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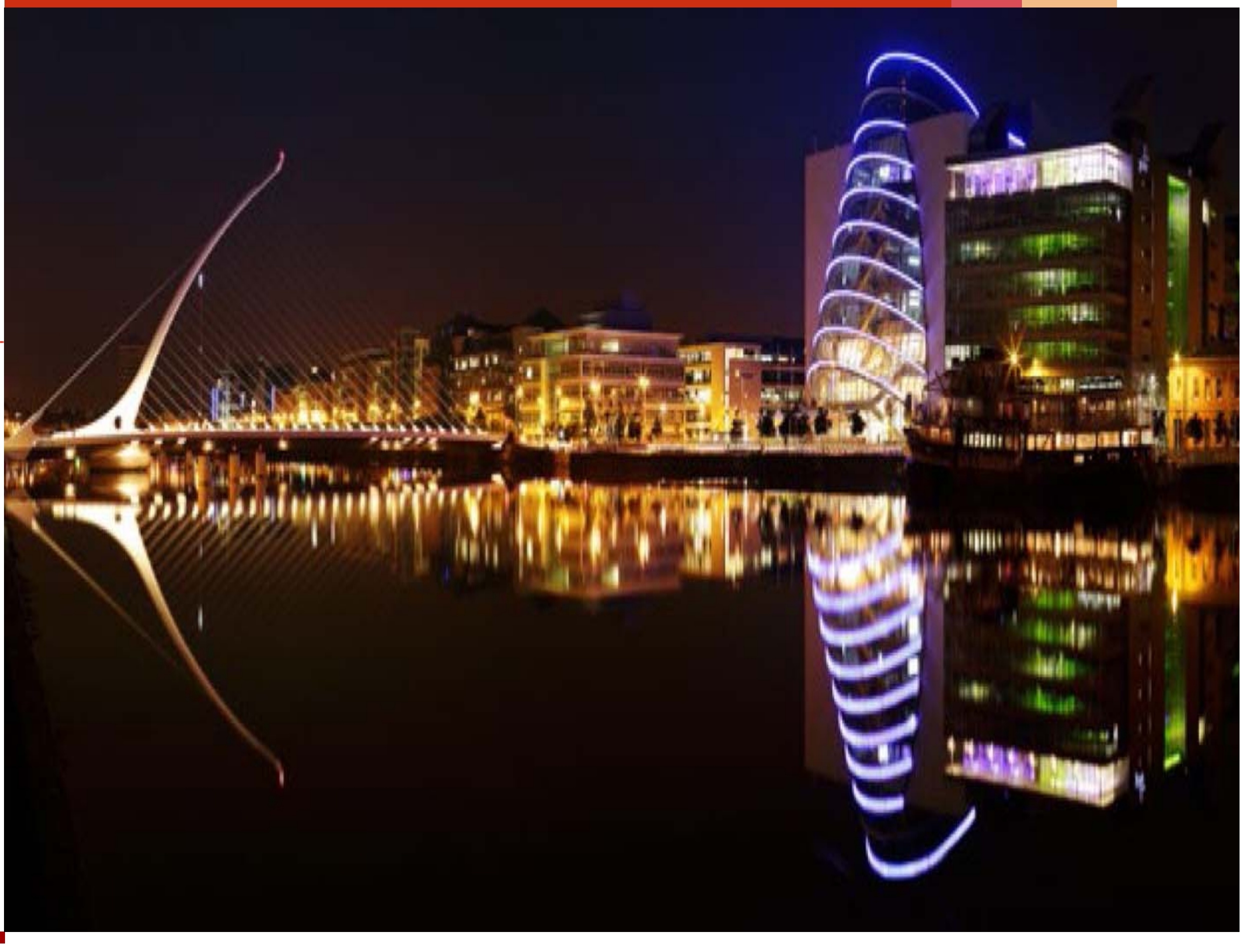
Global Mobility Services:
Taxation of International Assignees Norway



People and Organisation

Global Mobility Country Guide

June 2018

pwc

Country: Norway

Additional Country Guides can be located at the following website:
Global Mobility Country Guides

Introduction: International assignees working in Norway

This guide intends to explain the basic Norwegian income tax rules applicable to foreign citizens working in Norway.

The guide is not a technical tax manual covering all subjects in detail, but should serve as an introduction to the overall tax rules and provide answers to general questions that may arise.

When specific problems occur and before proceeding with any prospective tax planning, you are always welcome to contact PricewaterhouseCoopers. We have expatriate tax specialists and other business advisers who will be at your disposal for professional advice and assistance.

All information on tax rates and limits refer to 2018 figures unless otherwise stated.

All information contained in this guide is current as of June 2018.

Further information is available from any of PricewaterhouseCoopers contacts, which are listed in Appendix E.

Last Updated: June 2018

Step 1:
Understanding basic principles

The scope of taxation in Norway

1. An international assignee transferred by his/her employer to Norway will, in general, become liable to Norwegian tax. Income tax and bracket tax are the mail taxes for employment income. Other relevant taxes are capital income tax, net wealth tax and real estate tax.The expatriate will also become subject to the Norwegian social security system, unless exemted.

2. Norwegian tax legislation separates full tax liability for resident taxpayers and limited tax liability for nonresident taxpayers. Residents are liable to income tax on their worldwide income, whereas nonresident taxpayers are only subject to income tax on specific types of income from Norwegian sources.

The tax year

3. The Norwegian tax year runs from 1 January to 31 December. Where an individual is tax liable to Norway only a part of the income year, the income is annualized. The same applies for certain deductions, i.e., minimum deduction and class deduction.

Methods of calculating tax

4. Norwegian income tax is composed of the progressional bracket tax (4 levels) and a flat income tax.

   The bracket tax is based on personal income (gross income). The flat income tax is based on ordinary income.

   Income and allowances that make up the basis of taxation are divided into the three categories:

   - Personal income, i.e., salary, staff benefits except certain insurance, and pension contributions;
   - Capital income, i.e., interest income, gains, dividends and income from real property less interest expenses and losses; and
   - Ordinary income, i.e., personal income and capital income less deductions (net taxable income).

5. An individual Norwegian tax resident is entitled to claim tax credits and/or tax exemptions in respect of income derived from foreign sources. In order to decide what regulations apply, the current tax treaty must be examined. In previous years, the exemption method has been favored in the Norwegian tax treaties, but this is changing, and new treaties are now based on the credit method to avoid double taxation.

Spouses

6. Married persons are independently liable to Norwegian tax on their earned income, except for the liability to capital tax. If both spouses are Norwegian resident taxpayers, income such as investment income, deductions for interest expenses, pension insurance premiums, and wealth and debts are, in general, allocated to the spouse who is documented as the legal owner in relation to the third party, e.g., banks and insurance companies. However, the spouses may allocate the above items as agreed. In general, the total tax will not be influenced by such an allocation.

Determination of tax residency

7. Resident taxpayer status will arise as from the income year an individual has stayed in Norway for more than 183 days in any 12-month period or 270 days in any 36-month period.

8. If an individual departs Norway to take permanent residency abroad, that individual's Norwegian residency will cease if the stay in Norway has been less than 61 days in the year of departure, provided that the individual does not have a Norwegian home at disposal (own/rent).

   If the individual has been a Norwegian resident for more than 10 years, the residency will not cease before the fourth year after departure provided that the individual has stayed less than 61 days in Norway each year (and does not have a Norwegian home).

In anticipation of the Norwegian residency ceasing, the 12-months rule may be applicable. In order to qualify for the 12-months rule, the employment outside Norway must be continuous for at least 12 months. Short stays in Norway are not deemed to break the continuous employment abroad (an average of 6 days a month). If so, income from employment abroad is exempted from Norwegian taxation unless Norway is given exclusive rights to tax the income according to a tax treaty. Other income is subject to Norwegian taxation because the individual still is a Norwegian tax resident. The exemption with progression method is applicable. This method is also called the alternative allocation method.

9. An individual who is considered resident in Norway may, at the same time, be considered resident in another country under that country's domestic legislation (dual residence). If there is a tax treaty between that country and Norway, there are normally provisions in the treaty to determine in which country a person shall be considered resident in case of dual residence or how double taxation is to be eliminated.

A list of countries with which Norway has such agreements is given in Appendix C.

Step 2:
Understanding the Norwegian tax system

Taxation of residents

Taxable income

10. All types of income from employment, whether in cash or in kind, are normally taxable. Remuneration in kind includes items such as free housing, free car and free travel. The taxable value of a company car and most other allowances are subject to withholding tax along with the cash salary. The taxable values of these benefits are fixed annually by the tax authorities.

11. If the employee receives cash remuneration to cover housing costs, the gross income will be taxable. Married assignees with family abroad may claim a tax deduction for housing costs in Norway. In these cases only, the net profit will be taxable if the payment is split between deductible costs and profit. Personnel staying in hotels, guest houses or barracks are subject to tax only on net profit on cash housing remuneration.

Housing

12. The benefit of free housing provided by the employer is determined by the market value.

Telephone

13. A free phone is as a main rule considered as taxable benefit. The same apply to employer paid home internet access. The taxable benefit is normally valued to NOK 4, 392 a year.

Company car

14. The benefit of a free car is based on the price of the car as new and is calculated with 30% on the first NOK 303,900 and 20% of the surplus.

    The calculation base is normally 100 % of the purchase price as new. However, if the car is older than three years per 1 January of the income year or the use of the car in connection with occupational driving exceeds 40,000 kilometres the calculation base is reduced to 75 % of the purchase price of the car as new.

    By use of el-cars the calculation base is reduced to 60 % of the purchase price of the car as new.

Pension schemes

15. Contributions made by the employer to certain pension schemes with an authorized Norwegian insurance company or Norwegian branch of a foreign insurance company located within the EEA does not become taxable to the employee. Payments made from the scheme are taxable.

    The same may apply for contributions made by the employer to certain pension schemes with foreign insurance companies.

Net wage arrangement

16. Tax reimbursements by the employer are taxed in the year in which the income is earned, i.e., a guaranteed net pay after tax will be grossed up.

Severance pay

17. Compensation for damages in tort in connection with accepting a severance package may, under certain circumstances, be tax exempted (subject to more favorable taxation than ordinary salary).

Share option schemes

18. Share options granted to employees are taxable to the employee at exercise or at sale. This also applies to options listed on the stock exchange. Taxable income is calculated on the difference between the market value of the underlying share at exercise and exercise price and any premium paid by the employee.

Interest income

19. Income on bank deposits, bonds, securities or other outstanding amounts is taxable. The amounts are usually taxable in the income year in which they accrue.

Dividends

Dividends received by domestic shareholder from domestic companies

20. “Shielding deductions” (skjermingsfradrag) were introduced with effect from the fiscal year 2006. It is granted to individuals who hold shares by the end of the fiscal year. An amount of dividend distribution exceeding a certain percentage of the investment (the shielding deduction) is taxable as ordinary income (i.e., with 23 %). Note that the dividends less any shielding carried forward are multiplied with the factor of 1,33 to find the basis for calculation of tax.

    Unused “shielding deductions” may be carried forward, and accumulated unused “shielding deductions” are deductible when calculating dividends or gains arising from sale of share.

    The percentage is to be stipulated in January in the year following the fiscal year to be equivalent to interest on three months exchequer bills less tax. The rate for 2017 is 0,7 %.

Foreign-source dividends received by a domestic shareholder

21. Foreign-source dividends received by a domestic individual shareholder are taxed as ordinary income at a rate of 23 %, as are dividends received by domestic shareholders from domestic companies. Note that the dividends are multiplied with the factor of 1,33 to find the basis for calculation of tax. Foreign withholding tax is credited against Norwegian tax. The general withholding tax rate on dividends may be lowered or made nil by tax treaty regulations. Norway has entered into tax treaties with a large number of countries.

Capital gains

In general

22. Whether capital gains are taxable depends on the type of asset and the period of ownership. Losses will be deductible provided that gain from the sale is taxable. Net positive capital income is subject to 23% income tax.

Land and buildings

23. Capital gains from the sale of land and buildings are, in general, considered taxable income. The taxable gain is calculated as the cash equivalent sales price less the cash equivalent purchase price.

Private houses

24. Regardless of the rules described above, a gain from the sale of a private house or apartment is tax exempt if the house or apartment was used as the owner's private home for at least 12 out of the 24 months preceding the sale.

Shares

25. A gain on the sale of shares will be taxed as ordinary income at a rate of 23%. Gains from sale of shares are multiplied with the factor of 1,33 to find the basis for calculation of tax. Any shielding deductions carried forward may be set off against the tax base before spplying the 1,33 factor. The shielding may not create or increase a tax deductible loss.

Bonds

26. Gains from the sale or repayment of tradable bonds, debentures and similar instruments denominated, domestic or foreign are, as a rule, taxed at 23%.

Bonuses

27. Bonuses related to Norwegian-source income are taxable to Norway, even if paid out prior to the assignee entering Norway or after the assignee has left Norway permanently.

Beneficiary loans

28. Subsidized interest on loans given or arranged by the employer for the employee's benefit is taxed. The interest is deemed beneficial if it is below a certain rate determined by the tax authorities. Loans to shareholders are deemed taxable dividend distributions.

Deductions

29. Employees are entitled to a standard minimum deduction (minstefradrag) of 45% of earned income, limited to NOK 97,610. All necessary expenses, including depreciation and those incurred in acquiring, securing or maintaining business income, are deductible. The minimum standard deduction, however, consumes most business-related expenses, and these expenses will thereby only be deductible if they exceed this standard deduction rate. All expenses should be documented.

    Some specific work-related expenses can be deducted separately, such as traveling costs to and from work (limited to expenses exceeding NOK 22 350) and trade union subscriptions (limited to NOK 3,850). For other available deductions, see below.

Expatriate employees working in Norway temporarily, i.e., for two tax assessment periods or less, are entitled to a standard deduction of 10% of taxable salary, limited to NOK 40,000. In general, this standard deduction replaces all other deductions except the minimum deduction (minstefradrag).

30. As an alternative to the 10% standard deduction on total gross income, deductions equal to those of residents are available to individuals with full tax liability. These include the following:

- Traveling costs to and from work (exceeding NOK 22,350);
- Membership fees in trade unions (limited to NOK 3,850);
- All interest on accrued debt (except from interest on taxes still due);
- Standard parent deduction for documented costs relating to day-care arrangements for children under 12 years of age (limited to NOK 25,000 for one child and increased with NOK 15,000 for each additional child);
- Some allowances available in connection with certain saving plans; and
- Certain other deductions.

31. Individual taxpayers are entitled to a standard class deduction (personfradrag) of NOK 54,750.

32. As a rule, negative taxable income from preceding years can be carried forward.

Capital tax

33. Resident individuals are subject to capital tax on their worldwide net assets.

34. Net assets for capital tax purposes are based on most of an individual's belongings, less liabilities. Taxable assets comprise cash, bank deposits, investment in bonds, shares, receivables, private property in Norway, private cars and boats, and the value of furniture, etc. In general, the tax value of the taxable asset should be based on its commercial value; however, there are special regulations on how to estimate the value of certain assets, i.e., personal belongings, private houses, cars, shares, etc. The tax value is often substantially lower than the item's commercial value.

Valid deductions comprise all debts, such as bank loans, mortgage loans, and private loans.

Taxation of nonresidents

Limited tax liability

35. Individuals who are not subject to full tax liability and who receive one of the following types of income are subject to limited tax liability:

a. Remuneration for personal services rendered in Norway;

b. Director's fees from a Norwegian-registered company, subject to the relevant provisions of a double-taxation treaty;

c. Pensions and annuities paid by a Norwegian employer, a Norwegian insurance company or pension fund;

d. Income from business or professional services carried out in Norway through a permanent establishment or a fixed base, and income originating from participation in such business or otherwise determined as a share in the profit or turnover of such business activities;

e. Income from real estate located in Norway; and

f. Dividend income from Norwegian companies, with a withholding tax limited to 23% and subject to the relevant provisions of a double-taxation treaty.

Income items (a) through (e) are included in the computation of taxable income, whereas (f) is taxed separately. Only expenses effectively related to income under items (a) through (e) may be deducted.

Workforce hire (subcontracting of labor)

36. Foreign personnel hired out to a Norwegian employer (contractor) will be subject to limited tax liability from day one. The following criteria should be carefully considered when determining whether an individual is hired out:

- The lessor does not hold the responsibility or risk for the results produced by the employee's work;
- The authority to instruct the worker lies with the contractor;
- The work is performed at a place which is under the control and responsibility of the contractor;

- The remuneration to the lessor is calculated on the basis of the time utilized, or there is in other ways a connection between this remuneration and wages received by the employee;
- Tools and materials are essentially put at the employee's disposal by the contractor, and the number of and qualifications of the employees are not solely determined by the lessor

Both the supplying company and the user company in Norway are jointly responsible for payment of tax to Norway for hired personnel.

Individuals in the petroleum industry

37. Individuals participating in offshore oil and gas exploration activities in Norway who are not subject to taxation according to the rules for full or limited tax liability are liable to pay Norwegian income tax according to the Petroleum Tax Act.

38. A special tax office, Central Office of Foreign Tax Affairs (COFTA), has been established to handle the taxation of non-Norwegian labor working on the offshore installations. This office is the tax assessment office for all nonresidents working on the continental shelf of Norway and all expatriates working onshore in Norway for foreign employers.

39. Norway has signed several tax treaties and protocols to existing treaties with special sections directly referring to offshore activities. If no specific treaty regulations apply, the same criteria as those applied to onshore activities are applicable when deciding on the tax liability for offshore activities.

Tax treaties covering offshore activities contain rules regulating the number of days personnel can work on the Norwegian continental shelf until they become liable to tax in Norway. If the time prescribed in the tax treaty is exceeded, personnel become taxable from day one. However, special provisions may apply; for example, US residents can work a 60-day tax-free period in each calendar year.

Nonresident employees working on the continental shelf who are taxable to Norway have a limited tax liability. Only Norwegian-source income can be taxed in Norway.

Tax rates are the same as those levied onshore.

Capital tax

40. Nonresident taxpayers are only subject to capital tax on real estate in Norway.

Social security contributions

Employee's contribution

41. In addition to taxes on income and capital (see above), individuals, including nonresidents receiving remuneration for services performed in Norway, are liable to social security and pension contributions, which are paid together with income taxes. Foreigners may be wholly or partly exempted from social security contributions, according to social security treaties, or upon application, provided they are satisfactorily covered in their home country.

The EEA agreement may also exempt member-country citizens from Norwegian social security.

Ordinary employees pay social security tax at a rate of 8,2%, based on personal income, i.e., gross salary, etc. (see above).

Employer's contribution

42. The employer must also make social security contributions. The contribution is based on total Norwegian gross salary (and taxable benefit) costs. The employer’s contribution is levied at a rate of 14.1%, but could be lower when the employer is established in certain sparsely populated areas.

Social security treaties may exempt the employer from this tax. If a similar social security contribution is paid to another state based on the same salaries, etc., then a credit may be applied for against the employer's Norwegian social security costs.

Mandatory occupational pensions

Employers must either have a defined contribution (*innskuddpensjon*), defined benefit pension scheme (*ytelsespensjon*) or hybrid pension scheme (*hybrid pensjon*).

Employers will pay contributions into the scheme every year, so that employees earn pension entitlements. The contribution must be at least 2 percent of the employees' earnings between 1 G and 12 G in a defined contribution scheme. 1 G means the National Insurance basic amount, which is NOK 96,883 as from 1 May 2018. The amount will be adjusted with effect from May 1st. each year. A corresponding requirement applies to defined benefit schemes and hybrid pension schemes.

It is permitted to exclude employees under the age of 20 and those in part-time employment of less than 20 percent of a full-time position from the pension.

Exit tax

43. The exit tax rules are effective 1 January 2007 and apply to total gains on shares and options exceeding NOK 500,000. The calculation of the taxable benefit is based on the value of the shares/options the last day before the day the individual is regarded as nonresident according to domestic rules or the individual is regarded as tax resident in another country according to tax treaty. If the shares/options are sold/exercised later than five years after the time the employee is regarded as nonresident, the tax liability lapses.

Step 3:
What to do before you arrive in Norway

Work and residence permits

Nordic countries and other EU/EEA countries

44. Due to the EU/EEA regulations regarding free movement of workers and services, there is no obligation for nationals from these countries to obtain a work permit in order to work in Norway. However, in order to perform work here for periods exceeding three months, these nationals are normally required to register with the police in Norway.

    Nordic citizens are fully exempt from the requirement to obtain both work and residence permits.

Non-EU/EEA countries

45. Citizens from non-EU/EEA countries who wish to take up employment in Norway generally need a residence permit including a work permit, and the Department of Immigration (Utlendingsdirektoratet) is responsible for issuing such permits.

46. There are different types of work permits, both individual and group permits. One of the most common types of work permits is the so-called skilled worker/specialist, and in order to be granted this type of permit, you must have specialist training or have special qualifications. A university degree or vocational training equivalent to at least three years of further education qualify as specialist training. Special qualifications may be skills acquired through practical work experience of at least six years.

47. Employees must normally apply from the Norwegian embassy/consulate in the applicant's home country before entering Norway. Skilled workers/specialists may alternatively apply from within Norway at the police office in the district where they live or at the Service Centre for foreign workers in Oslo if there are no visa requirements. The employer can also apply from Norway on behalf of the employee, but the employee can not start working in Norway before he/she has been granted a permit.

    The holder of a work permit may bring his/her spouse and children younger than 21 years of age to Norway. Dependants will be issued family immigration permits on the same conditions as those applying to the principal applicant.

    A permanent residence permit is an entitlement to indefinitely live and work in Norway. In order to obtain a permanent residence permit, you must, as a general rule, have lived in Norway for three consecutive years, and during this period, you must have been locally hired which constitutes grounds for a permanent residence permit. This covers, among others, persons who have been granted a skilled worker/specialist permit. You can loose this permit if you live abroad for two or more years after being granted the permit.

Tax planning points

The following tax planning points should be considered in connection with an assignment to Norway.

48. If an assignee working in Norway has a foreign employer, it may be possible to avoid Norwegian income tax in the years of arrival and departure, according to a 183-day rule in relevant double-taxation treaties, provided that the assignee is considered resident abroad. However, if the assignee renders services under the control, direction and supervision of a Norwegian employer, then the assignee will be liable to Norwegian tax from the first day of work. Special regulations apply to assignees serving as offshore personnel.

49. Nonresidents are taxed on Norwegian-source income only, i.e., gross salaries, wages, salary for off-duty periods, vacation pay, bonuses and payments in kind, such as free car, free housing, free travel home, and also including payments in kind in the home country.

50. Commuters from EEA-countries and non-residents from countries outside the EEA are exempted from increase in income on certain payments in

kind, such as free travel home, free accommodations and cost-of-living allowance in Norway (cost-of-living allowance operates with different rates, depending on their accommodation in Norway - hotel, flat, barrack, etc.)

Such tax exemptions cannot be combined with the 10% standard deduction mentioned earlier.

51. A 10% standard deduction on gross salary is available to short-term assignees (capped at NOK 40,000). The exemption is, as a rule, given for the first two tax assessments as a resident of Norway, according to Norwegian domestic law.

52. Most benefits-in-kind/fringe benefits are treated as taxable income. However, the valuation of such remuneration could be beneficial; i.e., company-provided housing is often taxed beneficially. A free company car is a taxable benefit based on the purchase price of a new car, and the taxable value is fixed irrespective of the extent of private use of the car. The greater the extent of private use of the car and the higher the price of the company car, the more beneficial the valuation is.

53. The remuneration package should be structured in a tax-efficient way. A payroll split between taxable income, including the taxable part of remuneration, and remuneration only covering tax deductible costs may be favorable.

54. The tax authorities will tax bonuses that are considered as having a Norwegian source, even if the payment is made prior to an individual entering Norway or after an individual has left Norway permanently.

55. A foreign employee working in Norway is liable to Norwegian social security contributions. Both the employer and the employee contribute to the National Scheme. An exemption may be granted for assignees employed by foreign employers. The exemption will normally be based on bilateral treaties between Norway and the employee's home country and on necessary documentation showing liability to the foreign legally mandated insurance system.

Contributions to non-Norwegian pension schemes are generally not advantageous from a Norwegian tax point of view.

Employment contracts

56. It is strongly recommended that all terms and conditions of the assignment to Norway are explicitly discussed. In this respect, it is useful to specify all aspects of your assignment in a written agreement before you arrive in Norway.

Requesting form A1

57. If you are an EEA national, you may remain subject to your home country social security system, provided the duration does not exceed 24 months. It is possible, however, to extend this period for up to five years. Both you and your employer must file a request for a certificate under EU regulation 883/2004 with the appropriate authorities in your home country.

Remuneration package

58. Before moving, you should ensure that satisfactory arrangements have been made with your employer to cover extra expenses you will incur through living in Norway. You should check whether and to what extent allowances (e.g., cost of living allowance, housing allowance, education payment, etc.) you receive are taxable.

Importing personal possessions/removal goods to Norway

59. Please bear in mind that before entering Norway, importing certain items may be prohibited or restricted. Besides the obvious, like drugs and firearms and ammunition, there are restrictions regarding the import of endangered species and products made from these animals, which are specified under the CITES Convention.

When bringing your personal property with you when you move to Norway, there are certain conditions that must be met in order to qualify for relief from customs duty, excise duty and import VAT.

60. As a main rule, household equipment and such goods may be imported as removal goods exempt from duties and VAT if the following conditions are met:

- The person importing the goods has been domiciled in another country continuously for the last year prior to arrival.
- The person importing the goods has owned or had the property in his possession during the stay abroad, and will continue to use the property after moving to Norway.
- The removal goods are used abroad.
- The removal goods are imported shortly after moving to Norway.
- A statement/declaration is presented to the customs authorities at the time of importation (form RD-0030).

On the removal goods statement, any TV sets, radio equipment and videos must be specified, due to the fact that such products are subject to an annual licence fee by NRK, (the national broadcasting corporation).

Furthermore, new items and consumer goods cannot be imported duty free as part of the removal goods duty exemption and must be specified on the declaration/statement.

The import of such goods as used vehicles and yachts is not comprised by the above. There are separate regulations covering the imports of these types of goods.

Import of pets to Norway is strictly regulated, and the regulations are often changed with regards to import of live animals. Some of the Norwegian rules are in common with the EU, while others are particular for Norway. It is the Norwegian Food Safety Authority that administers the veterinary regulations for live animals. Therefore, the Norwegian Food Safety Authority should always be contacted before the animals arrives Norway.

Wine and spirits as part of removal goods

61. If you bring wine and spirits as part of your removal goods, an import license must be obtained from the Norwegian Directorate of Health (Helsedirektoratet) in advance if the quantity exceeds the amount that can be directly declared to customs.

If granted, the wine and spirits will be customs-cleared according to the normal excise duty rates on alcohol-containing beverages.

No tax-free import of such goods is allowed as part of an import of removal goods. In order to enjoy the tax-free import of such goods, the goods must be carried by the person/traveler importing the goods as part of the carry-on luggage. If it exceeds the amount under the duty-free quota, it must be declared to customs by choosing the "Red Channel" at the airport/harbor or at the border.

Step 4:
What to do when you arrive in Norway

Registration

62. If you intend to stay for a period of six months or more, you must notify the National Registry (*folkeregisteret*) within eight days after arrival.

63. Regardless the length of your stay in Norway, you must meet for an ID check and also apply for a tax card (RF-1209) with the local tax office (*skattekontor*). The tax card is an electronic certificate stating the amount of tax to be withheld by your employer from your monthly remuneration and it will automatically become available to your employer once the registration is complete.

However, if you during your stay are kept on foreign payroll, your foreign employer is obliged to register your presence as employee in Norway with the Central Office Foreign Tax Affairs (COFTA) by submitting the form RF-1198.

HSE card

64. All undertakings that perform work at building and construction sites, both Norwegian and foreign, are required to provide their employees with HSE cards. The purpose of this is to identify both the employer and employee. A signature and a passport picture are needed for each employee. In addition, the formal application must be made in the name of one of the employees working for the company in Norway.

The application should be filed as soon as the employee has a Norwegian identity number.

Step 5:
What to do at the end of the year

Tax withholding

65. Taxes are paid (withheld and paid by the employer) during the year on the basis of an estimate of the taxpayer's taxable income. As a basis for this estimate, upon arrival the assignee must provide the local assessment office with an estimate of taxable income for the remaining part of the year and of taxable net wealth at year's end. Based on this information, the assessment office will issue an electronic tax deduction card/tax table. If no such card is issued, the employer is obligated to withhold 50% of gross salary/wages.

66. Both foreign and domestic employers are responsible for withholding taxes in accordance with the tax deduction card/tax tables received from the local or central assessment office. If it is unclear whether an employee is liable to tax according to the tax treaties, the obligation to withhold taxes still applies until it is resolved that the employee has no tax liability.

Final tax return

67. Individuals (residents and non-residents) will receive a pre-drafted tax return from the tax authorities, to be controlled, corrected and filed by 30 April.

68. For residents, in cases where no correction has to be made to the pre-drafted tax return, filing is not required as the tax authorities will consider this line of conduct as a “passive acceptance” and the tax assessment will be based on the pre-drafted tax return.

69. An individual or general extension may be granted if applied for.

Final assessment

70. The assessment of taxes is made by the tax authorities on the basis of the tax return filed by the individual and/or compulsory reporting from employers, banks and financial institutions. The assessment is thereafter made public, and a notice of the assessment is sent to the taxpayer. In general, this takes place during the period June to October of the year following the tax year being assessed. The notice shows the taxpayer's income and deductions, taxable income, final taxes payable, preliminary tax payments and the final balance of taxes payable or receivable.

71. If the taxpayer has not paid sufficient taxes during the year, then a voluntary payment of the additional tax may be made before 31 May in the year following the tax year. In this case, no interest will be charged on the underpayment. Otherwise, the underpayment will be due three weeks after the assessment is made public. If the underpayment exceeds NOK 1,000, then it will be collected in two equal installments, due after 3 and 8 weeks. Interest is calculated both on taxes returned and tax arrears.

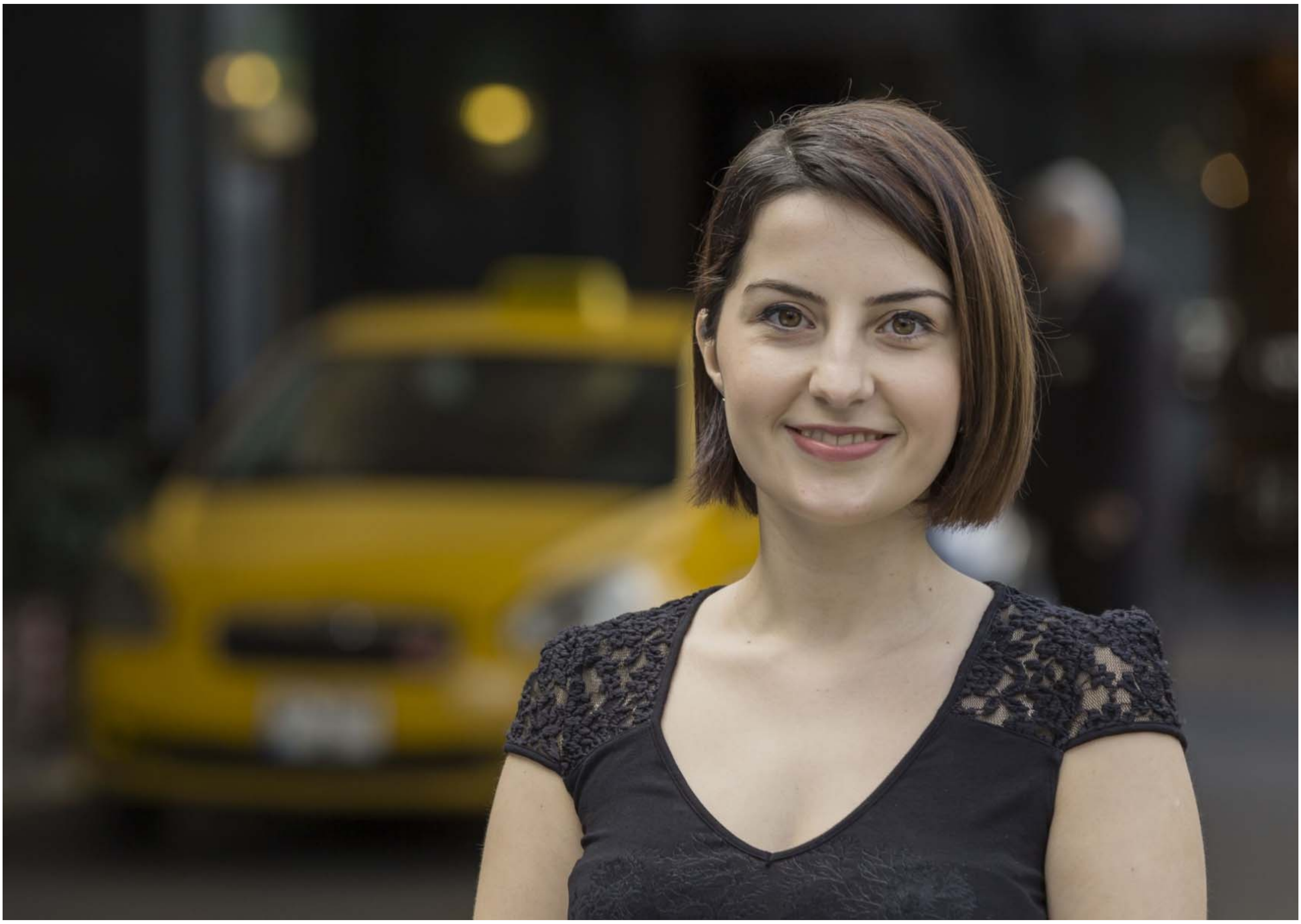
Step 6:
What to do when you leave Norway

General matters

72. You must notify the National Registry of your departure from Norway within 7 days of leaving Norway. Notify Social security authorities (NAV) if you receive social security benefits.

73. The main deadlines for filing the final tax return, as mentioned above, apply when leaving Norway as well. This means that all individuals will receive a pre-drafted tax return from the tax authorities, to be controlled, corrected and filed by 30 April of the year following the tax year to be assessed.

Individuals regarded as non-residents under Norwegian internal tax legislation are entitled to apply for an advance tax assessment before leaving Norway. This will only apply to individuals whose physical presence in Norway has not exceeded 183 days during any period of 12 months or 270 days during any period of 36 months.



Step 7:
Introduction to PricewaterhouseCoopers

Services provided to assignees

74. PricewaterhouseCoopers has one of the largest specialist groups in Norway dedicated solely to providing service to international assignees. The significant experience gained from handling the affairs of assignees from all over the world enables us to advise and assist on all aspects of an international assignment, including:

- Advice on legal, efficient tax treatment in Norway;
- Registration with local authorities;
- Filing requirements of local authorities, including tax returns; and
- Calculation of remuneration.

As a member of PricewaterhouseCoopers Global Mobility Group, we are able to provide the assignee comprehensive assistance, commencing before the assignee leaves the home country and lasting until the assignee returns from the assignment.

PricewaterhouseCoopers worldwide organization

75. PricewaterhouseCoopers is a leading worldwide professional organization with a staff of 236,000, comprising accountants, auditors, tax advisers and management consultants, and is committed to providing the ideas, information and advice to help its clients make better business decisions. Through a global network of firms practicing in 157 countries and covering almost every country and territory in the world, PricewaterhouseCoopers professionals provide advisory services to businesses, individuals, nonprofit organizations, and government departments and agencies.

With its worldwide network of specialists, PricewaterhouseCoopers is particularly well placed to meet the changing needs of international business. We are uniquely equipped to advise on matters relating to international operations, not only in individual countries, but also on a regional or global basis.

Each office is staffed with professionals knowledgeable about local business procedures. PricewaterhouseCoopers firms are totally committed to client service based on an understanding of the business and requirements of each client. The firm's philosophy is to provide an integrated multidisciplinary package of services.

PricewaterhouseCoopers in Norway

76. PricewaterhouseCoopers Norway currently employs more than 1 700 people at offices in Arendal, Askim, Bergen, Bodø, Drammen, Egersund, Folrø, Førde, Gardermoen, Hamar, Haugesund, Kongsberg, Kristiansand, Lillehammer, Mandal, Mo i Rana, Molde, Måløy, Oslo, Sandefjord, Sarpsborg, Sogndal, Stavanger, Stryn, Trondheim, Tromsø, Tønsberg, Ulsteinvik and Ålesund. Services offered comprise audit and accounting, as well as management-, business-, legal- and tax-consultancy services.

Appendix A:
Overview of income tax rates

Taxes on net income

Tax on net taxable income (ordinary income) is calculated at a rate of 23%.

Bracket tax

Personal income is subject to bracket tax to the following levels and rates:

NOK 169,000–NOK 237,900: 1,4%

NOK 237,900–NOK 598,050: 3,3%

NOK 598,050–NOK 962,050: 12,4%

NOK 962,050- : 15,4%

Capital tax

Individuals pay both municipal capital tax and state capital tax.

The municipal capital tax rate is 0.7%. The tax is calculated based on assets exceeding a net capital tax basis of NOK 1,480,000 for single/not married taxpayers and NOK 2,960,000 for married tax payers.

The state capital tax rate is 0.15%. The tax is calculated at 0.15% based on assets exceeding a net capital tax basis of NOK 1,480,000 (single/not married) and NOK 2,960,000 (married).

Thus, the maximum capital tax rate is 0,85%.

Appendix B:
Typical tax computation

Typical tax computation for 2018 for an individual (in NOK)

Tax computation	Tax payer	Expatriate Class
Salary	900,000	900,000
Company car	**94,990**	**94,990**
	994,990	**994,990**
Personal income		
Capital gains (e.g., dividends, sale of shares)	5,000	5,000
Interest on bank deposit	2,500	2,500
Minimum tax deduction	(97,610)	(97,610)
Interest expenses on mortgage and loss	(40,000)	
Traveling costs to and from work (less 22,350)	(4,000)	
Standard 10% deduction		**(40,000)**
Ordinary income (net income)	**860,880**	**857,380**
Class deduction	54,750	54,750
Bracket tax	63,058	63,058
Social security (8.2% of personal Income)	81,589	81,589
Income tax (23% of ordinary income less class deduction)	**184,410**	**184,605**
Total tax and social security	**330,057**	**329,252**
(includes tax on dividends, sale of shares, interests)		
Net cash income after taxes	569,943	570,748
(does not include dividends, sale of shares, interests)		
Employer's contribution to social security (14.1%)	**140,294**	**140,294**

Appendix C: Double-taxation agreements

Countries with which Norway currently has double-taxation agreements:

Country		Signed	Status	In force
Albania	T	14.10.98	1	13.08.99
Andorra	I	24.02.10	1	18.06.11
Anguilla	I	14.12.09	1	10.04.11
Antigua and Barbuda	I	19.05.10	1	15.01.11
Argentina	T	08.10.97	1	30.11.01
Aruba	I	10.09.09	1	01.08.11
Azerbaijan	T	24.04.96	1	20.09.96
Australia	T	06.05.82	0	19.10.83
New treaty		08.08.06	1	12.09.07
Austria	T	28.11.95	1	01.12.96
Protocol		14.11.05	1	01.12.06
Protocol		16.09.09	1	01.06.13
Bahamas	I	10.03.10	1	09.09.10
Bahrain	I	14.10.11	1	12.07.12
Bangladesh	T	15.09.04	1	22.12.05
Barbados	T	15.11.90	1	30.07.91
Protocol		03.11.11	1	01.06.12
Belgium	T	14.04.88	1	04.10.91
Protocol		10.09.09	1	19.07.13
New treaty		23.04.14	1	26.04.18
Protocol			3	
Belize	I	15.09.10	1	26.02.11
Benin	T	29.05.79	1	24.06.82
Bermuda	I	16.04.09	1	22.01.10
Bonaire	T	13.11.89	1	17.12.90
Protocrol		10.09.09	1	01.09.11
Bosnia Hercegovina	T		1 a)	
Botswana	I	20.02.13	1	10.01.16
Brazil	T	21.08.80	1	26.11.81
Protocol 1994		12.07.94	0	
Protocol		20.02.14	2	
British Virgin Islands	I	18.05.09	1	03.12.10
Brunei	I	27.06.12	1	27.04.15
Bulgaria	T	01.03.88	0	01.04.89
New treaty		22.07.14	1	30.07.15
Cayman Islands	I	01.04.09	1	04.03.10
Canada	T	12.07.02	1	19.12.02
Chile	T	26.10.01	1	22.07.03
China	T	25.02.86	1 e)	21.12.86
Cook Islands	I	16.12.09	1	06.10.11
Costa Rica	I	29.06.11	1	13.04.14

Country		Signed	Status	In force
Croatia	T		1 a)	
Curacao	T	13.11.89	1	17.12.90
Protocol		10.09.09	1	01.09.11
Cyprus	T	18.05.55	0 d)	11.05.55
New treaty		24.02.14	1	08.07.14
Czech Republic	T	19.10.04	1	09.09.05
Denmark: Nordic countries	T			
Dominica	I	19.05.10	1	22.01.12
Egypt	T	20.10.64	1	30.07.65
New treaty			3	
Estonia	T	14.05.93	1	30.12.93
Faroe Islands: Nordic countries	T			
Finland: Nordic countries	T			
France (included protocol 1984)	T	19.12.80	1	10.09.81
		14.11.84	1	01.10.85
Protocol (French text)		07.04.95	1	01.09.96
Protocol		16.09.99	1	01.12.02
Protocol			3	
New treaty				
Gambia	T	27.04.94	1	20.03.97
Georgia	T	10.11.11	1	23.07.12
Germany (German text)	T	04.10.91	1	07.10.93
Protocol		24.06.13	1	03.02.15
Protocol			3	
Gibraltar	I	16.12.09	1	08.09.10
Greece	T	27.04.88	1 c)	16.09.91
Greenland (Norwegian text only)	T	04.08.05	1	21.12.05
Grenada	I	19.05.10	1	09.02.12
Guatemala	I	15.05.12	2	
Guernsey	I	28.10.08	1	07.10.09
Hong Kong, China	I	22.08.14	1	04.12.15
Hungary	T	21.10.80	1 c)	20.09.81
Iceland: Nordic countries	T			
India	T	31.12.86	0 c)	02.07.87
New treaty		02.02.11	1	20.12.11
Indonesia	T	19.07.88	1	16.05.90
Ireland	T		0	
New treaty		22.11.00	1	28.11.01
Isle of Man	I	30.10.07	1	06.09.08
Israel	T	02.11.66	1	11.01.68
New treaty			3	
Italy	T	17.06.85	1	25.05.87
New treaty			3	
Ivory Coast (French)	T	15.02.78	1	25.01.80
Jamaica	T	30.09.91	1	01.10.92
Protocol		04.12.12	1	12.09.13
Japan	T	04.03.92	1	16.11.92
Jersey	I	28.10.08	1	07.10.09
Kazakhstan	T	03.04.01	1	24.01.06
Kenya	T	13.12.72	1	10.09.73

Country		Signed	Status	In force
Kuwait	T		3	
Latvia	T	19.07.93	1	30.12.93
Protocol			3	
Liberia	I	10.11.10	1	17.05.12
Liechtenstein	I	17.12.10	1	31.03.12
	T		3	
Lithuania	T	27.04.93	1	30.12.93
Luxembourg (French)	T	06.05.83	1 c)	27.01.85
Protocol (French)		07.07.09	1	12.04.10
Macau, China	I	29.04.11	1	18.12.11
Macedonia	T	19.04.11	1	01.11.11
Malawi	T	18.05.55	0 d)	16.12.63
New treaty		08.12.09	1	10.12.12
Malaysia	T	23.12.70	1	09.09.71
New treaty			3	
Malta	T	02.06.75	0	22.07.77
New treaty		30.03.12	1	14.02.13
Marshall Islands	I	28.09.10	1	19.06.11
Mauritius	I	01.12.11	1	26.05.12
Mexico (Spanish)	T	23.03.95	1	23.01.96
Monaco	I	23.06.10	1	31.01.11
Montenegro	T		1 a)	
Montserrat	I	22.11.10	1	19.12.11
Morocco (French)	T	05.05.72	1	18.12.75
Nepal	T	13.05.96	1	19.06.97
Netherlands	T	12.01.90	1 c)	31.12.90
Protocol		23.04.13	1	30.11.13
New Zealand	T	20.04.82	1 c)	31.03.83
New treaty			3	
Niue	I	19.09.13	1	28.05.14
Nordic	T	23.09.96	1	11.05.97
countries (Norwegian)		06.10.97	1	31.12.97
Protocol(Norwegian)		04.04.08	1	29.12.08
Protocol (Norwegian)				
Pakistan	T	07.10.86	1	18.02.87
Panama	I	12.11.12	1	20.12.13
Philiippines	T	09.07.87	1	23.10.97
Protocol		22.05.89	1	23.10.97
Poland	T	24.05.77	0	30.10.79
New treaty		09.09.09	1	25.05.10
Protocol		05.07.12	1	02.04.13
Portugal	T	24.06.70	0	01.10.71
New treaty		10.03.11	1	15.06.12
Qatar	T	29.06.09	1	30.12.09
Romania	T	14.11.80	0 c)	27.09.81
New treaty		27.04.15	1	01.04.16
Russian Federation	T	26.03.96	1	20.12.02
Saba	T	13.11.89	1	17.12.90
Protocol		10.09.09	1	01.09.11
St. Kitts and Nevis	I	24.03.10	1	12.01.11
Saint Lucia	I	19.05.10	1	01.12.11
St. Vincent and the Grenadines	I	24.03.10	1	20.04.11

Country		Signed	Status	In force
Samoa	I	16.12.09	1	19.10.12
San Marino	I	12.01.10	1	22.07.10
Senegal (French)	T	04.07.94	1	28.02.97
Serbia	T		0 a)	
New treaty		17.06.15	1	18.12.15
Seychellene	I	30.03.11	1	11.08.12
Sierra Leone	T	18.05.55	1 d)	18.05.55
Singapore	T	19.12.97	1	20.04.98
Protocol		18.09.09	1	04.04.10
New treaty			3	
St. Eustatius	T	13.11.89	1	17.12.90
Protocol		10.09.09	1	01.09.11
St. Maarten	T	13.11.89	1	17.12.90
Protocol		10.09.09	1	01.09.11
Slovak Republic	T	27.06.79	1 b) c)	28.12.79
New treaty			3	
Slovenia	T		0 a)	
New treaty		18.02.08	1	10.12.09
South Africa	T	12.02.96	1	12.09.96
Protocol		16.07.12	1	20.11.15
South Korea	T	05.10.82	1	01.03.84
Spain	T	06.10.99	1	18.12.00
Sri Lanka	T	04.12.86	1	08.03.88
Sweden: Nordic countries	T			
Switzerland	T	07.09.87	1	02.05.89
Protocol		12.04.05	1	20.12.05
Protocol		31.08.09	1	22.12.10
Protocol		04.09.15	1	06.12.16
Protocol			3	
Tanzania	T	28.04.76	1 c)	04.08.78
Thailand	T	30.07.03	1	29.12.03
New treaty			3	
Trinidad and Tobago	T	29.10.69	1	07.08.70
Tunisia (French)	T	31.05.78	1	28.12.79
Turkey	T	16.12.71	0	30.01.76
New treaty		15.01.10	1	15.06.11
Turks & Caicos Islands	I	16.12.09	1	09.04.11
Uganda	T	07.09.99	1	16.05.01
Ukraine	T	07.03.96	1	18.09.96
United Arab Emirates	I	03.11.15	1	15.02.17
United Kingdom	T	12.10.00	0	21.12.00
New treaty		14.03.13	1	17.12.13
Uruguay	I	14.12.11	1	30.01.14
USA		03.12.71	1	19.11.72
Protocol	T	19.09.80	1	15.12.81
New treaty			3	
Exchange of Information	I	15.04.13	1	27.01.14
Vanuatu	I	13.10.10	2	
Venezuela	T	29.10.97	1	08.10.98
Vietnam	T	01.06.95	1	14.04.96
Zambia	T	14.07.71	0	22.03.73
New treaty		17.12.15	1	09.08.17

Country		Signed	Status	In force
Zimbabwe	T	09.03.89	1	28.08.91

Code of symbols:

T:	Tax treaty
I:	Information Exchange Agreement
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 a treaty/renegotiations (full or partial) of an existing treaty

Appendix D:
Social security agreements

Countries with which Norway currently has social security agreements:

Austria (1)	Germany (1)	Poland (1)
Australia	Greece (1)	Portugal (1)
Belgium (1)	Hungary (1)	Quebec
Bosnia & Herzegovina	Iceland (1) (2)	Romania (1)
Bulgaria (1)	Ireland, Rep of (1)	Serbia
Canada	India	Slovakia (1)
Chile	Israel	Slovenia (1)
Croatia (1)	Italy (1)	Spain (1)
Cyprus (1)	Latvia (1)	Sweden (1) (2)
Czech Republic (1)	Liechtenstein (1)	Switzerland
Denmark (1) (2)	Lithuania (1)	Turkey
Estonia (1)	Luxembourg (1)	United Kingdom (1)
Faeroe Islands (2)	Malta (1)	United States
Finland (1) (2)	Netherlands (1)	
France (1)	Northern Ireland	

1. In accordance with the EEA member countries agreement, members are to follow EEA rules for EEA citizens of their countries.

2. Nordic agreement.

Appendix E:
Norway contacts and offices

Contacts

Erland Nørstebø

Oslo

Tel: [47] 95 26 06 69

Email: erland.norstebo@pwc.com

Torbjørn Stokke

Oslo

Tel: [47] 95 26 01 87

Email: torbjorn.stokke@pwc.com

Kjetil Raknerud

Bergen

Tel: [47] 95 26 01 72

Email: kjetil.raknerud@pwc.com

Peter Elieson

Kristiansand

Tel: [47] 95 26 11 66

Email:peter.elieson@pwc.com

Arild Haaland

Stavanger

Tel: [47] 95 25 06 38

Email: arild.haaland@pwc.com

Offices

Oslo

Advokatfirmaet PricewaterhouseCoopers
Dronning Eufemiasgate 8
P.O. Box 748 Sentrum
N-0106 Oslo
Norway

Tel: [47] 95 26 00 00

Bergen

Advokatfirmaet PricewaterhouseCoopers
Sandviksbodene 2 a
P.O. Box 3984 Sandviken
N-5835 Bergen
Norway

Tel: [47] 95 26 00 00

Kristiansand

Advokatfirmaet PricewaterhouseCoopers
Gravane 26
P.O. Box 447
N-4664 Kristiansand
Norway

Tel: [47] 95 26 00 00

Stavanger

Advokatfirmaet PricewaterhouseCoopers
Kanalsletta 8
P.O. Box 150 Forus
N-4065 Stavanger
Norway

Tel: [47] 02 316