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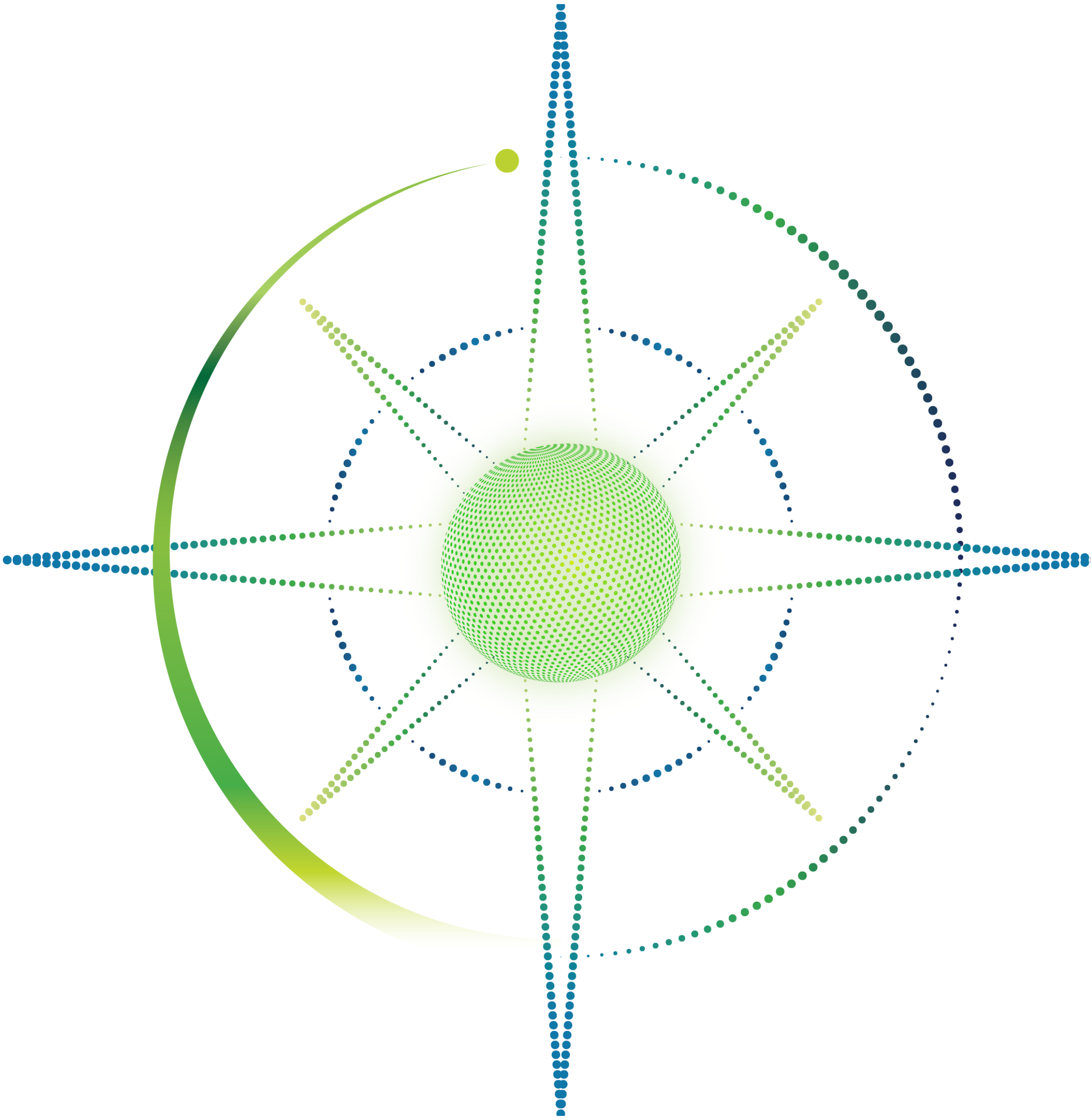

Working and living in Norway

Deloitte Advokatfirma

2023

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Introduction

This booklet contains a summary of key information on tax, immigration, social security, pension and employment legislation in Norway as of 1 January 2023. If you represent an employer considering assigning an employee to Norway or if you as an employee have been offered an assignment in Norway, the following seeks to provide valuable information.

The booklet is intended to provide an overview for information purposes. It should not be solely relied upon as legislation is subject to amendments and it may be necessary to consider more detailed information than what are provided in this booklet.

Please contact Deloitte Advokatfirma AS for further information or assistance. Our Global Employer Services (GES) team in Norway is part of a global network of GES specialists within Deloitte, who provide services worldwide within the fields of:

- **International tax**
- **Immigration processing (work/residence permit procedures)**
- **International social security and pension**
- **Employment and/or assignment contracts and international employment law**
- **Global mobility strategy and transformation**
- **Business traveller analytics and solutions**
- **Global mobility police design**
- **Payroll services for foreign employers**
- **Global mobility technology solutions**
- **Global Reward and equity incentives**
- **Global Employment Tax**

Our 55 GES specialists in Norway and 7 700 globally will always be able to present cost efficient solutions to you.

Quick facts

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

Currency
The Norwegian currency, NOK (Kroner), floats freely against other currencies.

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

International dialling codes
Country code for Norway is 47. City codes are not required.

Vaccination requirements
There are no general vaccination requirements for any international traveller to Norway. However, persons from countries with high incidence of tuberculosis are legally required to undertake a tuberculosis examination if they are staying in Norway for more than three months.

Tax year
The Norwegian tax year is equivalent to the calendar year.

Tax calendar
14 March – 31 March: Tax return available on the Tax Administration's online portal
30 April: Tax return filing deadline.
31 May: Extended tax return filing deadline.
31 May: Deadline for payment of expected tax arrears without interests.
1 December: Final deadline according to law for the tax office to issue tax assessment.
Mid-December: Tax deduction card for next year issued at the Tax Administration's online portal Skatteetaten.no (if income from the previous tax year is registered).

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 must 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.

1.1 Visa requirements

A visa may be required to allow non-Schengen nationals to visit Norway and the Schengen area for a shorter period. The applicant 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 to the Norwegian Foreign Service. Usually, Norwegian embassies/consulates are represented by a VFS Application Centre who will collect the application on behalf of the embassy/ consulate. The VFS Application Centre will forward the application to the Norwegian embassy/consulate. The visa will be issued by the Norwegian embassy/consulate and the documents will be returned to the VFS Application Centre. The applicant may then collect the documents at the VFS Application Centre, or the VFS Application Centre may agree to send the documents to the applicant by courier/mail.
Persons who are granted a Schengen visa will normally be granted a visa that is valid for 90 days within a specific time period. The entry date is regarded as the first day the external Schengen border is crossed, and it is used as the starting date for calculating the period of stay. The calculation ends on the date one leaves the Schengen area. A visa is normally granted for one single entry and will not allow you to work in Norway.
Persons who are nationals of Schengen member states 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 bilateral agreements with several countries for which the visa requirements are waived.
Nationals from these countries may enter Norway without applying for Schengen visas and may stay in Norway/ Schengen for a period of up to maximum 90 days within any 180 days period.
Persons who are allowed to enter Norway without a Schengen visa are not necessarily allowed to work in Norway. To be allowed to work in Norway, persons must have a residence permit that gives the right to work or have the right to work pursuant to the EEA-regulations.

Persons who have been granted a residence permit in Norway does not need to submit a separate application for a Schengen visa to enter Norway. When a residence permit is granted, the Norwegian Directorate of Immigration will instruct the Norwegian embassy/consulate to issue an entry visa to the applicant. To obtain the entry visa, then the applicant must submit passport and support documents to the VFS Application Centre as described above.

1.2 Foreign nationals from non-EU/ EEA member states/countries

A valid residence permit is compulsory before an individual can 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 to the Norwegian Foreign Service. Usually, Norwegian embassies/consulates are represented by a VFS Application Centre who will collect the application on behalf of the embassy/consulate. The VFS Application Centre will forward the application to the Norwegian embassy/ consulate, who then forwards the application to the Norwegian Directorate of Immigration. In these cases, the employee may normally not enter Norway until the permit has been granted. An application fee is charged.

An employer may apply for a residence permit on behalf of the employee from Norway if the employee is considered a "skilled worker". 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 a degree from a university/university college, or has special qualifications obtained through long work experience.

The application processing time may vary according to the workload 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 in the country where the applicant resides. The waiting time may vary from 2 months to 4 months.
In some situations, one may apply to commence work in Norway before the permit is granted.

In some cases, individuals may perform specific work-related activities in Norway without a work permit for up to 90 days:

- Business travellers;
- Persons may be allowed to attend meetings in relation to planning, reporting, presentation and handover of results/products and discussion at a

more general level relating to a contract or project, or contract negotiations under this exemption.

- 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 the employee or the employer must notify the police in writing before he/she enters Norway.
- Necessary security and maintenance crew on foreign-owned ships laid up in Norway;
- Employees employed by an international company undergoing internal company training for a period of up to three months.

Foreign employees apply for a D-number by registering with the Norwegian authorities.

1.3 Registration required for EU/EEA nationals

An EU/EEA national can perform work in Norway without a residence permit.

For working periods exceeding three months, the employee must register as an EEA-national with the police. The registration is free of charge. The registration compliseres two steps, and the individual must submit an online registration form through the Application Portal and book an appointment, and subsequently meet in person at the local police station or at a Service Centre for foreign workers to perform an ID-check and hand in support documents such as e.g. employment contract, assignment letter. A valid identity card or passport is required. A registration certificate will be issued if the requirements are met. This certificate is valid on indefinite time if the conditions are fulfilled.

Special rules apply to nationals from the Nordic countries (Sweden, Denmark, Finland and Iceland) and they are allowed to live and work in Norway without having to register as EEA-nationals or perform any other registration towards the immigration authorities in Norway.

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 (more than six months), the individual may be granted an ID-number instead.

Nordic and EU/EEA citizens apply for a D-number by registering with the Norwegian tax authorities where they complete an ID-control. The ID control is performed at the local tax offices, where individuals must book an appointment and meet in person with present valid ID to be granted a D-number.

If the stay in Norway will exceed six months, the employee is required to present valid ID, their employment contract, a house purchase contract or tenancy agreement and report a move to Norway on form RF-1401. EU/EEA citizens are in addition required to present their registration certificate.

Citizens from outside the EU/EEA, who have been granted a residence permit, will automatically be registered when they meet for their effectuation appointment with the police, and will receive their ID-number or D-number in the mail, and can then apply for a tax deduction card online through "My Tax" at skatteetaten.no.

Exceptions for ID control applies to, but is not limited to, individuals who only work on the Norwegian continental shelf, work as a seafarer on a Norwegian-registered ship or as a foreign artist or sportsperson.

2.2 Tax deduction card

All employees who work in Norway are obliged to hold a Norwegian tax deduction card. The tax card is issued digitally and informs the employer how much tax they should deduct from the employee's salary each month. Withholding of tax applies to employment income, director's fees, taxable social security benefits, pensions, annuities and other similar payments. The withholding is made by the employer (or the pension institution) based on the employees' tax deduction cards.

The tax deduction card is produced at the end of a tax year or after registering with the authorities. When the tax card is issued by the authorities, the individual receives a Notification of tax deduction card ("Skattetrekksmelding"), which includes information on the basis for the tax deduction card. 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 employee's Notification of tax deduction card as documentation of the withholding rate.

The amount of tax to be withheld is computed based on the taxpayer's tax deduction 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.

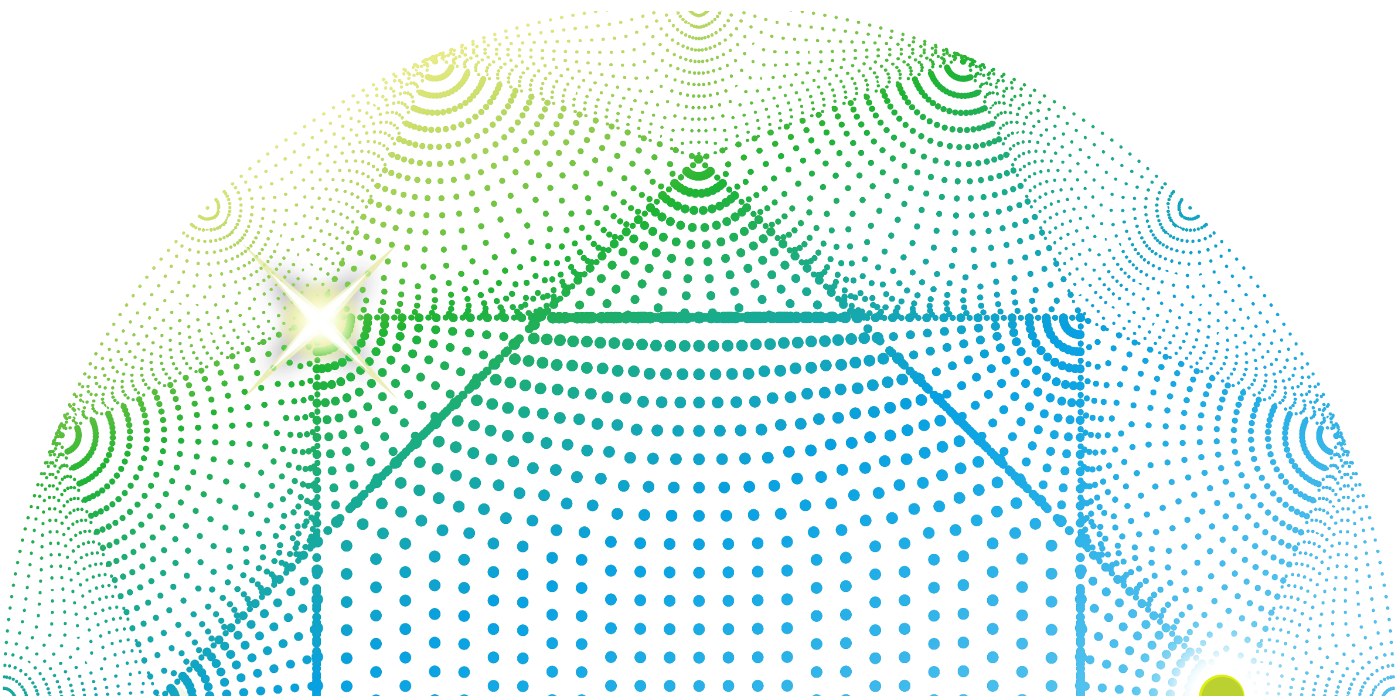
Tax is withheld at a fixed rate of 50% if the taxpayer does not have a valid tax deduction card in the online system.

3. Social security

Prior to assignment, it is necessary to consider and take actions for the assignees' social security position during the assignment. The general rule is that an employed individual is compulsory insured under the Norwegian National Insurance Scheme (NIS) from the day one of work in Norway.

For citizens from countries within the EU/EEA area and from countries with bilateral social security agreements with Norway, a form A1/ Certificate of Coverage issued from the home country will exempt the employee from the compulsory coverage in Norway.

For citizens from other countries and for situations where it is not possible to obtain an A1/Certificate of Coverage, the employees are considered as members of the Norwegian National Insurance Scheme during the assignment in Norway. For further information, see section 17.

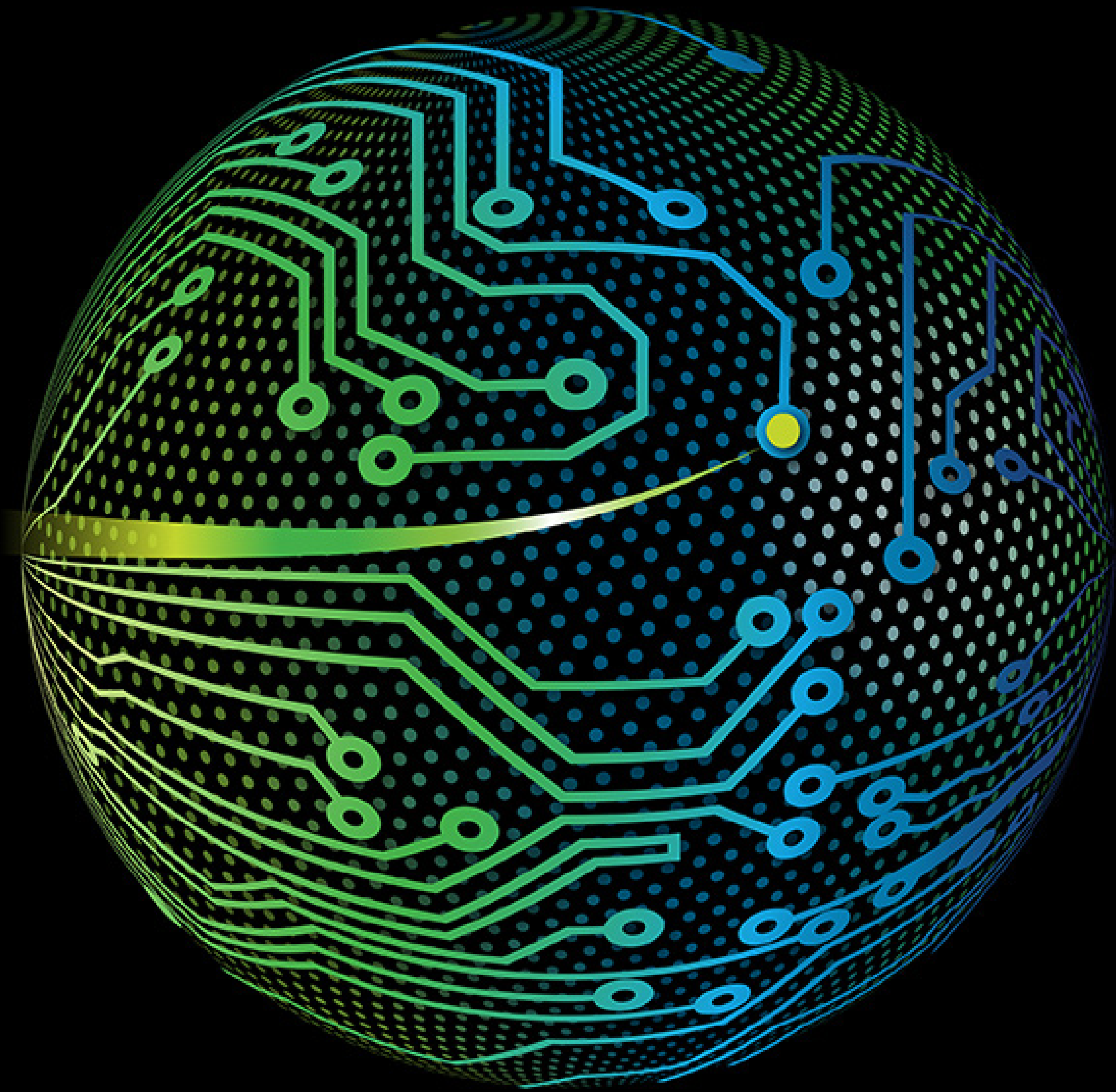


4. Checklist before arrival

- Assess the immigration requirements. Is a visa, work or residence permit required for the employee and his/her dependents? Process the necessary applications.
- Investigate the tax consequences of the timing of the planned move to Norway. Would it be more beneficial to accelerate or delay the departure?
- Assess whether an A1/CoC certificate (documentation confirming coverage in home country social security) is available, and apply for the documentation for the duration of the assignment.
- Investigate the tax implications in Norway of potential stock options exercises.
- Investigate the implications of participation in pension plans.
- Review investments and consider realization prior to the move if negative tax effects may be expected.
- If home ownership, investigate tax consequences for rental income and gain/loss from the sale of property before deciding to sell/rent out

5. Checklist upon arrival

- Ensure work/residence permit has been granted before commencing work.
- Book an appointment for ID control at the local tax office.
- Apply for a Norwegian tax deduction card (can be done at the ID-control).
- Report the move to Norway (can be done at the ID-control).
- Register as an electronic user, so the employee can receive communication and information from the tax authorities electronically.
- Open a Norwegian bank account.
- Apply for VAT exemption for import of used household goods and other items imported in connection with moving to Norway.



On assignment

6. Tax residency status

6.1 Tax resident – Norwegian domestic legislation

An individual becomes tax resident in Norway if physical days spent in Norway exceed 183 days during any 12-month period, or 270 days during any 36-month period. Any physical presence in Norway during a day counts as one day, regardless of duration.

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 tax 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 tax resident from 1 January the second year.

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

Tax residents are tax liable in Norway on global income and wealth, regardless of source and where the work is physically performed.

6.2 Non-resident - Norwegian domestic legislation

Any individual who is not considered as tax resident in Norway, ref. above, will be treated as non-resident for tax purposes.

Non-residents are only tax liable in Norway on income and wealth derived from sources in Norway ("sourced in Norway"). Please see section 16 for further information.

6.3 Dual tax residency

An individual, who is considered tax resident in Norway in accordance with domestic legislation, may also be considered tax resident in his/her home country in accordance with the home country domestic legislation. Such dual residency may lead to double taxation of income and/or wealth. Norway has entered into tax treaties with multiple countries to avoid double taxation. Please see Appendix C for a complete list over tax treaties.

Foreign individuals considered as tax residents in Norway according to Norwegian domestic legislation will often be considered tax treaty residents in their home country.

Consequently, Norway's right to tax the worldwide income of the foreign 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 – Income tax

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, and a progressive tax ("step tax") depending on the individual's income level. Both employed and self-employed individuals are subject to National Insurance (NI) contributions.

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

The general income is levied income tax of 22%. The step tax and NI contribution is calculated from the personal income basis with up to 17.5% step tax and 7.9% NI. Marginal tax rate on employment income is 47.4%.

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 14 400, trade union fees, documented childcare expenses etc. are deductible.

7.3 Personal income

Personal income is a "gross income" tax base. Total amount of gross employment and pension income are the basis for social security contributions and step tax. Employment income is a broad term that is defined as the sum of 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 considered 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 Personal allowance

The personal allowance is a tax-free amount used when calculating tax on ordinary income. For 2023, the personal allowance is NOK 79 600.

7.5 Marginal tax rate

The highest (marginal) tax on employment related income is currently 47.4%, including a social security contribution of 7.9%. The highest rate for income from self-employment (and active partners/ shareholders) is 50.6%.

Individuals living in northern Norway (Troms and Finnmark) generally have lower tax rates, higher thresholds and a special allowance, as shown in the table in section 12.5.

8. Norwegian flat tax regime for foreign employees (PAYE scheme)

A voluntary flat tax regime may apply for foreign individuals under certain conditions. For individuals who qualify, the tax withheld by the employer through payroll is final with no tax return filing obligation.

The employer withholds a final tax, normally 25% of total compensation, or 17.1% if the individual is not subject to Norwegian National Insurance. 22.2% may apply for certain individuals who only need to pay the health part of the National Insurance contribution, such as US or Canadian assignees with Certificate of Coverage.

It is important to note that the regime only applies for individuals who have obtained the correct tax card prior to first payroll in Norway. If the salary has been reported before the tax card has been issued, it is not possible to enter the regime during the income year.

8.1 Who may qualify?

Non-residents and first year residents qualify for the regime if the income level does not exceed a set limit (see below). This means that many individuals may qualify in the year of arrival to Norway.

If number of days in Norway is less than 183 during the arrival year, they may qualify for the regime the following year.

Individuals, who spend limited time in Norway on an ongoing basis and remain non-resident, for example board members, may qualify for the regime every year if they remain non-resident.

The regime does not apply to:

- Continental shelf workers or mariners.
- Self-employed individuals who have business activity in Norway.
- Individuals who have rental income from Norwegian properties

8.2 Maximum income level

Individuals who have a taxable income in Norway below NOK 642 950 during 2023 may qualify.

The monthly income level is not relevant; an individual who spends 6 months working in Norway could have NOK 108 542 as monthly income basis and still qualify.

When considering the income level, it is important to understand how deferred compensation will be handled for tax purposes. Vacation pay and bonus paid after departure from Norway will be taxable in the departure year, thus may represent a risk of exceeding the threshold long after departure. This may result in tax arrears due several years after departure from Norway.

8.3 Tax resident – maximum capital income

For individuals who become tax resident during the income year, the regime is not applicable if capital income exceeds NOK 10 000.

8.4 Type of income included

Only income earned in Norway during Norwegian workdays will be included as taxable. This means that income earned during business trips abroad will not be taxable.

Benefits that may be tax free under the ordinary tax regime will be included in the basis for taxation under the PAYE scheme. Such benefits include for example commuter expenses covered by the employer (housing, home travels, etc.).

8.5 No deductions allowed – implications for commuters

The flat tax rate regime does not allow for any deductions. This means that the regime may be less beneficial for commuters.

Under the ordinary tax regime, resident individuals may claim commuter deductions for lodging and home trips and itemized deductions such as interest payments and capital loss and a wide range of other deductions. Non-residents may typically claim commuter deductions.

9. Tax filing requirements

9.1 Tax year

The tax year is equal to the calendar year.

9.2 Tax returns and assessment

The tax office issues pre-filled tax returns mid-March the year after the tax year via My Tax at skatteetaten.no. The pre-filled tax return contains information reported from employers, financial institutions etc. 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 inaccurate information.

The tax office consecutively issues tax assessments from the time of final filing deadline of the tax return and no later than 1 December. The tax assessment is based on information given by the taxpayer in the pre-filled tax return (with supporting schedules) and other available information from e.g., employers, banks, financial institutions etc. If the tax authorities find the information given by the individual to be incomplete or incorrect, they may alter, add or delete amounts. They may always alter estimates given by the individual.

9.3 Payment of tax

For individuals, income taxes are generally collected during the tax year, partly by withholding 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 individual's income and net wealth stated in the most recent tax assessment and the tax rates for the coming year. The preliminary assessment considers the amount of tax that has been withheld at source.

If the amount of tax levied in the final tax assessment exceeds the amount already paid by way of withholding or by 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 increased by interests with a yearly rate of 0.39% (2022).

Interests can be avoided on any tax arrears by paying tax arrears before 31 May the year following the income year.

10. Taxable employment income

10.1 Salary and benefits in kind

Generally, 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.

10.2 Benefits in kind

All benefits in kind are, as a main rule, taxable based on fair market value. Special valuation rules exist for some benefits, such as company cars, free. Accommodation, free telephone and low-interest loans from employers. Some of these are explained in the following.

10.3 Company car

The taxable benefit of a company car is based on the listed price of the car as new. In general, the taxable benefit is calculated as 30% of the first NOK 338 800 (2023) plus 20% of value exceeding this amount.

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

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

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

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.

10.4 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 3.0/3.4% (January – February 2023/March - April 2023).

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

A free telephone or other tele-communication subscription is also a taxable benefit. It is irrelevant whether the costs are 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 individual received the phone during the year, the benefit will be calculated with 1/12 of NOK 4 392 from the month the individual received the telephone/internet.

10.6 Discounted shares (share plan)

Where an individual 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 individual and the fair market value of the share.

10.7 Stock options

Share options granted in connection with employment are also considered as benefits and will be taxed as employment income at the time of exercise.

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.

11. Other taxable income

11.1 Pension income

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

11.2 Directors' remuneration

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

11.3 Business income

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

12. Personal tax 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 countries. This must be evaluated on a case-by-case basis and will amongst other things depend on the tax resident status of the individual.

Childcare expenses for children aged 11 years and younger at the end of the income year is deductible, within 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.

Donations to certain charities may be deducted, subject to an annual limit of NOK 25 000.

12.1 Minimum deduction

Minimum deduction is a standardised deduction 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 considered included in the minimum deduction. It is possible to claim deduction for actual expenses, but this is very rare due to the high minimum deduction.

The minimum deduction is calculated as 46% 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). The minimum deduction cannot exceed NOK 104 450. The minimum deduction 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 allowance. Please see 7.4 for further information in this regard.

12.2 Seafarer's deduction

Seafarers are, on certain conditions, entitled to a special deduction of 30% of employment income. The maximum deduction is set at NOK 83 000.

12.3 Travel between home and work

Where expenses relating to travel between home and the place of work exceed NOK 14 400, the amount exceeding NOK 14 400 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.

12.4 Commuters

Individuals who commute to Norway from another country may, under certain conditions laid out in the Norwegian Taxation Act, claim deduction for housing, travel expenses and per diem. Deduction is available for actual housing costs and travel expenses according to mileage or actual travel expenses. Furthermore, deduction for travel expenses is limited to the amount exceeding NOK 14 400 up to NOK 97 000. Maximum deduction for travel expenses is therefore NOK 82 600.

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

Per diem deduction is available according to fixed rates based on the type of living arrangement in Norway.

Deduction for subsistence and lodging is only applicable for 24 months, calculated from the time the deduction is first granted. Deduction for travel expenses is not limited to a period of 24 months.

Note that the 24-month rule does not apply in cases where the employer covers subsistence and lodging.

If the employee chooses to claim the voluntary flat tax regime for foreign employees (PAYE Scheme), no commuter related deductions can be claimed.

Individuals who commute to Norway from abroad may, under certain conditions, claim deduction for housing and travel expenses.

12.5 Personal allowances/deductions (2023 rates)

Deductions applicable when computing general income (basis for computation of municipal tax)	NOK	(USD)*
Personal allowance	79 600	8 271
Basic relief (minimum deduction)		
- Rate	46%	
- Upper limit	104 450	10 853
- Lower limit	0	0
- Special allowance in employment income	0	0
Special allowance for single providers	0	0
Particular allowance for persons in Troms and Finnmark		
Personal deduction (Troms and Finnmark)	20 550	2 135
Particular allowance for seafarer		
- Rate – Seafarer deduction	30%	
- Upper limit for Seafarer deduction	83 000	8 624
Allowance for labour unions fees	7 700	800
Minimum threshold for deducting daily travel expenses related to work	14 400	1 496
Rate per km	1.7	
Child care allowance		
- One child	25 000	2 598
- More than one child	+15 000 per child	1 559
Tax credits		
Home savings scheme for persons below 34 years		
- Maximal annual saving amount	27 500	2 857
Maximal accumulated savings	300 000	31 170
Tax credit rate	10%	

***USD 1 = NOK 9.6245**

13. Tax rates (2023)

13.1 Income and capital gains

The national and municipal income taxes on net/ordinary income are levied at a combined maximum rate of 22%

13.2 Step tax

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

The taxable base for the step tax includes gross income from the following sources:

- 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 connectionwith the above sources
- Pensions and life annuities received in relation to employment
- Various social security income payments (sick pay, unemployment benefits)

13.3 Tax base for self-employed

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

Step Tax 2023	Threshold	Threshold (USD)*	Tax rate
Step 1	198 350	20 609	1.70%
Step 2	279 150	29 004	4.00%
Step 3	642 950	66 803	13.50%
Step 4	926 800	96 296	16.50%
Step 5	1500 000	155 852	1.00%

***USD 1 = NOK 9.6245**

14. Investment income/capital income

14.1 Dividends

The shareholder model is applied on dividends in Norway. The intention is 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 companies PLC
- Savings bank and other independent finance enterprises
- Co-operatives
- Funds, trusts
- Equivalent foreign companies etc.

Dividends are taxable with the amount exceeding the yearly calculated risk-free amount. The effective tax rate is 337.84%.

Dividends are taxed as general income with a tax rate on 22%. However, to reduce the difference between taxation of dividends and employment income, the taxable dividends shall be adjusted with a factor set yearly by the government. For 2023 the adjustment factor is 1.72. This gives an effective tax rate on dividends on 37.84% (22% x 1.72).

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.

14.2 Interests and royalties

Interests and royalties are taxable at a rate of 22%.

14.3 Capital gains

Capital gains are included in general income and are subject to tax at a rate of 22%. However, gains from selling shares and share part of securities funds are subject to adjustment with a government set factor. For 2023 this factor is 1.72.

This gives an effective tax rate on gain from shares on 37.84% (22% x 1.72). Capital gains realised on the sale of movable or immovable property is generally taxable, and capital losses deductible. However, several exemptions and special rules apply.

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

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 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 in and owned the dwelling more than one year in the past two years.

14.4 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.

15. Wealth tax

15.1 Net wealth tax

Tax resident individuals are subject to national wealth tax to the state and municipal wealth tax to the municipality, 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.

15.2 The wealth tax rates for 2023

Municipal net wealth tax is only payable on net wealth in excess of NOK 1 700 000. The rate is currently 0.70% in all municipalities.

National net wealth tax is payable on net wealth in the range of NOK 1 700 000-20 000 000 with a rate of 0.30%. Net wealth exceeding NOK 20 000 000 is taxed with a tax rate of 0.40%

National wealth tax

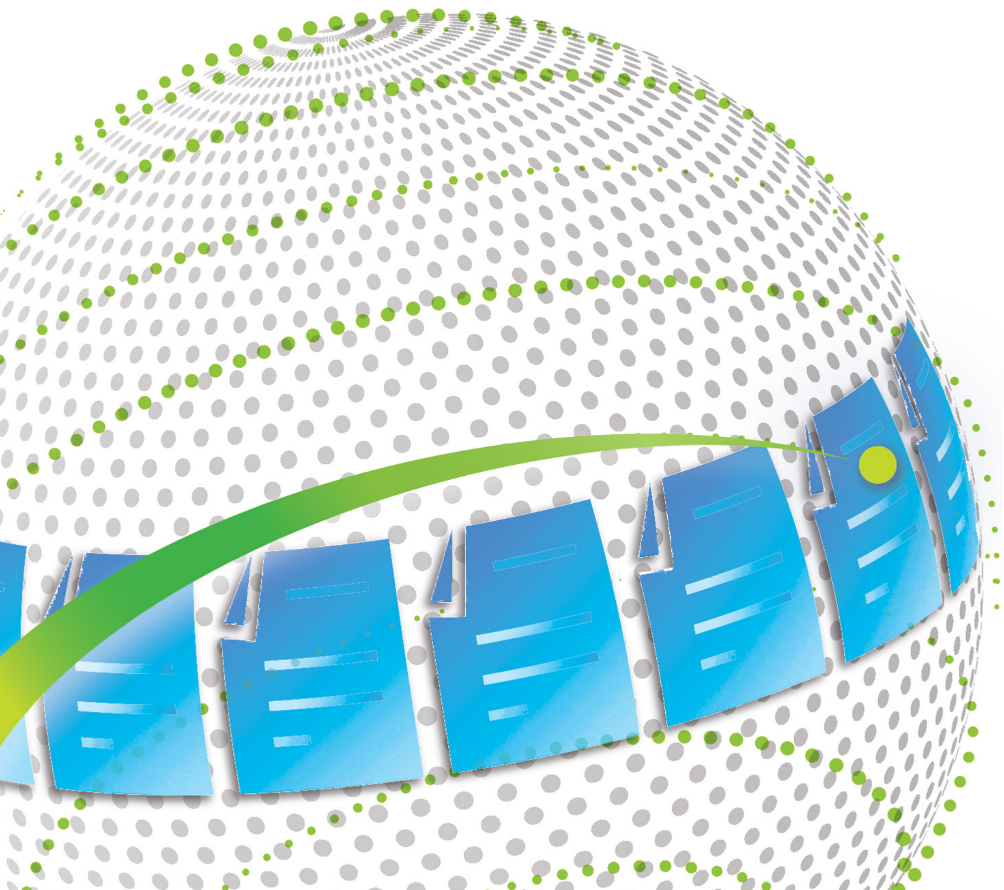
Net wealth tax (NOK)	(USD)	Rates
0-1 700 000	0 - 176 633	0%
1 700 000 - 20 000 000	176 633 - 2 078 030	0.3 %
20 000 000 -	2 078 030	0.4 %

'USD 1 = NOK 9.6245

Municipal wealth tax

Net wealth (NOK)	(USD)[1]	Rates
0 - 1 700 000	0 - 176 633	0.00%
1 700 000 - 20 000 000	176 633 - 2 078 030	0.7 %

'USD 1 = NOK 9.6245



16. Taxation of non-residents

16.1 Taxable items

The tax liability for 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 remuneration from such company or other entity
- 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 may 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 rata basis equal to the time present in Norway during the tax year. This applies to the minimum deduction and the personal deduction. E.g. 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/her income, and therefore claims deductions in Norway, the pension will be taxed in Norway as general income and be subject to step 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 out by the shareholder in Norway.

16.2 Wealth tax

Non-residents are subject to Norwegian net wealth taxes with respect to assets in a business that one participates in and is operated or managed from Norway, and for immovable and movable property located in Norway. Tax treaty provisions may further restrict the tax liability of non-residents.

Non-residents who are not taxed for employment income for personal work earned and derived from Norwegian sources are not entitled to the NOK 1 700 000 basic tax-free allowance for municipal wealth tax purposes. For the state wealth tax, the basic tax-free allowance of NOK 1 700 000 will apply.

16.3 Deductions

Non-resident individuals are not eligible to claim itemized deductions that do not have a connection with income taxable to 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 special situations, it is possible for EU/EEA residents to claim deduction for interests paid on loans and full year allowances/tax steps if at least 90% of the income is taxable in Norway.

Non-residents, who own property in Norway, may be able to claim a deduction for interests paid in connection with a loan on the Norwegian property.

17. Social security

17.1 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.

Non-resident individuals can only claim itemized deductions related to income taxable in Norway.

17.2 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) issued by the home country`s competent authorities are needed to document an exemption.

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

17.3 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 once a year.

In 2023, the employee's contribution rate is 7.9% of gross income. Income derived from self-employment is subject to a maximum rate of 11.1%. The contribution rate for other kinds of personal income (e.g. pensions) is 5.1%.

The employer's contribution rate depends on which geographical contribution zone the employer is registered in. The rate ranges from 0% up to 14.1%. In most areas the rate of 14.1% would apply. Income from one employer exceeding NOK 750,000, an additional contribution rate of 5% is payable regardless of which geographical contribution zone the employer is registered in. The employers are obliged to report and pay the contributions to the authorities without further notice from the Tax Collector.

17.4 Social security agreements

17.4.1 EU/EEA area

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

According to the said EU/EEA Regulation, an individual is as a main rule subject to the social security legislation of the member state in which he or she works. Exemptions are granted for individuals seconded from another member state (in general for a period of maximum five years), provided 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 assignment 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 vary significantly from one country to another.

17.4.2 Social security agreements

Social security agreements Norway has also entered into bilateral social security agreements with different countries. For further information, see appendix E. 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 the work is performed. Exemptions are made for individuals that hold a CoC from another country. The CoC documents that the individual remains insured under the sending member state's legislation during the assignment 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 vary significantly from one country to another.

17.5 NIS 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 family doctors, specialists and psychologists. When the upper limit is met, a member can receive such services for the remaining period of the calendar year free of charge. Treatment by private practitioners is not covered.

NIS benefits and pensions are calculated based on the current Basic Amount (BA). The BA is adjusted by the Parliament every 1 May. Currently, 1 BA amounts to NOK 111 477 (1 May 2022).

17.5.1 Sickness cash benefit

Upon certain criteria, employees who are members of NIS and who have performed income work for at least four consecutive weeks prior to occurrence of sickness are entitled to NIS sickness cash benefits.

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 668 862 (1 May 2022), 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.

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.

17.5.2 Long term disability benefit

Individuals with prior income are entitled to a disability benefit from the NIS if certain requirements are met. The disability benefit is set to 66% of the average income in the three best years of the last five years. Income exceeding 6 times the BA, currently NOK 668 862 (1 May 2022), 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 five years immediately before the onset of incapacity. The benefit is reduced proportionally in cases of partial disability and if the individual has less than 40 years of membership in the NIS.

17.5.3 Unemployment cash benefit

A member may be entitled to unemployment cash benefit upon certain requirements such as previous employment income of at least 1.5 times the BA currently NOK 167 215 (1 May 2022). The individual must register with the employment office and must report to the employment office every 14 days. Exportation to another country is normally restricted, though with certain exemptions within the EU/EEA.

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 668 862 (1 May 2022).

Income exceeding 6 times the BA is not considered when calculating the daily unemployment benefit. The unemployment benefit is given for a period up to a maximum of 104 weeks.

17.5.4 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 is entitled to parental cash benefits during the leave. The parental leave period in total is either 49 weeks of 100 % of covered earnings or 59 weeks with a compensation rate of 80% of covered earnings. For both the maternity and the paternity leave, 19 weeks are exclusively reserved each parent with compensation rate of 80%, alternatively 15 weeks for each parent with compensation rate of 100%. For the maternity leave, the three weeks before and six weeks following confinement, can only be taken by the mother. The benefits are calculated the same way as described under section 17.5.1 for sickness cash benefit, where income exceeding 6 times the BA, currently NOK 668 862 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 90 300 (1 January 2023).

17.6 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 changed significantly 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 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.

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

Members of the NIS can earn old age pension rights both through work related income, but also by earning membership periods in NIS.

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.

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

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 average BA, currently NOK 779 466 (per 1 May 2022), is not considered. The maximum earning per 1 May 2022 is NOK 141 083.

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.

17.6.1 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.

17.6.2 Family allowances

Family allowances, such as child benefit and cash benefit for families with small children are derived from separate legislation.

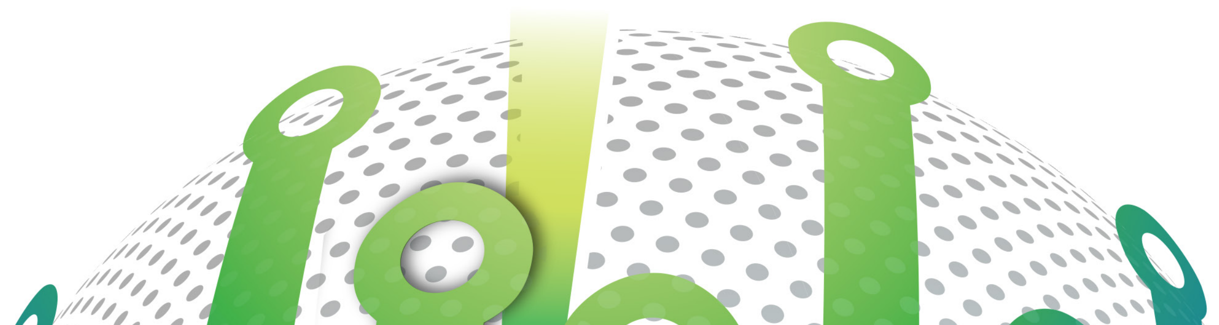
Parents with children under the age of 18 residing in Norway are entitled to a monthly child benefit. Child benefit for children under 6 years is NOK 1 676, and NOK 1 054 for children from the age of 6 and above (per 1 January 2023).

Please note that entitlements to the allowance also may arise if the child resides within the EEA area, in accordance with the provisions of EU/EEA Regulation.

Cash benefit (under the Scheme for Scheme for cash benefits for families with small children) is granted for children resident in Norway between the ages of one and two and who does not attend a day care centre that receives a state grant. The maximum cash benefit is NOK 90 000 per annum (2022/2023). When a child attends a day care centre 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. To be entitled cash benefit prior NIS membership of five years is required. Periods of national insurances in other EU/EEA countries can be considered. Documentation from the other EU/EEA country is required. If the child lives with both the parents, five years of insurance periods is required for both the parents.

17.6.3 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.



18. Mandatory occupational pension plan

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 is to provide occupational pension plans 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 (Tjeneste-pensjonsloven) or the Company Defined Benefit Act (Foretakspensjonsloven).

The minimum pension plan that fulfils the legal requirements is a 2% defined contribution plan for annual income up to the 12 times BA ceiling.

If 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 may be withdrawn as from the time of retirement, which is normally from the age of 62-70 years.

19. Employment law

19.1 Introduction

The purpose of the Norwegian Working Environment Act is to protect employees in employment relationships. Employers and employees should be aware of the mandatory provisions that apply when working in Norway, both when either Norwegian law and foreign law is chosen as applicable legislation in the assignment contract/ employment contract.

19.2 Domestic legislation

The Working Environment Act includes specific rules concerning working hours, working conditions, procedures relating to the termination of employment, entitlement to leave of absence etc. The said act may be supplemented by collective agreements between the unions.

Generally, an employee shall be appointed permanently. Temporary employment may nevertheless be agreed upon in certain situations, for example 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 one and six 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, 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.

19.3 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 the EU/EEA. These regulations are in accordance with the EU Posting

Directive and secure an employee certain minimum right.

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 Holiday Act and gender equality.

19.4 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 pay 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 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.

In general, there is no statutory minimum salary requirement in Norway

Post-assignment procedures

20. 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 always have a correct and updated address registered.

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.

21. Emigration

Tax residency in Norway ceases the income year when all the following conditions are met:

- Taken up permanent residency abroad;
- The stay in Norway does not exceed 61 days during the tax year;
- No place of residence available in Norway for the individual nor close relatives (spouse, cohabiting partner, child).

When calculating number of days spent in Norway, both entire calendar days and part of calendar days in Norway should be included. Part of a day in Norway is counted as one day in Norway.

Place of residence is considered available when the residence can be used for living purposes throughout the year. A holiday home is typically not considered a place of residence, however, exceptions may apply.

Secondary residence may be accepted as non-available, if it has been rented out for a period of minimum five years prior to the assignment abroad.

Special rules apply for individuals who have been tax residents in Norway for at least ten years prior to moving abroad. The ten-year period does not have to be continuous. For such individuals, tax residency ceases 1 January the year following the third entire tax year when all the conditions are met. If a person left Norway In June 2021, and sold his/her house in January 2022, the permanent residency will cease in January 2026.

The individual must substantiate to the tax authorities that all conditions are met for each of the three consecutive tax years after leaving Norway. As such, the individual is obliged to submit a tax return each tax year during this three-year period in which all the above conditions have been met.

Tax emigration must be claimed and does not happen automatically when the requirements are met. Tax emigration can be claimed in the individual's tax return or in a separate letter to the tax authorities.

22. Tax filing requirements

An individual will have a tax return filing obligation in Norway if domestic tax residency is maintained (see item 21). Due to the strict requirements, some individuals may need to file a Norwegian tax return several years after departure.

23. Exit taxation

The exit taxation, applicable to tax residents, 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/tax treaty residency abroad are taxable at the last day before the emigration/tax treaty residency abroad is final. Transfer of shares to a spouse who is not a tax resident in Norway, will also give rise to exit taxation. The same applies to shares transferred to individuals with whom the taxpayer is related or consanguineous in the ascending or descending line or in the collateral line as close as an uncle or aunt, when they are resident abroad.

Losses on shares are deductible by emigration to another EU/EEA country to the same extent as a gain is taxable in accordance with the Norwegian Taxation Act regulations of exit taxation. The loss is calculated at the time of emigration/tax treaty residency abroad, but the settlement is postponed until the share is actually realized.

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 wealth 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/her habitual abode in Norway and by liquidation of a partnership.

The exit tax is reduced or annulled if the individual realises the shares at a lower value than the value on the time of emigration. In such case, the taxpayer may claim the gains calculated of the real realisation value. Realisation 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 are added to the realisation value. The choice of realisation value is not available by loss or by transfer of gifts.

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

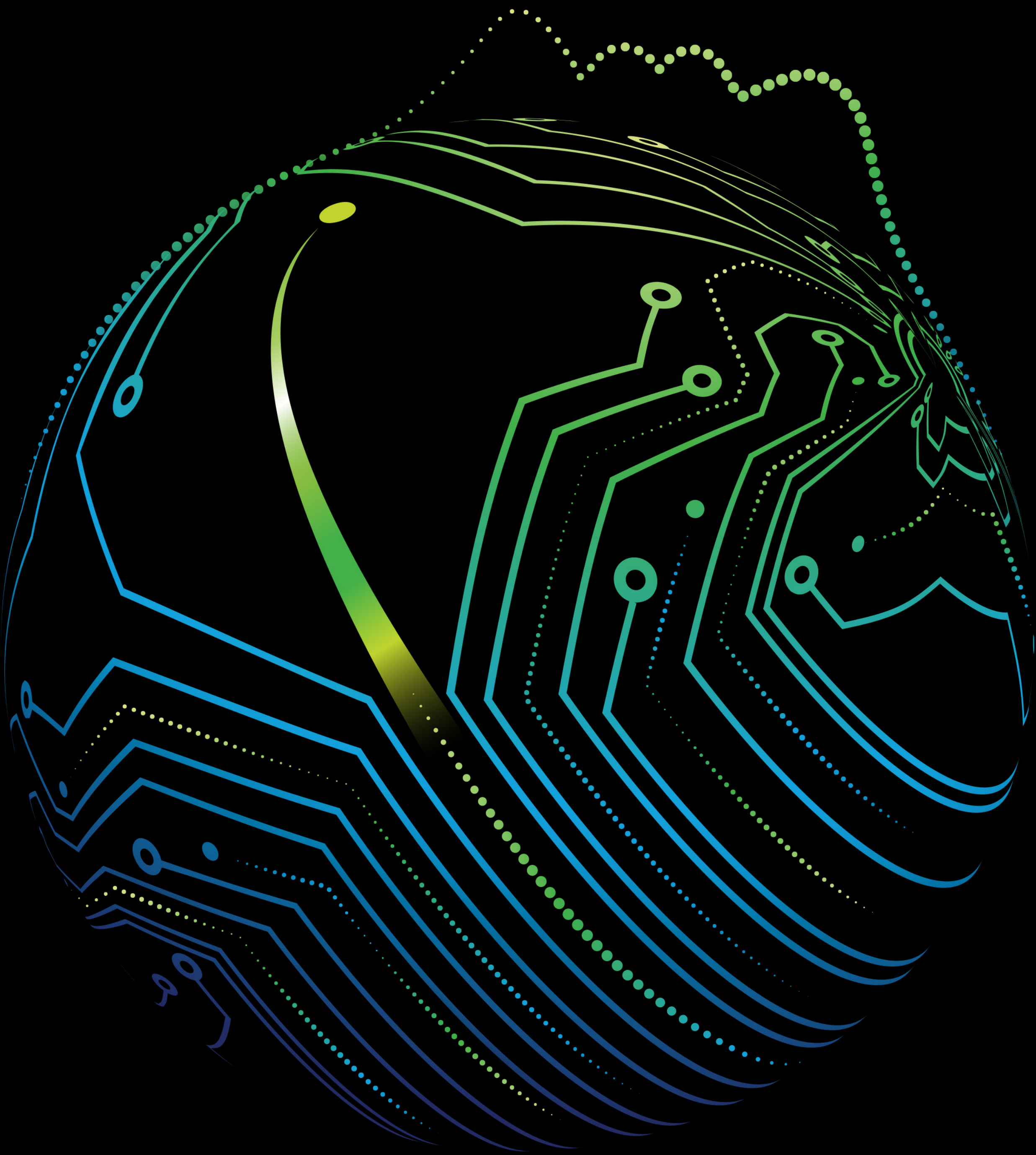
The exit taxation is reversed if the individual returns to Norway to live or is deemed as having his/her habitual abode in Norway in accordance with the tax treaty.

24. Checklist before departure

- Investigate the tax consequences of the timing of the planned move out of Norway. Would it be more beneficial to accelerate or delay the departure?
- Investigate the tax implications of potential stock options exercises.
- Review investments and consider realization prior to the move if negative tax effects may be expected.
- If contributions to the Norwegian compulsory pension scheme have been made, investigate how the pension savings are withdrawn at retirement.
- If member of the Norwegian National Insurance Scheme, look into how the pension savings are withdrawn at retirement.
- Keep electronic access.
- Report the move from Norway / Update address registered with the Norwegian tax authorities.
- Keep Norwegian bank account until you receive your latest tax assessment, to avoid trouble with transfer of tax refund.

Deloitte has one of the most developed Global Employer Services (GES) practices in Norway with GES specialists concentrating full-time on international assignment consulting

Appendices



Appendix A: 2023 Rates

An overview of income tax and social security rates

National insurance contribution		
Employment income		**7.9 %**
Pension income		5.1 %
Lower limit for paying national insurance contribution		NOK 69 650
Step tax		
Step 1 - Amounts exceeding	NOK 198 350	1.70%
Step 2 - Amounts exceeding	NOK 279 150	4.00%
Step 3 - Amounts exceeding	NOK 642 950	13.50%
Step 4 - Amounts exceeding	NOK 926 800	16.50%
Step 5 - Amounts exceeding	NOK 1 500 000	17.50%
Maximum marginal tax rates		
Ordinary income		22%
Employment income		47.4 %
Dividends		37.84 %
Marginal rate on employment income - (Tax and National Insurance contribution)		47.4 %
Wealth tax		
Municipality / State	0-1 700 000	0%
Municipality / State	1 700 000-20 000 000	1.00%
Municipality / State	20 000 000 <	1.10%
PAYE (Pay As You Earn) for foreign workers		
Tax rate excl. social security contribution		17.10%
Income limit		NOK 642 950

Appendix B: 2023 Simplified Personal Tax Calculation

Example of typical tax computations (in NOK)

	NOK	NOK
Salary	450 000	950 000
Company car	50 000	50 000
Personal income	**500 000**	**1 000 000**
Capital gains	10 000	20 000
Minimum deduction	-104 450	-104 450
Travelling cost to and from work (less 14 000)	-4 000	-4 000
Interest expenses on mortgage and loss	-10 000	-20 000
Ordinary income (net income)	**391 550**	**891 550**
Personal allowance	-79 600	-79 600
Income tax	68 629	178 629
Step tax	10 208	66 323
Social security	39 500	79 000
Total tax and social security	**118 337**	**323 952**
Net cash income	331 663	626 048

Appendix C: Double Taxation Agreements

General conventions for the avoidance of double taxation between Norway and other states

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 a treaty/renegotiations, (full or partial) of an existing treaty

Country	Signed	Status	In force
Albania	10/14/1998	1	8/13/1999
Argentina	10/8/1997	1	11/30/2001
Azerbaijan	4/24/1996	1	9/20/1996
Australia	5/6/1982	0 c)	10/19/1983
New treaty	8/8/2006	1	9/12/2007
Austria	11/28/1995	1	12/1/1996
Bangladesh	9/15/2004	1	12/22/2005
Barbados	11/15/1990	1	7/30/1991
Belgium	4/14/1988	0	10/4/1991
New treaty	4/23/2014	1	4/26/2018
Benin	5/29/1979	1	6/24/1982
Bonaire	11/13/1989	1	12/17/1990
Bosnia Hercegovina		1 a)	
Brazil	8/21/1980	1	11/26/1981
New treaty		3	
Bulgaria	3/1/1988	0	4/1/1989
New treaty	7/22/2014	1	7/30/2015
Canada	7/12/2002	1	12/19/2002
Chile	10/26/2001	1	7/22/2003
China	2/25/1986	1 e)	12/21/1986
New treaty		3	
Croatia		1 a)	
Curacao	11/13/1989	1	12/17/1990
Cyprus	5/18/1955	0 d)	5/11/1955
New treaty	2/24/2014	1	7/8/2014

Country	Signed	Status	In force
Czech Republic	10/19/2004	1	9/9/2005
Denmark: Nordic countries			
Egypt	10/20/1964	1	7/30/1965
New treaty		3	
Estonia	5/14/1993	1	12/30/1993
Faroe Islands: Nordic countries			
Finland: Nordic countries			
France (included protocol 1984)	12/19/1980	1	9/10/1981
New treaty		3	
Gambia	4/27/1994	1	3/20/1997
Georgia	11/10/2011	1	23.07.2012
Germany (German text)	10/4/1991	1	10/7/1993
Ghana		3	
Greece	4/27/1988	1 c)	9/16/1991
Greenland (Norwegian text only)	8/4/2005	1	12/21/2005
Hong Kong		3	
Hungary	10/21/1980	1 c)	9/20/1981
Iceland: Nordic countries			
India	12/31/1986	0 c)	7/2/1987
New treaty	2/2/2011	1	12/20/2011
Indonesia	7/19/1988	1	5/16/1990
Iran		3	
Ireland		0	11/28/2001
New treaty	11/22/2000	1	
Israel	11/2/1966	1	1/11/1968
New treaty		3	
Italy	6/17/1985	1	5/25/1987
New treaty		3	
Ivory Coast (French)	2/15/1978	1	1/25/1980
Jamaica	9/30/1991	1	10/1/1992
Japan	3/4/1992	1	11/16/1992
Kazakhstan	4/3/2001	1	1/24/2006
Kenya	12/13/1972	1	9/10/1973
Kuwait		3	
Latvia	7/19/1993	1	12/30/1993
Liechtenstein		3	

Country	Signed	Status	In force
Lithuania	4/27/1993	1	12/30/1993
Luxembourg (French)	5/6/1983	1 c)	1/27/1985
Macedonia	4/19/2011	1	11/1/2011
Malawi	5/18/1955	0 d)	12/16/1963
New treaty	12/8/2009	1	12/10/2012
Malaysia	12/23/1970	1	9/9/1971
New treaty		3	
Malta	6/2/1975	0	7/22/1977
New treaty	3/30/2012	1	2/14/2013
Mexico (Spanish)	3/23/1995	1	1/23/1996
Montenegro		1 a)	
Morocco (French)	5/5/1972	1	12/18/1975
Nepal	5/13/1996	1	6/19/1997
Netherlands	1/12/1990	1 c)	12/31/1990
New Zealand	4/20/1982	1 c)	3/31/1983
New treaty		3	
Nordic countries (Norwegian)	9/23/1996	1	5/11/1997
Pakistan	10/7/1986	1	2/18/1987
Philiippines	7/9/1987	1	10/23/1997
Poland	5/24/1977	0 c)	10/30/1979
New treaty	9/9/2009	1	5/25/2010
Portugal	6/24/1970	0	10/1/1971
New treaty	3/10/2011	1	6/15/2012
Qatar	6/29/2009	1	12/30/2009
Romania	11/14/1980	0 c)	9/27/1981
New treaty	4/27/2015	1	4/1/2016
Russian Federation	3/26/1996	1	12/20/2002
Saba	11/13/1989	1	12/17/1990
Senegal (French)	7/4/1994	1	2/28/1997
Serbia		0 a)	18.12.2015
New treaty	6/17/2015	1	
Sierra Leone	5/18/1955	1 d)	5/18/1955
Singapore	12/19/1997	1	4/20/1998
New treaty		3	
St. Eustatius	11/13/1989	1	12/17/1990

Country	Signed	Status	In force
St. Maarten	11/13/1989	1	12/17/1990
Slovak Republic	6/27/1979	1 b) c)	12/28/1979
New treaty		3	
Slovenia		0 a)	12/10/2009
New treaty	2/18/2008	1	
South Africa	2/12/1996	1	9/12/1996
South Korea	10/5/1982	1	3/1/1984
New treaty		3	
Spain	10/6/1999	1	12/18/2000
New treaty		3	
Sri Lanka	12/4/1986	1	3/8/1988
Sweden: Nordic countries			
Switzerland	9/7/1987	1	5/2/1989
Tanzania	4/28/1976	1 c)	8/4/1978
Thailand	7/30/2003	1	12/29/2003
New treaty		3	
Trinidad and Tobago	10/29/1969	1	8/7/1970
Tunisia (French)	5/31/1978	1	12/28/1979
Turkey	12/16/1971	0	1/30/1976
New treaty	1/15/2010	1	6/15/2011
Uganda	9/7/1999	1	5/16/2001
Ukraine	3/7/1996	1	9/18/1996
United Kingdom	10/12/2000	0	12/21/2000
New treaty	3/14/2013	1	12/17/2013
USA	12/3/1971	1	11/19/1972
New treaty		3	
Exchange of Information	4/15/2013	1	1/27/2014
Venezuela	10/29/1997	1	10/8/1998
Vietnam	6/1/1995	1	4/14/1996
Zambia	7/14/1971	0	3/22/1973
New treaty	12/17/2015	1	8/9/2017
Zimbabwe	3/9/1989	1	8/28/1991

Source: Norwegian Ministry of Finance

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 Montenegros independence on 3 June 2006.

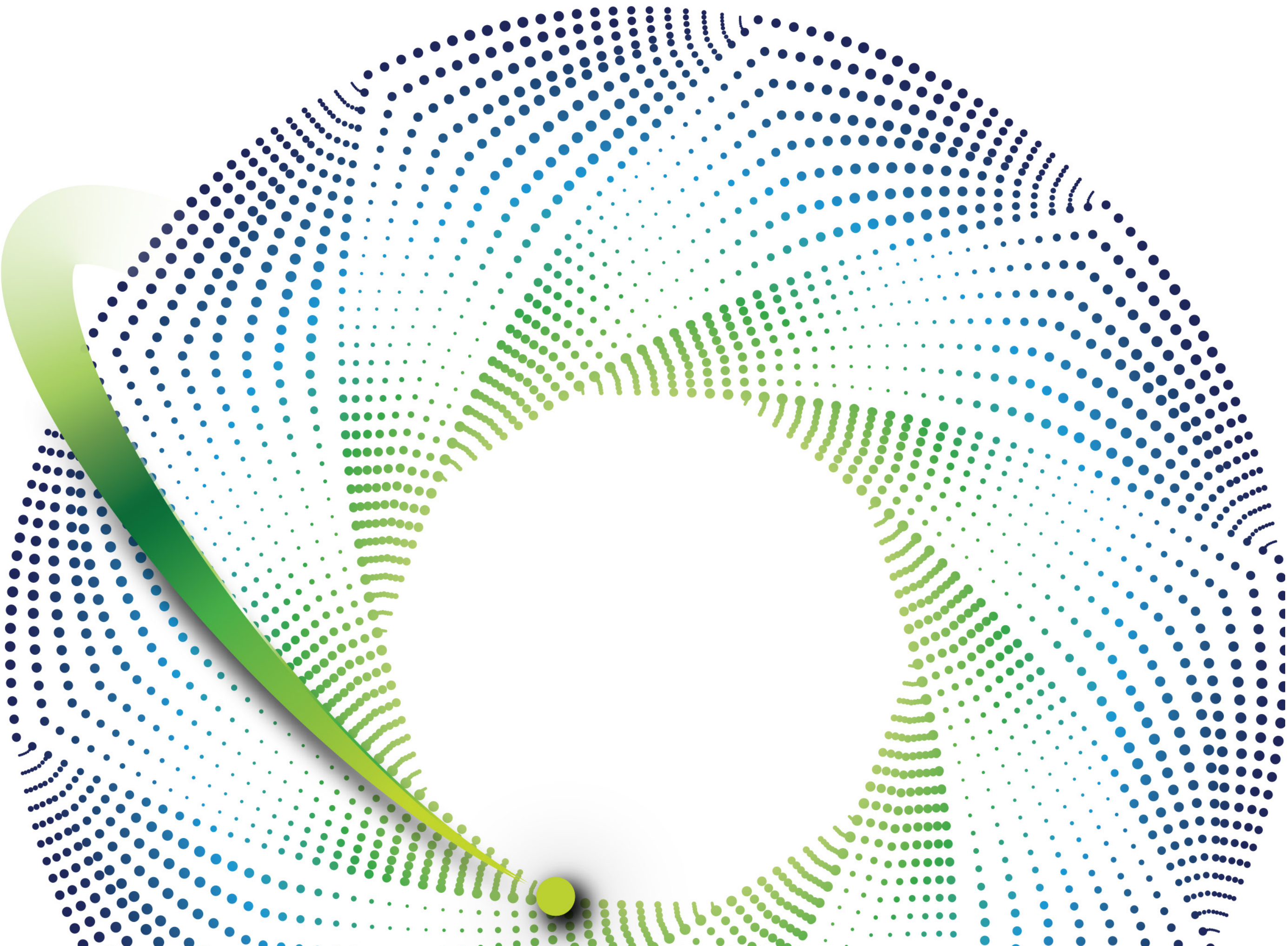
b) The tax treaty between Norway and Czechoslovakia of 27 June 1979 will temporarily apply for the Czech and the Slovak Republic.

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 effetc 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 Sierra Leone.

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



Appendix D: Tax Treaties with special Offshore Articles

Tax Treaties entered into by Norway - that contains special articles for offshore activites

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

Source: Norwegian Tax Authorities

Appendix E: Social Security Agreements

A Certificate of coverage or an A1 issued by the mentioned country will excempt from the following part of the Norwegian National Insurance Scheme:

Country	Pension coverage	Health coverage	Special contribution rates applies [1]	EU/EEA Regulation [2]	Assignment period [3]	Child benefit [5]
Austria	x	x		x	2 years[4]	x
Australia	x	x			3 years	
Belgium	x	x		x	2 years[4]	x
Bosnia & Herzegovina	x	x			1 year	x
Bulgaria	x	x		x	2 years[4]	x
Canada	x		x		5 years	
Chile	x	x			5 years	
Croatia	x	x		x	2 years[4]	x
Cyprus	x	x		x	2 years[4]	x
Czech Republic	x	x		x	2 years[4]	x
Denmark	x	x		x	2 years[4]	x
Estonia	x	x		x	2 years[4]	x
Faeroe Islands	x	x			2 years[4]	x
Finland	x	x		x	2 years[4]	x
France	x	x		x	2 years[4]	x
Germany	x	x		x	2 years[4]	x
Greece	x	x		x	2 years[4]	x
Hungary	x	x		x	2 years[4]	x
Iceland	x	x		x	2 years[4]	x
India	x	x			2 years[4]	x
Ireland	x	x		x	2 years[4]	x
Israel	x	x			5 years	x
Italy	x	x		x	2 years[4]	x
Latvia	x	x		x	2 years[4]	x
Liechtenstein	x	x		x	2 years[4]	x
Lithuania	x	x		x	2 years[4]	x

Source: Norwegian National Insurance Authorities

Country	Pension coverage	Health coverage	Special contribution rates applies [1]	EU/EEA Regulation [2]	Assignment period [3]	Child benefit [5]
Luxembourg	x	x		x	2 years[4]	x
Malta	x	x		x	2 years[4]	x
Montenegro	x	x			1 year	x
The Netherlands	x	x		x	2 years[4]	x
Poland	x	x		x	2 years[4]	x
Portugal	x	x		x	2 years[4]	x
Quebec	x	x			3 years	
Romania	x	x		x	2 years[4]	x
Serbia	x	x			1 year	x
Slovakia	x	x		x	2 years[4]	x
Slovenia	x	x		x	2 years[4]	x
Spain	x	x		x	2 years[4]	x
Sweden	x	x		x	2 years[4]	x
Switzerland	x	x		x	2 years[4]	x
Turkey	x	x			1 year	x
United Kingdom	x	x		(x)[6]	2 years[4]	x
United States	x		x		5 years	

1. Applies for assignees holding a Certificate of Coverage (CoC) issued by their home state. A CoC do not exempt the assignees from Norwegian health insurance. The employer's contributions are 7 % and employee's contribution are 5.1 % (for individuals that are tax liable to Norway).
2. 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.
3. 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.
4. Extension possible
5. Indicates that the social security agreement includes provisions that regulates child benefit while in Norway.
6. Social security position established prior to end of transition period for Brexit per 31.12.2020 may be continued under EU/EEA Regulation 883/2004 until change of work or living situation.

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