



Magazine for entrepreneurs in Norway

Omega Norwegian Solutions

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Introduction

We are pleased to present to you our latest magazine for entrepreneurs in Norway.

It will be published four times a year and its goal is to inform recipients about which formal procedures a foreign entrepreneur in Norway should complete in order to be in accordance with the Norwegian law. We will also touch upon such topics as Norwegian economics and economy, and we will answer the question of how to begin professional networking with Norwegian companies in the most effective way possible.

Norway is an attractive country for a foreign entrepreneur. The Norwegian economy is the process of constant and intense growth, and a significant part of the national budget is allocated to the development of infrastructure: roads, bridges, tunnels, railway. It is not easy to find your 'own' contractors in Norway as it is a country with barely over five million inhabitants, hence foreign contractors are welcome at every stage of project implementation.

Being granted a contract, however, is only the beginning of the road. It is not enough to provide a steel construction manufactured abroad to a bridge formation in Norway or to employ several workers to assemble it. The official legal regulations are just as important and complex, and the worst case scenario is that the unfulfillment of these can lead to stoppage in project implementation and, furthermore, to financial losses.

Hence our presence on the market: it has been our task for many years to point you to the right path in the jungle of Norwegian laws and regulations, as well as obligations imposed by the Norwegian control



authorities. Company registration in Norway, reporting contracts and employees, insurance-related matters, VAT representation, salaries and human resources, nuances of tax agreements are all only part of the broad spectrum of services that our experienced and qualified staff provides. It is our aim to guide you in the right direction and to put up signposts for you so that conducting your business in Norway is easy and clear, and that you can focus on what is of utmost importance to you.

The Omega Norwegian Solutions business group offers advice and assistance every step of the company's business activity. We mainly aim at the closest possible contact with the customer, and, apart from telephone and electronic contact, we also offer individual consultations in our currently operating offices: in Oslo, Moss and Gdynia, and as of September 1st, in Warsaw, Molde and Siauliai (Lithuania), as well as in Trondheim and Bucharest – as of October 1st of the current year.

Having our customers' best interest at heart, we guarantee highly professional services in a number of languages, years of experience in dialog with accounting in a given company's country of origin, accessibility and everyday implementation of our most significant motto: meeting customers' needs and answering their questions before they are even asked.

We kindly invite you to cooperate with us!

Aleksandra F. Eriksen, Chairman of the Board

The company's development strategy

We kindly inform you that as of September 1st of the current year, a Warsaw branch of Polish Connection Sp. z o.o. will start its activity. The office is located in the Millennium Plaza building in downtown Warsaw in Aleje Jerozolimskie 123A. This excellent location in the central business area has been chosen to ensure that our customers have direct access to infrastructure and public transport. At the offices of the new division in Warsaw, our customers will be able to make use of all the services Polish Connection has to offer, at the same time enjoying the comfort of the surroundings.

Some of the basic tasks of the office will include support for the development of the sale of services directed to the business and individual customer, in particular from the entire region of Central Poland, as well as strengthening the image of the company on the local market as an enterprise open to the customer and providing services of the highest quality, irrespective of the location.

'Creating new offices serves as part of the plans for the expansion we wish to implement in 2014. We strive to build a solid foundation for the company's further growth, both in Poland and in Norway, in Lithuania and in Romania. On September 1st of the current year, we will also open divisions in Siauliai in Lithuania and a third Norwegian office located in Molde. As of October 1st, offices in Bucharest and a fourth Norwegian office in Trondheim will be opened', says Aleksandra F. Eriksen, Chairman of the Board of Polish Connection Sp. z o.o.

The Norwegian offices serve as a reply to the continuously growing population of Polish people living in the regions of Molde and Trondheim, whom we would like to provide with access to our services in a 'neighborly' fashion. Each of these offices will also offer a full spectrum of accounting services for foreign entities already in operation or planning on beginning to conduct business activity in Norway.

Norway is becoming a very popular emigrant destination and a receptive investment market also for business entities from Lithuania and Romania.

The offices in Siauliai and Bucharest have emerged mainly in response to the needs of our current business and individual customers for whom direct contact is extremely important, as are consultations in their mother tongue in keeping with high standards of service.

We are convinced that the opportunity for direct contact will bring benefits to both parties, and the current substantive support in tax-, social- and business-related matters will be accommodating for both our regular customers and the future ones.



National Transport Plan

2014-2023

The project of the National Transport Plan (National transportplan - NTP) for the years 2014-2023 was presented in Stortinget on the 12th of April and the votes were cast on the 18th of June 2013. The previous National Transport Plan for the years 2010-2019 was adopted in 2009, but its initial duration was shortened until the end of 2013. The Plan presents the government's transport politics and lays the grounds for future investments, mainly road and railway, ensuring they are adequately financed. A big emphasis here is placed on the best possible coordination of various types of transport, the promotion of public transport in cities and on ecology.

General terms

The National Transport Plan 2014-2023 presents a long-term strategy for the development of transport system based on the assumption that we should make the most of particular means of transport so that we create a smooth and unified system.

Particular types of transport are characterized by the Plan as follows:

- A network of roads ties Norway into one whole and constitutes a basis for the majority of the types of transport.
- The railroad transport is environmentally friendly and effective in the areas where we have to deal with a large influx of travelers and goods.
- Air transport is a safe and effective form of transport, both in the case of long- and short distance travels, and the decentralized airport structure provides good access to air transport in the whole of Norway.
- Maritime transport is best suited for the shipment of large amounts of goods over long distances.

Taking the above into consideration, the government proposes a diversified transport policy taking into account various characteristics of a number of means of transport and individual transport needs of particular parts of the country.

The main challenge in the case of scarce land development is to provide good connections, whilst on the urban territories – to ensure an appropriate throughput of the transport system and care for the environment. In connection with this, the priorities of the government are to broaden the road network in provinces and to develop effective public transport, as well as sidewalks and cycle tracks in cities.

The main road projects – south and center

It is the government's ambition to provide Western Norway (Vestlandet) with a uniform (without the need to use ferries) road connection. The E39 route is meant to be this connection. For the years 2014-2023 NTP anticipates the commencement of a number of projects connected with it and the planning of the remaining ones.

The total investment costs pertaining to the new E39 road are estimated at 42 billion Norwegian kroner, of which 20 billion is supposed to come from road tools (bompenger) and 22 billion from the country's budget.

The E39 project is to be finished within 20 years in its entirety.

As far as southern Norway is concerned, aside from the investment in the part of the E39 that lies here, NTP anticipates solid modernization of a number of sections of the main communication arteries of the region, i.e. the E6, E16, E18 and E134 roads.

In the duration of the Plan, the E18 road (leading from the Swedish boarder to Kristiansand) is to become a four-lane road on the Oslo-Langangen (Telemark) route. Extensive works are to be carried out on the routes south of Langangen.

The E6 road in South and North Trøndelag will be modernized.

Inter City Railway

High on the government's list of priorities formulated in the NTP is the expansion of the Inter City rail connections.

Until the end of 2014 there are to be built double-track railway lines from Oslo to Tønsberg, Seut/Fredrikstad and Hamar. Until the end of 2026 the double-track railway line will reach Sarpsborg. As a result of the modernization works on the Dovre and Østfoldbanen lines, their throughput for freight traffic will also increase.

Further plans will be made once the above-mentioned projects are put into operation. In the time period of the Plan, works will commence on the Oslo-Ski (Follobanen) line, which will for the most part run along the TBM-dug tunnels. Once this route is put into operation, the transport offer for passengers traveling on the suburban trains in the vicinity of Oslo and on Inter City trains will greatly improve.

Modernization and electrification

During the validity of the Plan, the government aims at modernizing the railway routes around Trondheim (the so-called Trønderbanen), including the Meråkerbanen (Hell-Storlien line near the Swedish boarder).

The electrification, the construction of another track on the Hell-Værnes route, and the remaining modernization procedures will ensure a much better offer in terms of railway transport in mid-Norway than what can be found currently.

North

Within ten years (2014-2023) the total expenditure on the extension of the roads and railway in Norway's three northernmost voivodeships (fylke) will be 26.6 billion Norwegian kroner, of which 4 billion will come from road toll.

The renovations of the E6 in Helgeland should improve the condition of the road south of Saltfjellet, and the modernization of the E10 should improve road connections with Vesterålen and Lofoten.

In Norland and Troms, important sections of the road in mountainous regions will also be modernized.

Once the restructuring of the E6 west of Alta is completed, and thanks to the building of a new bridge in Tana bru, the narrow road passage in east Finnmark will be done away with, and the E6 will be of an appropriate standard on the entire route going through Finnmark, whilst the extension of the E105 will improve the connection between Kirkenes and Russia.

As far as railway in the north goes, there are financial means in the National Transport Plan kept solely for the purpose of improving the throughput of Ofofbanen (route from Narvik to the Swedish boarder and farther to Kiruna).

Another priority is to build additional railroad switches and machines for remote steering of railroad traffic on the entire route from Trondheim to Bodø (Nordlandsbanen).

High-speed rail not just yet

Due to many transport challenges in the years to come, especially in the city and suburban areas, as well as owing to the government promoting the development of local railway connections, the 2014-2023 Plan does not include the construction of high-speed rail.

Still, new Inter City lines will be built in such a way so as to enable the trains to develop the speed of 250 km/h as long as this does not cause an increase in expenditure compared with the construction of the line adapted to the speed of 200 km/h. This way, these lines could later be incorporated into the potential network for high-speed connections.

The very railway construction and modernization works that are to be carried out until the year 2030 will allow for the reduction in the rail travel time anyway, and quite significantly at times. This pertains to the Dovrebanen, Østfoldbanen and Ringeriksbanen first and foremost.

Maritime transport

The Norwegian government wishes to conduct offensive politics in the area of maritime transport. As part of the strategy for the near-coastal voyage, during the validity of the Plan, 3 billion Norwegian kroner have been devoted to the extension of harbors and the support for near-coastal voyage, including the monitoring of the movement of units on sea.

The most significant maritime infrastructure project will be the construction of the tunnel for vessels under the Stad peninsula. The investment will shorten the sailing time between the harbors of western Norway, and it will allow the vessels to avoid navigation on the dangerous waters off the coast of the Selje municipality. Project implementation will commence during the period of the last six years of the validity of the Plan (perhaps even in the year 2018).

Air transport

Air infrastructure has so far basically been maintained on the principle of self-financing and NTP does not wish to change that. The Plan does not encompass any airport financing frames, etc. Nevertheless, the government shares the main responsibility for civil aviation infrastructure via Avinor AS. The parliament report on the business activity of Avinor is in the process of being drafted and will be presented shortly.

Norwegian work assessment allowance

The work assessment allowance (arbeidsavklaringspenger- AAP) is supposed to provide income to those who have already used up their right to the sickness benefit (sykepenger) and who are still unable to work because of their illness or ailment. These persons need NAV's help to go back to performing work-related activities.



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The work assessment allowance (arbeidsavklaringspenger - AAP) is a social benefit introduced on March 1st, 2010 as a substitute for three other benefits: attføringspenger, rehabiliteringspenger and tidsbegrenset uførestønad.

Eligibility for arbeidsavklaringspenger

In order to be eligible to receive work assessment allowance (AAP), one condition needs to be fulfilled,

and that is a person's ability to perform work must drop by at least a half as a result of sickness or damage to the body. The most important aspect of being assigned AAP is the degree to which the sickness or ailment have influenced the ability to perform work, the very damage is less important.

You can receive arbeidsavklaringspenger when:

- you receive active forms of treatment (e.g. rehabilitation),
- you take part in programs designed to enable you to return to work,
- you attempt to return to work after sickness,
- you have been under the supervision and care of NAV after attempts at treatment and action taken to find work.

You can also receive arbeidsavklaringspenger:

- whilst you work out a plan to return to work (aktivitetsplan),
- whilst you wait for treatment or a plan to become professionally active,
- within a period of up to three months while looking for a job or having your treatment, or during activity undertaken to find a job,
- within a period of up to eight months while your sickness allowance is being looked into,

- within a period of up to six months if a person has lost their ability to perform work a second time due to illness and without being eligible to a new sickness benefit,
- if a student requires medical treatment in order to be able to take up studies again without the right to scholarship from the Norwegian State Educational Loan Fund (Lånekassen) during their illness.

Requirements:

- a person must live and remain in Norway,
- a person must be between 18 and 67 years of age.

An important requirement that a person filing for AAP must fulfill, is that they need to be a member of the Norwegian health insurance system (folketrygden) for at least three years prior to filing for the allowance. There are exceptions to this rule.

If your plan to become professionally active again allows for this, you can also receive the benefit when:

- you receive treatment abroad,
- you take part in programs allowing you to return to work abroad,
- you remain abroad temporarily, so long as the stay does not collide with the plan's activities.

If you plan to receive AAP while you are temporarily abroad, you need to report it in advance. Staying abroad must be supervised by and allowed for by NAV.

How to claim your allowance

The most important action a person wanting to receive AAP must do, is to register as an active user either on the NAV's website www.nav.no or in person during an appointment with a NAV worker at a local NAV office. The person must send electronic report cards (meldekort) every two weeks the entire time they keep receiving the allowance, similarly to persons receiving unemployment benefit (dagpenger). There should be an updated resume of the user in the system.

Apart from the registration, you also need to fill out an application for arbeidserklæringspenger and send it to NAV together with the actual medical documentation and other documents.

At the earliest, the payment of AAP can be received from the day you have sent the application and documents.

The amount of the allowance

The amount of arbeidserklæringspenger constitutes 66% of the basis of the income. The amount can be influenced by such factors as:

- earlier income,
- supporting a child / children,
- receiving other social benefits,
- ability to perform work has dropped at least by half before you turned 26,
- accident in the place of work or illness.

AAP is calculated for weekdays and paid for every five days of each week. If a person receiving the benefit is raising a child under 18, then they receive an addition to the allowance, which is 27 NOK for each child for each weekday, for five days in the week.

A person taking part in programs enabling them to return to work is entitled to additional benefits to cover the costs. These benefits include:

- books and other educational materials,
- everyday program-related expenses,
- travel and commuting expenses,
- move-related expenses,
- childcare expenses,
- additional living expenses.

If a person has problems with commuting to work or school in a given time period because of an illness or ailment, they are eligible to receive additional coverage for commuting expenses. This type of solution is an alternative to AAP.

Duration of AAP

The duration of receiving AAP depends on how much time a person needs to return to work. Usually you cannot receive the benefit for longer than four years. The duration of the benefit is defined on the basis of individual cases. In particular cases, it will be longer than four years.

If a person is able to get a job after their treatment or their plan to return to work, they will be eligible to receive AAP for a time period of up to three months while searching for a job. They must be registered in the NAV system as a jobseeker (similarly to persons on dagpenger). If someone wishes to obtain assistance allowance, they can receive arbeidsavklaringspenger for a time period of up to eight months while their assistance allowance application is being looked into.

Cabotage in Norway

Many foreign transport companies are interested in starting a business in the Norwegian market and the provision of cabotage services. What are the laws regarding this type of transport in force in Norway? We present the practical information and discuss the principles to be followed by cabotage carriers in order to be in accordance with the Norwegian law.

What is cabotage?

Cabotage is the transport organized in such a way that a carrier from one country runs transport service between different places within another country.

Norwegian national law

Cabotage is prohibited in Norway. According to the Norwegian carriage law (*yrkestransportlova*) of 21 June 2002 No. 45 § 10 (3) an entity that does not have its post in Norway cannot provide services against payment of the transport of goods between different places in Norway, unless the international agreements

to which Norway is a signatory, indicates otherwise.

According to the bilateral agreements regarding the road transport between Norway and countries outside the EEA, cabotage is not permitted, unless a special permission has been granted. In fact such permits are issued rarely or not at all. If necessary (e.g. in case of special transports, which will have to be carried out with some special vehicles that are inaccessible in Norway) Norwegian Road Department (*Vegdirektoratet*) issues a permit. In such case, the details of the time and place of the carriage, as well as the name of the operator / carrier will have to be stated in the cabotage permissions.



EEA principles

Norway through the EEA agreement has implemented EEC Regulation No 3118/93 of 25 October 1993 to establish the conditions under which carriers have access to services of national road transport within a Member State in which they do not have their post (see the decision of the EEA Commission No. 7/94). EEC Regulation is in Norway in force under the national regulation (see Regulation of 26 March 2003 No. 402 on the international transport of passengers and goods and on cabotage, § 2 second and third paragraphs).

According to these regulations in Norway cabotage run by carriers from other EEA countries may be carried out only temporarily.

According to the definition of a temporary cabotage formulated by Norwegian Ministry of Transport a foreign carrier who has imported goods to Norway is allowed to carry out **up to three cabotage operations with the same vehicle** and they must be held **within no more than seven days** from the date of the entry of the goods, which was the reason of the carrier entrance to Norway.

Furthermore, the carrier must possess a Community authorization and a driver's certificate, if the driver is a citizen of a country outside the EEA (driver's certificate is a document that confirms that the person has a legal employment in one of country outside the EEA). The carrier must be able to present clear documentation of all transport orders, including the international order of the importation of goods / cargo to Norway.

The abovementioned documentation must be kept in the vehicle and be accessible for the police (*Politi*) and for the Norwegian National Roads Administration (*Statens vegvesen*) in case of control or inspection.

What should be considered as a single cabotage operation?

A single cabotage operation / transit is the transport of goods within the country, which begins when time the goods are loading and ends when they are discharging.

A consignment note determines what can be considered as a single cabotage operation, as the order



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described in the consignment note specifies if it is a single operation or not. One cabotage operation may consist of multiple loading and unloading, if they are included in the consignment note.

The consignment note is a document that is a part of the contract of carriage between the person who order a transport and the operator of cabotage. A cabotage operation is not determined by the fact whether the contract of carriage has been concluded on behalf of one or multiple subordinated senders of goods. The contract of carriage of cargo between the freight forwarder and the carrier, the so-called groupage service, will be treated as a single cabotage if it will be specify by the documentation complies with the requirements of the Regulation. In such cases, it is recommended to use the combined consignment note.

Note! The freight forwarder are not able to carry out cabotage operations on a permanent / regular basis, even under the provisions according to which it is allowed to carry out three orders within a period of seven days.

When does the cabotage start?

Cabotage cannot begin before the cargo carried as an international order will not be discharged.

How the period of three cabotage operations is dated?

The period of seven days starts to run at midnight (0:00) after the delivery of international cargo. If the imported cargo was discharged at 2 p.m. on June 1, the period of seven days starts to run at 0:00 at night on June 2. Therefore, the last cargo carried within the cabotage order must be discharged to 0:00 at night on June 9.

Does it mean that cabotage operations can be performed only for a limited period of time and cannot lead to permanent operations or cannot be exercised regularly ?

Cabotage cannot be performed in a way that it become a permanent and repetitive / regular activity. Carriers who want to perform a permanent activity or organize regular transport operations in Norway, must have their post in Norway and have a license for domestic transport. It also applies to orders executed as groupage service.

What is meant by “the same vehicle“?

Operations can be performed by the vehicle that performed the international carriage of cargo, i.e. has imported a cargo to Norway, on the basis of the Community authorization. In case the transport is performed by a tractor with a semitrailer or semitrailer and a trailer, the tractor is considered as a vehicle that can perform the cabotage service.

Do the same carrier may run a greater number of cabotage operations at the same time?

One carrier may carry out a greater number of cabotage operations simultaneously, provided that each cabotage operation will be performed with the one specific vehicle which import the international cargo to Norway.

What documentation must be provided?

A valid Community authorization and a driver's certificate, if the driver is a citizen of a country outside the EEA must be submitted.

The carrier must also submit the documentation concerning the importation of goods within the international transport, as well as a confirmation / documentation of each of the following cabotage operations after the first one.

As documentation of import of cargo within the international orders a CMR consignment note must be submitted.

What information must be included in the documentation concerning cabotage operations?

- a) name and surname / sender's name, address and signature;
- b) name of the carrier, address and signature;
- c) name and address of the recipient and - after the cargo delivery - date and signature of the recipient on the receipt;
- d) place and date of the acquisition of goods / cargo and the place of the delivery;
- e) general description / labeling of cargo, method of packaging and - if it is a transport of dangerous goods - commonly accepted designation of the material / product with the number of packages, each of which must be marked and numbered;
- f) the gross weight of goods or the quantity of the goods otherwise determined;
- g) the registration number of the tractor and semi-trailer.

Note! All the documentation that confirms the fulfillment of the conditions of legal cabotage will be accepted and noted as important. The information does not need to be included in a single document, there may be a few of them.

Are there any sanctions resulting from non-compliance with the regulations on cabotage?

For non-compliance with the regulations on cabotage a penalty or a prohibition of travel on the Norwegian roads may be imposed.

Translated by NPCC

Transactions between related parties

Relationships and transactions between related parties constitute a standard element of economic life. For example, enterprises that often conduct part of their business activity through subsidiaries, enterprises being controlled by a number of entities, or related companies. The examples of regular transactions between related parties are, among others, buy-and-sell transactions between the parent company and its subsidiary or between two companies belonging to one person, or a loan granted to a high-ranking employee of the company.

A number of transactions completed between related parties does not raise any doubts or reservations. In some cases, however, such transactions are used for the purposes of breaking the law and/or getting rich in a dishonest way. Some examples might be: an unfair division of debt or assets in the case of bankruptcy (fordeling), tax evasion and other instances of tax fraud, turning to tax havens, and illegal securities transactions made by persons with access to classified information (so-called insider trading). The natural conflict of interest existing between the independent parties within the transaction leads to a situation where the relationship becomes defined according to the conditions on the market. In the case of related parties, the conflict of interest may be absent or weakened in conjunction with the fact that there is basically the same party 'sitting on both sides of the table'. The relationship between related entities may cause transactions to be carried out that would never have taken place between unrelated parties, or transactions to be made on different conditions than in the case of transactions between unrelated parties.

The lack of independence between parties can enable a different division of advantages and disadvantages to occur from the transactions than would normally have taken place were the parties unrelated, and transactions between related entities may affect the financial result and the enterprise's position. To be able to assess the financial result and the situation of a company, as well as to prevent accounting fraud

pertaining to transactions between related parties, providing additional information on such transactions may be necessary.

All of the transactions influencing the financial situation of a company essentially also influence its taxes. Transactions between related parties made with respect to taxes, could comprise a broad spectrum of activities, starting with legal optimization of taxes and contributions, and ending with penal and tax fraud, in some cases connected with other economic offences.

Tax office places special emphasis on controlling transactions between related parties. There is, among others, work in progress on mapping the network of people and companies that commit tax fraud and engage in money laundering via such transactions.

Regulations introduced some time ago to the tax assessment act (likningsloven) – c.f. 4-12 of act – focus on internal appraisal within the company. On page 5 of Odelsting's (Lower House of the Norwegian parliament) project no. 62 (2006-2007), we read as follows: 'A strong increase in world trade in recent years and the continuously growing number of consortiums, have made the internal pricing of goods and services one of the most important international tax matters... According to the Central Statistical Office, in 2004 Norway exported over 736 billion Norwegian kroner and imported goods and services for approximately 497 billion Norwegian kroner. It has been estimated that over 60% of world trade in goods and services outside of the country's borders occurs between related companies. Even insignificant differences in the appraisal of those goods and services can cause a big difference in the tax revenue for Norway altogether. It is therefore important that the foundations of Norwegian tax revenue be secured through increased control and supervision over the establishment of internal pricing.'

In conjunction with the appraisal of the value of the position which is to be handed over between related parties (e.g. between companies within the



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same consortium), the tax office has noticed question marks that could be put next to the objectivism of such an appraisal in a number of cases. This topic has become all the more pressing since the appraisal is conducted by the party which can, thanks to it, gain significantly taxwise, be it in regard to assets, or the potential implementation of financial gains or the accounting of losses.

Regulations can counteract the problems connected with the lack of objectivism while appraising transactions twofold: either by defining the frames of such a transaction or by obliging both parties to provide additional information. From a legal/technical point of view, it is problematic to create such frames for appraisal, and raises questions about discretion.

Experience with setting up regulations for internal appraisal between entities from different countries belonging to the same consortium (transfer pricing) has shown that creating functional and easy-to-control criteria of the appraisal proves difficult.

From a legal/technical point of view, it would be much easier to set up a requirement to provide additional information on transactions between related parties. The purpose of such a requirement is to gain disclosure with regard to the existence of transactions between related entities, their extent and the extent of what they pertain to, who they are made with, etc. so that the environment itself can judge whether there are circumstances influencing their business decisions.

What should you know before you start work in Norway?

Norway is famous not only for beautiful landscapes and aurora borealis, but also for high salaries. This is exactly what makes more and more people decide on leaving their country of origin and tie their future with the land of the fjords. However, prior to departure, it might be worthwhile to get acquainted with the formal requirements pertaining to legal residence and work, as well as with general living conditions. We present you with 10 things worth knowing before heading off.

1

Written contract of employment

Each person who wishes to start work in Norway is entitled to receive a contract of employment. They need to see to it that the employer draws up the contract as soon as possible and not later than a month after the work agreement has been made. The contract determines the rights and obligations both of the employee and of the employer, such as remuneration, holiday pay or working hours. Note! You should not sign a contract which you do not understand. If the contract is drawn up in a language not understood by both parties, it needs to be translated prior to being accepted.

2

Norwegian identification number (fødselsnummer or d-nummer)

This is an equivalent of the identity number from the country of origin. It is used for identification purposes in public institutions and financial institutions, therefore filing for a Norwegian identification number is absolutely essential and should be done as soon as possible, right after receiving a written contract of employment. In order to do this, you need to go to your local tax office with a filled out application for a tax deduction card, with the contract of employment and with an ID card, and potentially a registration of your move to Norway. On the basis of this, you will be assigned an identification number (fødselsnummer) consisting of 11 numbers, the first six of which will correspond to your date of birth. Those who do not wish to register their move to Norway and come to work for a time period shorter than six months, will receive a temporary identification number (d-nummer).

3

Tax deduction card (skattekort)

This is a document indicating how much of an advance tax payment the employer needs to deduct prior to paying the salary. In 2014 an electronic tax deduction card has been introduced, which means that after it has been ordered, the tax payer receives a letter with information on their tax deductions. The employer on the other hand will receive the tax deduction card of a given employee in electronic form.

The tax deduction card form (RF-1209) is also available in other language versions and can be downloaded from the Skatteetaten.no, website: <http://www.skatteetaten.no>.

4

Residence registration (registreringsbevis)

Obtaining this document is obligatory if residence exceeds 3 months. Residence should be reported on the Norwegian Directorate of Immigration's (UDI's) website: <https://selfservice.udi.no/> and then an appointment should be set up at the local institution comprising a department for immigration (this will usually be a police station or a center for foreign workers' services). For such an appointment you need to take a contract of employment and a valid identification document (passport or ID card). It is also worth knowing that the registration of residence is a document given for an indefinite period of time.

5

Bank account

Each person working in Norway has the right to and should own an account in a Norwegian bank. In order to sign an agreement on running a bank account you need to turn up at a chosen bank, state your identification number and show a valid identification document (preferably passport). Some notes on Norwegian bank accounts:

- an employer can agree to transfer the salary to the bank account in the country of origin, then setting up an account will not be necessary;
- in some banks there may be a problem with creating a bank account using only the temporary identification number (you need to find an appropriate bank).

6

Apartment

The costs of renting an apartment in Norway are extremely varied. You need to look for advertisements in local press and on Internet portals. One of the most popular portals of this sort is finn.no. Most often the landlord will require a 3-month deposit from the tenant to ensure themselves against any potential damages or overdue rent. If you have a permanent job and you link your future with Norway, you might consider contacting certain banks and familiarize yourself with mortgage offers. In Norway these are a lot more advantageous than in some other countries due to lower interest rates. It is also worth mentioning that in this country there is housing allowance (bostøtte), which means state help for those persons who have a difficult financial situation. It is assigned to persons with low income and high maintenance costs. In order to receive such assistance, you need to file an application to the housing allowance office in your municipality.

7

Family in Norway

Family immigration should be carefully planned. First of all, you need to start with checking if you can afford the family's upkeep and if you can provide it with decent living conditions. From the formal side of things, it is necessary to register the residence of family members (registration on the website of the Norwegian Directorate of Immigration and an appointment at a police station or another institution holding the department of immigration, with appropriate documents). It needs to be borne in mind that in Norway the tradition of raising children differs from that of other countries. Here, the principles of bringing up children are strictly defined by the state. You cannot shout at kids, spank them, or argue with them, because this can lead to the intervention of the child services (barnevernet) and the worst case scenario is, the child can be placed in foster care.

8

Learning the language

Persons planning on tying their future with Norway permanently should think about a course in the Norwegian language as soon as possible. It is not obligatory for the European Economic Area countries, however, more and more employers require their employees to know the language at least on an intermediate level. It may therefore be worth familiarizing yourself with local or Internet offers of such courses.

9

Taxes

Tax in Norway (for individuals) is a progressive tax. This means that the higher the income, the higher the income tax rate.

We differentiate three tax thresholds. With the first one, the income tax rate is 27%, with the second one 27 + 9, so 36%, and with the third one, 27+9+12, so 48% (in 2014 the basic rate was lowered from 28% to 27%, however, with the tax return for 2013 we must remember that the 28% rate was applicable). In 2014 the tax thresholds and income amounts are as follows:

- first threshold (27% tax) – income not exceeding 527 400 NOK;
- second threshold (36% tax) – income between 527 400 and 857 300 NOK;
- third threshold (48% tax) – income exceeding 857 300 NOK.

10

Healthcare

Norwegian health insurance covers both persons working in Norway, as well as their family members (children and spouses). After moving to a particular municipality, you need to choose a family physician (fastlege). This can be done electronically via the www.nav.no website, via telephone or in person. Medical help entails the payment of the so-called own financial contribution (egenandel), which is not refunded. The amount depends on the type, place and time of the appointment. As of today, the following amounts of the contribution are applicable:

Type:	Day:	Evening:
Consultation with GP / ER doctor	140 NOK	235 NOK
Consultation with GP / ER doctor who is also a GP	186 NOK	277 NOK
GP / ER doctor home visit	185 NOK	301 NOK
GP / ER who is also a GP home visit	217 NOK	333 NOK
Consultation / Specialist home visit / Consultation in a specialist clinic	315 NOK	-
Laboratory tests	48 NOK	-
X-ray	224 NOK	-

There is much more information worth familiarizing yourself with, therefore each person getting ready to move should remember that Norway is not just about high salaries, beautiful views or fjords, but oftentimes also about complicated formal procedures and a different culture. Coming into contact with this type of reality does not have to be so frightening if we take the time to get to know the formalities that we will have to abide by and the Norwegian lifestyle.

Many Internet websites offer a lot of information in different languages. Here are some of them:

- www.polishconnection.no
- www.taxnorway.no
- www.nyinorge.no
- www.arbeidstilsynet.no

Start a business in the parts of Norway where the social insurance rate equals zero

The social security contribution for employees (arbeidsgiveravgift) which must be paid by the employer is 14.1% in most Norwegian regions. However, there are municipalities in the north of Norway, in which the employer is exempt from this payment and which in turn serves the purpose of encouraging people to start their own business in precisely that area. Such a convenience is offered by all of the municipalities in the Finnmark region, as well as in North Troms.

Exemption from the social security contribution aims at encouraging people to settle down and run business activity in the scarcely populated, yet significant from the point of view of the economy, regions. These territories are characterized by broad opportunities for development, mainly for geographical reasons. They are located in the vicinity of important natural resources, which contributes mainly to the development of the oil and gas sector. Such energy giants as Statoil or DNO operate here. Wind power stations and hydroelectric power plants grow dynamically. Owing to the large deposits of iron, gold and copper, also the extractive industry blossoms. The fishing industry belongs to those branches of the region that show potential as the Barents Sea is brimming with seafood. Each year fish worth millions of Norwegian kroner are manufactured and exported from here.

These regions offer various types of discounts and financing, both for the start-up and development of business. The Innovasjon Norge organization has devoted 150 million Norwegian kroner to the eco-



economic support of business projects in northern Norway. On behalf of the Minister of Foreign Affairs, it will take part in implementing the government initiative to support the northern territories in the period 2014-2019. The activity will be based on supporting business cooperation between Russia and other Arctic countries. Financing can be obtained irrespective of the size of the enterprise, the municipality or the sector.

Finnmark and North Troms are also characterized by an enormous tourist potential. Tourists have the opportunity to interact with wild nature and to admire the spectacular phenomenon of aurora borealis. Municipalities offer foreigners a number of tourist attractions, such as safari trips, rafting or dog-sledding.

As we can see, the north of Norway lures both in the form of tax exemptions, social benefits and huge opportunities created by the dynamic economic growth of these regions. This is why it is the dream destination for courageous people who are not afraid to take on a challenge and who are ready to strengthen the population in these regions.

UDI - Application Portal Norway

Launched by UDI, Application Portal Norway enables foreigners wanting to live in Norway to tackle the necessary procedures – from the first registration to receiving a Norwegian citizenship.

The portal enables filing an electronic application for a number of important issues for people from various countries of origin. Citizens of the EU do not need a visa to enter Norway, nor do they need a residence permit, but via the website they can file such applications as:

- registration in Norway in order to commence work/studies,
- family immigration,
- residence permit for an indefinite period of time,
- change of citizenship.

Family immigration raises an especially big interest among people from various countries of origin.

These are considered family members:

- spouse,
- partner (on the condition that the applicant and the person living in Norway have turned 18, that they have lived together for two years and that they have plans to run a common household in Norway or to have/expect children together),
- children and grandchildren under the age of 21, parents and grandparents in the care of the person living in Norway (the person studying in Norway cannot act as a guardian of their parents or grandparents),
- persons under the age of 18 (on the condition that they dwell in the house of the person who gives them references and that they are granted a permit from the authorities of their native country to settle down in Norway),
- siblings under the age of 18 who do not have parents or other guardians in their country of origin (the person who gives them references in Norway must be accepted as guardian by Norwegian authorities),
- persons engaged to the person living in Norway (wedding must take place within 6 months from arrival),
- persons who are sick and require care, and who do not have other relatives in their country of origin.

In the last four cases there needs to be evidence presented that a person has health insurance.

The entire process is comprised of a couple of stages:

- setting up an account on www.selfservice.udi.no,
- registration of an application via the Internet and making a payment (wherever such a payment is obligatory),
- setting a date and time for a meeting at a police station or at a diplomatic post,
- meeting and handing over of documents necessary to view the application,
- other people appointed by us can file an application on our behalf, but we ourselves must be present at the meeting in person.

A useful option is appointing in the application a so-called referanseperson – a person in Norway who can complete information in the application or make a payment on behalf of the applicant. This can be a representative of the employer or college or, in case of family immigration, a person living in Norway who the family intends to join.

Advantages of Application Portal Norway:

- you can file an application from a random place,
- you do not need to take into account the institutions' working hours,
- you can make a payment via the Internet using MasterCard or Visa,
- you can set up an appointment without having to queue,
- during the next stages of filling out of the application we can make use of the instructions on the website,
- you can check on the Internet if a case has already been looked into,
- you do not need to provide all the information from scratch in case of permit renewal or extension.

Bergen chosen one of the best waterfront cities

In most large cities around the world, waterways are the norm, not the exception- but some places capitalize on their location more than others. One of the cities having an unique personalities centered around their waterfronts, where visitors can stroll along bustling harbors, sample the catch of the day, and climb to the city's best vantage points to take in panoramic views of the water, is Bergen.



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As Norway's second largest city, Bergen enchants visitors with its pastel wood houses, bustling harbor, and picturesque mountains. Bryggen, the wharf running by the harbor on the northern side of the city, features colorful Hanseatic merchant houses and small, cozy shops perfect for exploring. Take a stroll down the tree-lined Ole Bulls Plass, a popular avenue with some of the city's finest restaurants. Bergen Kunstmuseum features paintings by modern and Renaissance painters.



Connected to Norway since 2004



ARE YOU WORKING
OR HAVE YOU WORKED
IN NORWAY?

ARE YOU PLANNING
TO ESTABLISH OR RUN
A COMPANY IN NORWAY?

DO YOU HAVE QUESTIONS
CONCERNING NORWEGIAN
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ENTRUST YOUR MATTERS TO THE EXPERTS

For 10 years we have been specializing in counseling in the field of Norwegian tax regulations and labor law. Our Norwegian offices provide a wide range of accounting services for companies that run or intend to establish their business in Norway. More than **8000** clients have confided in us. Among them you will find individuals as well as large companies performing contracts in Norway.

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OUR OFFICE IN BUCHAREST WILL BE OPEN AS OF THE 1ST OF OCTOBER

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