	1	19.06.2011
Mauritius	I	01.12.2011	1	26.05.2012
Mexico (Spanish)	T	23.03.1995	1	23.01.1996
Monaco	I	23.06.2010	1	31.01.2011
Montenegro	T		1 a)	
Montserrat	I	22.11.2010	1	19.12.2011
Morocco (French)	T	05.05.1972	1	18.12.1975
Nepal	T	13.05.1996	1	19.06.1997

Country	T/I	Signed	Status	In force
Netherlands	T	12.01.1990	1 (c)	31.12.1990
- Protocol		23.04.2013	1	30.11.2013
Neth. Antilles	T	13.11.1989	1	17.12.1990
- Protocol		10.09.2009	1	01.09.2011
New Zealand	T	20.04.1982	1 (c)	31.03.1983
- New treaty			3	
Nordic countries (Norwegian)	T	23.09.1996	1	11.05.1997
- Protocol (Norwegian)		06.10.1997	1	31.12.1997
- Protocol (Norwegian)		04.04.2008	1	29.12.2008
Pakistan	T	07.10.1986	1	18.02.1987
Panama	I	12.11.2012	1	20.12.2013
Philippines	T	09.07.1987	1	23.10.1997
- Protocol		22.05.1989	1	23.10.1997
Poland	T	24.05.1977	0	30.10.1979
- New treaty		09.09.2009	1	25.05.2010
- Protocol		05.07.2012	1	02.04.2013
Portugal	T	24.06.1970	0	01.10.1971
- New treaty		10.03.2011	1	15.06.2012
Qatar	T	29.06.2009	1	30.12.2009
Romania	T	14.11.1980	1 (c)	27.09.1981
- New treaty		27.04.2015	2	
Russia	T	26.03.1996	1	20.12.2002
St. Christopher (St. Kitts) & Nevis	I	24.03.2010	1	12.01.2011
Saint Lucia	I	19.05.2010	1	01.12.2011
St. Vincent & Grenadines	I	24.03.2010	1	20.04.2011
Samoa	I	16.12.2009	1	19.10.2012
San Marino	I	12.01.2010	1	22.07.2010
Senegal (French)	T	04.07.1994	1	28.02.1997
Serbia	T		1 (a)	
- New treaty			3	
Seychellene	I	30.03.2011	1	11.08.2012
Sierra Leone	T	18.05.1955	1 (d)	18.05.1955
Singapore	T	19.12.1997	1	20.04.1998
- Protocol		18.09.2009	1	04.04.2010
- New treaty			3	
Slovakia	T	27.06.1979	1 (b) (c)	28.12.1979
- New treaty			3	
Slovenia	T		0 (a)	
- New treaty		18.02.2008	1	10.12.2009

Country	T/I	Signed	Status	In force
South Africa	T	12.02.1996	1	12.09.1996
- Protocol		16.07.2012	2	
South Korea	T	05.10.1982	1	01.03.1984
Spain	T	06.10.1999	1	18.12.2000
Sri Lanka	T	04.12.1986	1	08.03.1988
Sweden: Nordic countries	T			
Switzerland	T	07.09.1987	1	02.05.1989
- Protocol		12.04.2005	1	20.12.2005
- Protocol		31.08.2009	1	22.12.2010
- Protocol			3	
Tanzania	T	28.04.1976	1 (c)	04.08.1978
Thailand	T	30.07.2003	1	29.12.2003
Trinidad and Tobago	T	29.10.1969	1	07.08.1970
Tunisia (French)	T	31.05.1978	1	28.12.1979
Turkey	T	16.12.1971	0	30.01.1976
- New treaty		15.01.2010	1	15.06.2011
Turks & Caicos Islands	I	16.12.2009	1	09.04.2011
Uganda	T	07.09.1999	1	16.05.2001
Ukraine	T	07.03.1996	1	18.09.1996
United Kingdom	T	12.10.2000	0	21.12.2000
- New treaty		14.03.2013	1	17.12.2013
Uruguay	I	14.12.2011	1	30.01.2014
USA		03.12.1971	1	19.11.1972
- Protocol	T	19.09.1980	1	15.12.1981
- New treaty			3	
New treaty	I	15.04.2013	1	27.01.2014
Vanuatu	I	13.10.2010	2	
Venezuela	T	29.10.1997	1	08.10.1998
Vietnam	T	01.06.1995	1	14.04.1996
Zambia	T	14.07.1971	1	22.03.1973
- New treaty			3	
Zimbabwe	T	09.03.1989	1	28.08.1991

Appendix D: Tax Treaties with special Offshore Articles

a) The tax treaty between Norway and Yugoslavia of 1 September 1983 is temporarily suspended. By the exchange of notes the treaty has been given effect for Croatia as from 6 March 1996. By the exchange of notes 6 March 1997, the treaty was given effect for Slovenia as from the date of independence of the Republic of Slovenia (until January 1, 2009). By the exchange of notes 20 August 2008, the treaty has been given effect for Bosnia Herzegovina as from the fiscal year 2009. By the exchange of notes 29 May 2003, the treaty has been given effect for the State Union of Serbia and Montenegro as from the date of the exchange of notes. By the exchange of notes 31 October 2011 it has been clarified that the treaty also shall apply to the Republic of Montenegro as from the date of Montenegro's independence on 3 June 2006.

b) The tax treaty between Norway and Czechoslovakia of 27 June 1979 will temporarily apply for the Czech and the Slovak Republic.

c) The protocols of these treaties provide an option for Norway, by means of the exchange of diplomatic notes, to replace the exemption-method with the credit-method as the general method for the avoidance of double taxation. In 1998 diplomatic notes were sent to Australia, Greece, Hungary, India, Luxembourg, the Netherlands, New Zealand, Poland, Romania, the Slovak Republic and Tanzania.

The amendments entered into force as follows: Australia - 6 September 1998 with effect as of 1 January 1999, Benin - not confirmed, the Czech Republic - 31 October 1998 with effect as of 1 January 2000, Greece - 6 June 1998 with effect as of 1 January 1999, Hungary - 26 August 1999 with effect as of 1 January 1999, India - 25 July 1999 with effect as of 1 January 2000, Luxembourg - 25 December 1998 with effect as of 1 January 1999 for taxes on income and 1 January 2000 for taxes on capital, the Netherlands - 8 August 1998 with effect as of 1 January 1999, New Zealand - 16 July 1998 with effect as of 1 January 1999, Poland - 27 June 1998 with effect as of 1 January 1999 and Tanzania - 4 May 1998 with effect as of January 1999.

d) The tax treaty between Norway and the United Kingdom signed 2 May 1951 was by the exchange of diplomatic notes 18 May 1955 extended as to include several British colonies which later became independent states. Today the treaty is only applicable between Norway and Cyprus and Sierra Leone.

e) The treaty between Norway and China does not apply for Hong Kong and Macau.

Tax Treaties entered into by Norway – that contains special articles for offshore activities

Updated per: 4th March 2013

Source: Norwegian Tax Authorities

Australia	Greenland	Pakistan
Austria	Iceland (NTT)	Philippines
Azerbaijan	India	Poland (new treaty)
Barbados	Indonesia	Qatar
Belgium	Ireland	Russia (protocol)
Benin	Italy (protocol)	Singapore
Canada	Jamaica	Slovenia
China P.R.	Japan	South Africa
Czech Republic	Kazakhstan	Spain
Denmark (NTT)	Latvia	Sweden (NTT)
Estonia	Lithuania	Thailand
Faeroe Islands (NTT)	Luxembourg	Ukrainia
Finland (NTT)	Mexico	United Kingdom
France	Netherlands	United States
Germany	Netherlands Antilles	Venezuela
Greece	New Zealand	Vietnam

This list is not exhaustive and we recommend that each case is evaluated separately in order to determine the impact of the applicable Tax Treaty.

NTT = Nordic Tax Treaty

Appendix E: Inheritance Tax Treaties

Countries with which Norway has entered Tax Treaties on Inheritance Tax

Updated per: 4th March 2013

Source: Norwegian Ministry of Finance

Code of symbols:

Status 0: Treaties terminated.

Status 1: Treaties in force

Status 2: Treaties which are signed, but not yet ratified/in force

Status 3: Ongoing negotiations for treaty/re negotiations (full or partial) of an existing treaty

Country	Status	Signed
Nordic countries	1	12.09.1989
Switzerland	1	07.12.1956
United States	1	13.06.1949

Appendix F: Social Security Agreements

Countries with which Norway has entered into social security agreements:

Updated per: January 2015

Source: Norwegian Social Security Authorities

Country	Pension coverage	Health coverage	Special contribution regulations*	EU/EEA regulation**	Assignment period***	Child benefit****
Austria	x	x		x	2 years	x
Australia	x	x ¹			3 years	
Belgium	x	x		x	2 years	x
Bosnia & Herzegovina	x	x			1 year	x
Bulgaria	x	x		x	2 years	x
Canada	x		x		5 years	
Chile	x	(x) ²			5 years	
Croatia	x	x			1 year	x
Cyprus	x	x		x	2 years	x
Czech Republic	x	x		x	2 years	x
Denmark	x	x		x	2 years	x
Estonia	x	x		x	2 years	x
Faeroe Islands	x	x			2 years	x
Finland	x	x		x	2 years	x
France	x	x		x	2 years	x
Germany	x	x		x	2 years	x
Greece	x	x		x	2 years	x
Hungary	x	x		x	2 years	x
Iceland	x	x		x	2 years	x
Ireland	x	x		x	2 years	x
Israel	x				5 years	x
India					5 years, xtension possible	
Italy	x	x		x	2 years	x
Latvia	x	x		x	2 years	x
Liechtenstein	x	x		x	2 years	x
Lithuania	x	x		x	2 years	x
Luxembourg	x	x		x	2 years	x
Malta	x	x		x	2 years	x
Montenegro	x	x			1 year	x
The Netherlands	x	x		x	2 years	x
Poland	x	x		x	2 years	x
Portugal	x	x		x	2 years	x
Quebec	x	x			3 years	
Romania	x	x		x	2 years	x

Country	Pension coverage	Health coverage	Special contribution regulations ¹	EU/EEA regulation ²	Assignment period ³	Child benefit ⁴
Serbia	x	x			1 years	x
Slovakia	x	x		x	2 years	x
Slovenia	x	x		x	2 years	x
Spain	x	x		x	2 years	x
Sweden	x	x		x	1 year	x
Switzerland	x	x		x	1 year	x
Turkey	x	x			1 year	x
United Kingdom	x	x		x	1 year	x
United States	x		x		5 years	

¹ Covers emergency treatment only.

² Only applicable for pensioners moving from one agreement country to the other.

* Applies for assignees holding a certificate of coverage issued by their home state, which do not exempt the assignees from the health part of Norwegian insurance while on assignment here. The employer's contributions are reduced to 7 %. The employee's contributions are reduced to 5,1 %.

** Norway has bilateral agreements with some EU/EEA countries. These are not terminated. They may expand the scope, geographic area, persons covered etc. compared to the EU regulation 883/2004.

*** The number of years indicates the period an employee, under certain conditions, shall remain insured under the home country scheme, and therefore be exempted from host country insurance scheme. The assignment period may be extended beyond the said time period.

**** (Barnetrygd). Indicates which social security agreement covers child benefit.

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