



*Magazine for entrepreneurs in Norway*

# ***Omega Norwegian Solutions***

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# SkatteFUNN - an indirect funding opportunity

SkatteFUNN is a government program established in 2002, supporting business enterprises that are subject to taxation in Norway, although they are not currently liable for taxation. The scheme opens up new opportunities as it is designed to promote research and development (R&D) activity in Norwegian companies. It motivates companies to use development and research as strategic instruments to improve competitiveness. Under the SkatteFUNN scheme, all types of companies from all branches of industry, conducting R&D projects on their own or in collaboration with others, may apply for a tax deduction.

## **Who is eligible to apply?**

To be eligible for financial support under the SkatteFUNN scheme, the R&D projects should aim at generating new knowledge, information, or experience valuable to the development of new products, services, or production processes. All SkatteFUNN project applications are examined by the Norwegian Research Council to see whether the conditions for tax deductions are met, i.e. that the project is covered by the definition of an R&D project as outlined in the Regulation, and that the project has an incentive effect. Only approved projects are eligible for tax deductions.

## **How much may a company claim?**

Depending on the size of a company, a tax deduction of 20% or 18% of expenses related to an approved R&D project may be granted. Enterprises with less than 250 employees, i.e. small and medium-sized enterprises (SMEs), are the primary beneficiary of the measure, and have the right to claim 20% of their expenses on internal R&D projects within a baseline of NOK 8 million each, or NOK 22 million if the project costs include the procurement of R&D services from an R&D institution approved by the SkatteFUNN scheme. The SkatteFUNN price ceiling for payroll and indirect expenses is set at NOK 600 per hour. Up to 1,850 hours per employee per year is accepted under the cost plan

for an R&D project. The limitations are per company per year. Large corporations may receive a deduction of approximately 18% for associated project costs.

If the calculated tax deduction for the R&D expenses exceeds the assessed taxes of the enterprise, then the company will receive the balance of the financial support. About three quarters of the total tax expenditure under the SkatteFUNN scheme has been such cash refunds.

## **Calculating SkatteFUNN tax credit**

### **- examples:**

#### **Example 1**

*An SME plans to conduct R&D activities for a total cost of NOK 8 million. The company may carry out R&D itself using only in-house resources and R&D personnel and/or procure services from an external specialist. The tax deduction for this company will be 20% of NOK 8 million, or NOK 1.6 million.*

#### **Example 2**

*An SME plans to carry out an R&D project in collaboration with an approved R&D institution. In addition to conducting R&D activities for NOK 8 million itself or in collaboration with specialist groups, the company plans to procure services*

from the R&D institution for an additional NOK 8 million. The tax deduction for this company would be 20% of overall R&D-related costs (NOK 16 million) which is equal to NOK 3.2 million.

### Calculating R&D personnel hours and costs – examples

#### Example 1

Sven works full-time for an SME and has an annual income of NOK 500,000. He works 137 hours on an R&D project throughout the year. To work out the labor costs for Sven, his annual salary needs to be multiplied by 0.0012.

$\text{NOK } 580\,000 * 0.0012 = \text{NOK } 696$

Note that the maximum hourly rate for an employee employed in a SkatteFUNN project is NOK 600, therefore Sven's labor cost in the project is:

$\text{NOK } 600 * 137 \text{ h} = \text{NOK } 82\,200$

#### Application process:

Step 1 Registration and log in at: <a href="http://www.skattefunn.no">www.skattefunn.no</a>
Step 2 Completion and submission of an online application for the company's R&D project.
Step 3 Application processing and approval of the project by the Norwegian Research Council.
Step 4 Application quality assurance by Innovation Norway.
Step 5 Notification of project approval and potential limitations are sent to the applicant.
Step 6 Formal project approval.
Step 7 Submission of the annual report by the company.
Step 8 Verification of the projects' accounts on the RF-1053 tax form by an auditor.
Step 9 Approval of the tax deduction claim based on the company's R&D costs by the Norwegian Tax Administration.



#### Examples of projects receiving SkatteFUNN support:

- ✓ Kristiansand Dyrepark AS: Automated ticketing, entrance and payment systems for amusement parks.
- ✓ Norsk Helsetelefon 24 AS: Sickness absence reporting.
- ✓ DiaGenic ASA: Blood-based gene expression signature for mild cognitive impairment.
- ✓ 2K Tools AS: Drill String Internal Wiper System.
- ✓ Origo Engineering AS: Energy recovery and environmental technology for smelting plants.
- ✓ Bipper Communication AS: Bipper – Kids in touch.
- ✓ RiksTV AS: Push Video on Demand – the Alltid Underholding service.
- ✓ Safezone AS: Safezone – making pedestrian crossings safer.

#### SkatteFUNN – A Popular Initiative

The SkatteFUNN scheme enjoys widespread popularity among Norwegian companies as it helps companies to implement projects that might otherwise not have been possible. It reduces development-associated risks and does not involve competition between companies for a limited amount of funding. During the scheme's ten-twelve years of existence, about 30,000 ideas for industry-oriented projects have been submitted. This number of applications attests to the success of the scheme. SkatteFUNN has a great impact on Norwegian businesses, and the government will increase allocations to this scheme by roughly NOK 100 million in 2014.

Information sources:

<http://www.forskningsradet.no>

<http://erawatch.jrc.ec.europa.eu>

# Norwegian social benefits connected with having a child – Part 1

## Maternity and paternity leave

It can be noted that recently more and more foreigners working in Norway have become interested in various social benefits, and there has been a particularly significant increase in the area of benefits connected with having a newborn. On a couple of occasions, in our articles we have touched upon the subject of child benefit (barnetrygd) and cash benefit (kontantstøtte) for the children of a parent working (and paying national insurance contributions) in Norway.

In this article, we would like to mention the topic which lends itself to many various interpretations, and as a result persons applying for this type of social assistance are often put in a difficult situation in the face of unclear regulations and requirements that they should fulfill in order to be provided with this sort of help. This topic is the so-called **maternity leave (foreldrepenger)** and its particular form, **foreldrepenger til far (paternity leave)**.

***What are the basic requirements that need to be fulfilled for a person to be eligible for such a benefit?***

Basic requirements:

- you need to have worked for a minimum of 6 of the last 10 months and have achieved an income of  $\frac{1}{2}$  of the G stake, i.e. a minimum of NOK 44,185.
- if, in the meantime, the applicant has received e.g. sickness benefit (sykepenger), parental benefit (foreldrepenger), unemployment benefit (dagpenger under arbeidsløshet), work assessment allowance (arbeidsavklaringspenger), then the income is taken as an equivalent of the achieved income, i.e. it entitles them to receive maternity quota.

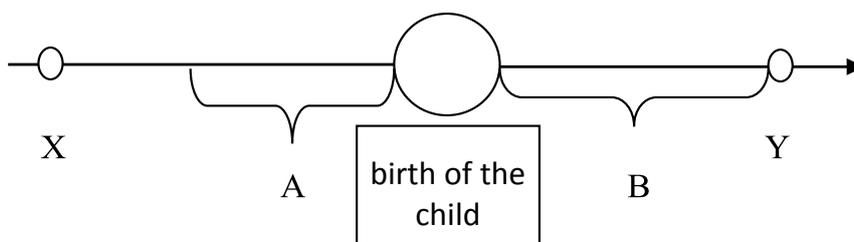
***How long can you receive foreldrepenger for and when is it best to apply?***

According to the new rules, in the case of children born after July 1st, 2014, the division of leave between the parents is as follows:

**A. THE DIVISION OF LEAVE IN A SITUATION WHEN BOTH PARENTS ARE ELIGIBLE FOR FORELDREPENGER (mother and father of the child live and work in Norway)**

- combined length of leave is 49 weeks (full leave - 100%) or 59 weeks (partial leave - 80%),
- 3 weeks prior to giving birth are reserved solely for the mother,
- 10 weeks reserved for the mother (mødrekvote), of which 6 weeks after giving birth are reserved solely for the mother,
- 10 weeks reserved for the father (fedrekvote),
- shared period: 26 weeks (100%) or 36 weeks (80%).

The time period for receiving foreldrepenger during leave (permisjon) is divided between the father and the mother of the child as shown below:



**X – 27th week of pregnancy** – this is the earliest time for applying for foreldrepenger – you need to include a copy of the health insurance card (helsekort) and a confirmation of the Estimated Date of Delivery (EDD) from the doctor (Note! only in a situation when the mother has the right to foreldrepenger, so when she fulfills the requirements necessary to receive the benefit, i.e. she has achieved an income in Norway);

**A – 3 weeks prior to giving birth** are reserved for the mother of the child (only she can use them, otherwise they fall through), the mother cannot work at that time;

**B – 6 weeks after giving birth** are reserved for the mother of the child (they are included in mødrekvote and it is only the mother who can use them, otherwise they fall through), the mother cannot work then. It is also a period of time (from the day of giving birth until 6 weeks after giving birth) during which the father should apply for paternity leave, if he is the only one eligible for it. It is best, however, that he file an application between the day of delivery and the 3rd week after delivery;

**Y – 7th week after giving birth** – the date the father starts to receive his paternity quota, so that no days fall through in terms of the benefit (if the father is the only one eligible for foreldrepenger).

**B. THE DIVISION OF LEAVE IN A SITUATION WHEN IT IS ONLY THE FATHER WHO IS ELIGIBLE FOR FORELDREPENGER (mother is - working or not - in the country of origin with the child, while the father of the child lives and works in Norway)**

- the combined length of leave is **40 weeks** (full leave - 100%) or **50 weeks** (partial leave - 80%),
- **7th week after giving birth** – from this day the father can, at the earliest, receive the benefit and be on paternity leave,

Note! If the mother is not entitled to foreldrepenger, then while filing for foreldrepenger til far, the father waives his right to fedrekvote (it is already included at this time, so it is not calculated additionally).

**What happens if the father is the only one eligible for foreldrepenger?**

In such a situation, we use the term **foreldrepenger til far** (paternity leave for the father). This happens when the conditions are fulfilled for receiving the benefit by the father (achieved income of ½ of the G stake and working in the 6 of the last 10 months), whereas the mother of the child has not achieved such an income. This is a situation most frequent in the case of foreigners in Norway, whose family (wife

and child) are in the country of origin or live with them in Norway, but the mother does not work.

The father then has the right to a maximum of 40 weeks of receiving foreldrepenger til far (in the case of receiving the entire benefit – 100%) or up to a maximum of 50 weeks (in the case of partial receiving of the benefit, the so-called gradertuttak, which constitutes 80%). Receiving the full quota means that the father does not combine his benefit with being professionally active or that he has opted for a shorter period with the benefit. It is important that these decisions be agreed upon with the employer. The employer's approval for the duration of the leave is very important and always needs to be consulted with them prior to applying.

The father can begin receiving the benefit as of the 7th week after the birth of his child at the earliest. He should apply for foreldrepenger as soon as his child is born, and 3 weeks prior to the planned leave at the latest.

If he wants to use all of the weeks he is entitled to, he has to begin his foreldrepenger as of the 7th week after the child is born. Should he start later, then the unused weeks from the paternity leave will fall through. NOTE! There is a possibility to move some of the weeks from the father's leave until later. To do this, he must begin his foreldrepenger as of the 7th week after the child is born, use a minimum of 6 weeks of the leave, and when he is coming back to work (for e.g. 2 months, and to later be able to use the remainder of the leave's weeks), the mother must still remain at work.

When the father receives this benefit, there is a requirement for the mother of the child – if she has had maternity leave in the country of origin, she has to give it up and fulfill one of the conditions below:

1. Commence work;
1. Commence studies (at an approved educational institution, e.g. a state university);
1. Commence studies combined with work, which together make up for 'full time';
1. In connection with an illness, accident or being placed in hospital, be completely incapable of taking care of the child;

If the mother works 75% of her time or more, it is treated as working full time. When she works less – foreldrepenger for the father will be reduced respectively.

### ***How much will foreldrepenger be?***

The quota is calculated individually on the basis of the achieved income. Overtime is not included in the income, and neither is feriepengen nor allowance from

the employer. The employer must document the employee's income by sending the Intektsopplysninger form. NAV employees then compare this income with an average income achieved by the applicant in the period of the last 3 years. According to the officials, the current situation of the applicant is very important, therefore NAV pays special attention to the latest income (remuneration) achieved by the applicant prior to filing for the application

### ***Important information about the leave:***

- You can receive foreldrepenger and kontantstøtte (cash benefit) simultaneously. You cannot, however, receive kontantstøtte together with foreldrepenger in conjunction with adoption;
- The mother can be entitled to maternity leave in the country of origin, but for the father to be able to receive the quota, the mother must return to work/studies;
- The leave can be extended by 4 weeks and 1 day in a calendar year (legally regulated leave), but it is unpaid leave and the employer needs to provide their consent;
- If the mother has the right to foreldrepenger, then the father can request to be able to use his part of the leave (fedrekvoten) - best done in the period between the birth of the child and the 6th-8th week prior to the end of the mother's parental leave;
- The entire parental leave must be used before the child turns 3 or prior to the birth of the next child (if both parents are eligible for foreldrepenger);
- If the father wishes to use fedrekvote right after using the leave by the mother of the child, both parents have to request adjournment – on the day after the mother finishes her leave at the latest (form NAV 14-16.05). The reason for the adjournment is that the time period for both parents' leave and fedrekvoten are treated as one;
- If the mother is not entitled to foreldrepenger, then the father cannot file for the adjournment of his leave (foreldrepenger) for up to 3 years – the unused weeks then fall through.

Parental leave is a significant form of help for the parents as it provides both parents with the possibility of spending time with the child. Persons working in Norway should know their rights and exercise them, especially at such an important time for everyone when a child is born. In the next edition of our magazine, we will present other forms of financial support in Norway in connection with the birth of a child.

# Changes in Norwegian vacation law (ferieloven)

On July 1<sup>st</sup>, 2014, changes in vacation law (ferieloven) enacted by Storting came into force. New regulations increase employees' rights to postpone their vacation due to an illness. Changes were also made in the case of accumulation of years of unused vacation.

## ***Postponing of vacation due to illness that started during vacation***

### *Old regulations (prior to July 1st)*

The employees who, due to an illness, became totally unable to work prior to the vacation, could request their vacation be postponed until some time later in the respective year. If they already became unable to work during their vacation, the illness had had to last for at least 6 working days for them to earn the right to postpone free days lost because of the illness, and to go on vacation again later.

### *New regulations (as of July 1st)*

The requirement that an illness which began during vacation had had to last at least six days, was abolished. This change means that in the future employees can already request to get extra free days in exchange for the days when they were ill on the very first day of falling ill.

An illness that started during vacation has to be confirmed by a medical report. An employee has to submit the report to the employer immediately after coming back to work.

Vacation money (feriepenger) for unused vacation and accumulation of free days:

### *Old regulations (prior to July 1st)*

Employers could pay vacation money (feriepenger) for vacation which was due according to the law even if it was not used because of an illness or parental leave.

### *New regulations (as of July 1st)*

Paying vacation money for vacation that was unused because of an illness or parental leave is no longer possible.

The changes mean that vacation that was not used in a given year will be transferred to the next year. If the transferred vacation is not used during the next year, it will be transferred once again. One of the effects can be the accumulation of the unused vacation days.

To avoid such an accumulation, employers can exercise their right to plan the time of the vacation according to vacation law § 6 (1): 'The employer should discuss the time of vacation with the employees or their representatives and create a vacation list in advance. If they cannot come to an agreement, the employer shall plan the holidays according to the limits mentioned in §§ 7-9'.

If the employees demand to have their vacation postponed due to an illness, the employer should seek to arrange the situation so that the employees – if it is possible – use their vacation before the end of the year.

Vacation law § 6 (2), first section, states that employees can demand to have the planned time for their vacation announced as soon as possible and no later than 2 months prior to its commencement, but with the remark: 'unless special circumstances prevent that'. Situations when employees come back to work after an illness, which started during their vacation, shall by the end of the year be such 'special circumstances' and the employer will have the right to determine a new time for the vacation. This applies even if, for example, it is less than 2 months left until the end of the year, and it is not possible to announce the time of vacation at least 2 months before it starts.

## ***Paying of vacation money when contract is terminated***

Enacted changes in vacation law do not apply to the employees' right to have their earned vacation money paid when the contract is terminated – see vacation law § 11 (3), first section: 'When the contract is terminated, all vacation money (feriepenger) earned by the employees should be paid together with the last normal salary before the end of work. This part of vacation money which cannot be calculated at that moment, may be paid when the final assessment is made.'



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# Norway announces stepping up of the fight with economic crime

Money laundering, the use of illegal labor or missing controls at a workplace – unfortunately, such phenomena become more and more common, especially within the construction industry. Norway decided to fight with them more effectively and thus allocated additional resources for that purpose.

Oslo police received NOK 2.6 million for the new project whose purpose is to fight economic crime within the construction industry.

The new venture will be an interdepartmental project, implemented in close cooperation with other institutions.

- 'Interdepartmental cooperation shall lead us to success. Reports from individual regions indicate that illegal labor and money laundering are very common, and result in increasing social dumping. This is a very important social problem', says Hans Sverre Sjøvold from the police department in Oslo to the Norwegian newspaper Aftenposten.

The project will run for three years. To fight crime at a workplace, the police will work closely not only with prosecutors and control authorities, but also with the private sector.

The money granted for implementing the project will be used for paying salaries to employees who worked overtime and for covering the cost of the necessary equipment.

- 'Our priority is crime within the construction industry, which is very high', adds Sjøvold.

The construction industry is the environment where we can approach various types of crime. There is much more than just illegal labor and money laundering. The lack of control over a number of people at

a workplace results in problems with safety and quality of work. It can lead to serious consequences for both workers and people who will use the building in the future.

Money laundering and systematic bankruptcies of companies are a well-planned strategy whose purpose is to cover up crimes. Companies that operate this way can lower rates, create unfair competition and oust honest companies from the market. This is the other problem the police want to prevent more effectively. Earlier bankruptcies were analyzed after the closure of insolvency proceedings, but now it is about to change, and money flow will already be closely followed during the proceedings.

Another problem within the branch is the functioning of too many layers of subcontractors, which makes it difficult for the main customer to control specific construction projects.

Unfortunately, the problem with crime at a workplace applies to the whole country. Inspections carried out in Bergen during spring of this year showed irregularities in 8 out of 10 investigated companies. Inspectors found money laundering and blatant exploitation of workers, as well as tax and social contributions fraud.

Inspectors from Bergen work with tax collectors, tax authorities, police and NAV. The employees of all of these institutions express the opinion that

the situation is worse than ever and the problem is spreading.

The government wants to fight economic crime by increasing the penalties for serious violations of law at a workplace from 1 to 3 years of prison time. A meeting to discuss this is to be convened before the new year.

At the request of the government, The National Trade Union of The Construction Industry appointed a special commission that will determine the means and methods to fight organized economic crime within the industry.

The commission suggests, inter alia, creating a new central approval system, as well as the enlargement and improvement of the system of identification cards and intensified controls by Norwegian authorities.

The problems within the construction industry listed in this article are only a drop in the ocean. Companies operating according to binding regulations that cannot offer rates for the execution of an order as low as their unfair competition, suffer the most. The government hopes actions taken against crime in the construction industry and other branches will change this situation.



# EUR 70 billion to allocate

Horizon 2020 is the new EU grant program for scientific and development research, which will, until the year 2020, have a total budget of EUR 70 billion at its disposal.

Norwegian enterprises and scientific circles can also partake in the project, together with colleagues and competition from other European countries, all of which makes it a fairly exciting new venture. Horizon 2020 will constitute a substantial part of the endeavors towards economic growth and employment in Europe in the coming years.

Horizon 2020 focuses its input on three major fields: exceptional science, competitive economy and research with a view to solving the challenges that society is faced with.

Within the first category, the European Scientific Institute (ESI) will come first, together with mobility programs, technologies of the future and infrastructure. Within the competitive economy, there will be such key technologies as Information Technology (IT), nano- and biotechnology, and cosmic technology, financing regulations for risk capital, as well as innovation of Small and Medium Businesses (SMBs).

Within scientific research with a goal to solve social regulations, there have been these main topics assigned. These are:

- Healthcare and demographic changes,
- Food control and safety, maritime research, balanced utilization of land, and bioeconomics,
- Safe, clean and effective energy,
- Intelligent, ecological and integrated transport solutions,
- Climate, environment, and resources and materials exploitation,
- Tolerant, innovative and civil society,
- Safe society.

## ***Topic of the Innovation Forum's members' meeting***

Innovation Forum Norway, which is one of the leading meeting places and a network for professional innovators in Norway, includes a legal regulation which has been set as the main feature of the program during its members' meeting in August.

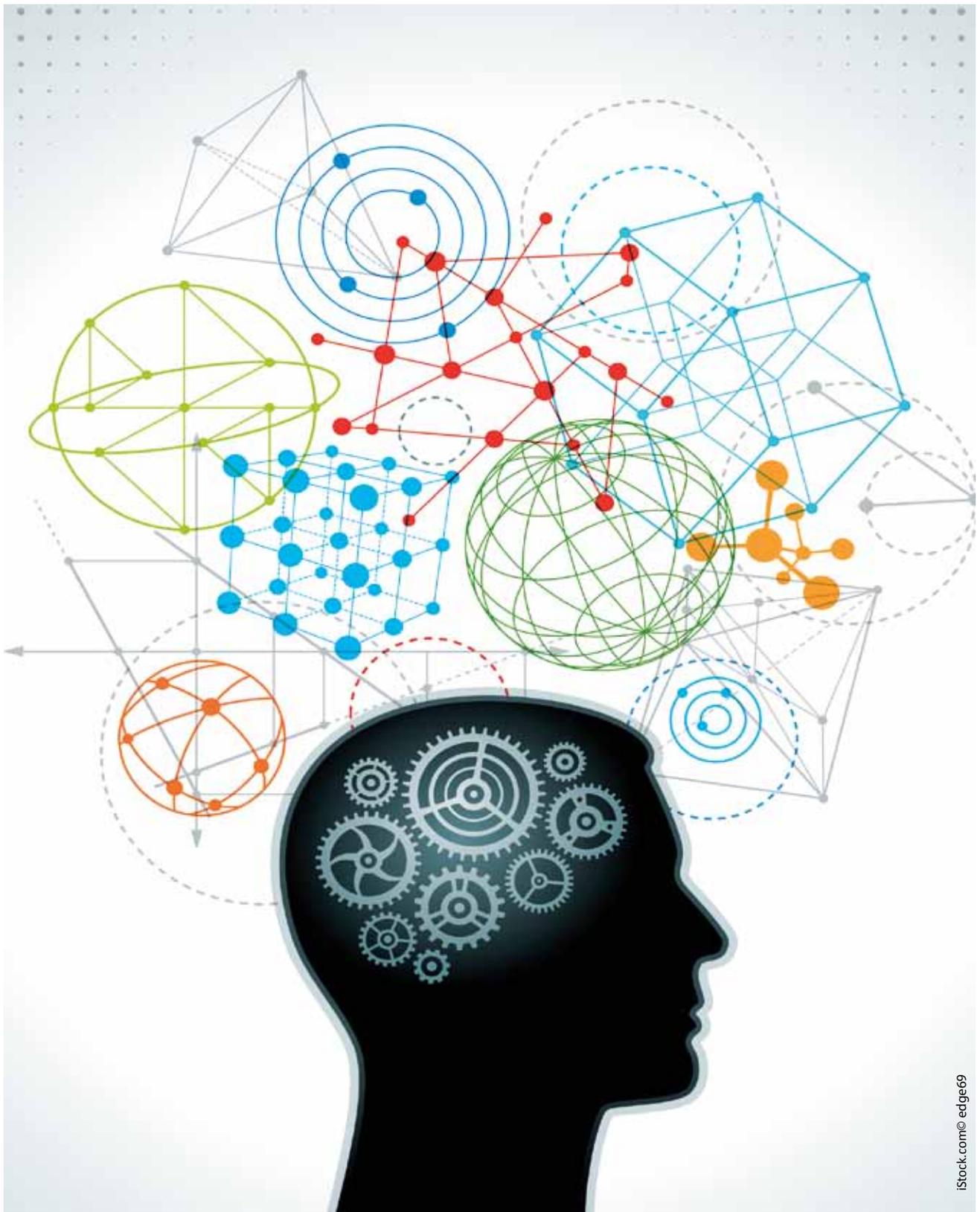
Tuesday, August 26th, was the date of the first meeting of Innovation Forum's members and cooperation with Norges Forskningsråd (The Research Council of Norway) in their new location in Lysaker.

During the meeting, some of the leading experts in Norway have dealt their experience with others and have pointed to what exactly is needed to achieve success in the process of the filing of applications. There was also time for discussion and reflection.

The members' meetings also serve as a good opportunity to delve into various offers, where The Research Council and its partners offer assistance in regard to internationalization - these are prepared by, among others, those responsible for SkatteFUNN, Eurostars, Enterprise Europe Network.

- 'The fact that Innovation Forum organizes its meeting in our new and elegant meeting center in Lysaker, provides The Research Council with a fantastic opportunity to present itself and show its input, both as regards EU and Horizon 2020, but also here on the domestic front through such regulations as SkatteFUNN, BIA, Næringsphd and many others. Such broad forums give us a possibility to establish contacts with enterprises, which in turn on our part enables us to strengthen innovation', says Anne Kjersti Fahlvik, Executive Director at The Research Council.

The Research Council is keeping busy building many solid bridges between scientific research that takes place and innovation works in miscellaneous



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enterprises, so that these two branches strengthen each other mutually. Combining knowledge and values can provide Norwegian enterprises with an even bigger potential to shape values in the future.

Both The Research Council of Norway ([www.forskingsradet.no](http://www.forskingsradet.no)), as well as Innovation Forum Norway ([www.innovationforum.no](http://www.innovationforum.no)) will be able to answer all

types of questions pertaining to the topics of this article. On the Internet sites given below for both organizations, you can also receive more detailed data and find contact details for particular persons should such a need arise. Polish Connection will also be happy to help with the process of the filing of applications or in communication with these organizations. Please feel free to contact us.

# Electric vehicles in Norway – continuous trend or fashion?

In the last few years, electric vehicles have gained more and more followers in Norway. As they use electrical energy stored in batteries or other energy storage devices, electric cars are an economic and eco-friendly opportunity for people who want to keep up with the newest trends.

New technologies in the field of power management and battery production contributed to the revival in electric vehicle manufacturing, which has occurred over the last 6 years. What is more, customers' concerns about increasing oil prices and the government's aim to reduce greenhouse gas emissions, were additional factors which enabled electric vehicles' manufacturers to gain market share in Norway.

As a result, Norway is the country with the largest electric vehicle ownership per capita in the world, due to the number of inhabitants. However, there has never been a specific strategy behind this outcome. It is an effect of a time-consuming process adopted over the last decades to support electric vehicle industry in the country. One of the major goals was to reduce emissions from road transportation. Was this achieved?

## ***Nissan Leaf and Tesla model S – leaders of eco-friendly changes***

Norway is the largest European market for both Tesla Model S and Nissan Leaf. It is the first country in the world to have electric cars topping new car sales ranking. The Tesla Model S became the top-selling new car several times, twice in 2013 alone. The Tesla Model S broke the 28-year-old record for monthly sales of a single model, with 1,493 units sold, surpassing the Ford Sierra, a champion in May 1986. The Nissan Leaf (Leading, Environmentally friendly, Affordable, Family car) has topped the monthly new car sales ranking twice, first in October 2013 and again, in January 2014.

Are those cars environmentally friendly indeed? According to statistics, electric cars in Norway are among these environmentally purest in the world, and this is because almost 100% of electricity in Norway comes from hydroelectric power stations.

## ***Electric vehicle market share in Norway***

The Norwegian plug-in electric vehicle market share of new car sales is the highest in the world - it reached 5.6% in 2013. As of December 2013, 20,486 plug-in electric vehicles have been registered in Norway, including 19,799 all-electric cars and 687 plug-in hybrids.

In March 2014, Norway became the first country where over one in every 100 registered passenger cars is plug-in electric - there were 26,886 plug-in electric vehicles registered in the country. In August 2014, a total of 35,902 plug-in electric vehicles were registered in Norway, of which 95% were all-electric vehicles.

## ***Government's Incentive***

The Parliament of Norway set the goal to reach 50,000 zero-emission vehicles by 2018. Among the existing government incentives, all-electric cars are exempt from all non-recurring vehicle fees in Norway, including purchase taxes, which are extremely high for ordinary cars, and 25% VAT on purchase, making electric car purchase price competitive with conventional cars. Electric vehicles are exempt from the annual road tax, public parking fees, toll payments, as well as the option for using bus lanes. Electric ve-



hicles cost less to insure and can be charged with free electricity from thousands of charging points. Local governments will also subsidize the installation of charging points in homes.

What is more, another initiative emerged – the Green Car (“Grønn Bil” in Norwegian). The aim of the project is to get 200,000 Norwegians to buy a car with a plug by the year 2020. In order to achieve this, the Green Car provides municipalities with support to successfully introduce electric vehicles and plug-in fleet. Moreover, the Green Car prompts local authorities to match operational and financial requirements. The project is also about working with electric vehicles’ manufacturers and importers to make sure the supply on the market is sufficient.

There are some controversies regarding the government’s incentives. Among them are: shortage of parking spaces for owners of conventional cars due to preference given to electric cars, potential traffic congestion in Oslo’s bus lanes due to the increasing

number of electric cars, high public subsidies as compared with the value of the reduced carbon footprint of electric vehicles, and the loss of revenue for some ferry operators due to the large number of electric cars exempt from payment.

In conclusion, electric vehicle market in Norway seems to have a bright future. Many of the incentives available in Norway make this country one of the pioneers in the field of electric cars, and encourage many Norwegians to buy an electric vehicle for themselves. Norway can be an example to other countries on how to combine eco-friendly policy of the government and introduce new technologies.

Source:

Norsk Elbilforening; <http://www.elbil.no/>

Grønn bil; <http://www.gronnbil.no/>

EV Norway; <http://www.evnorway.no/>

# Do you use workers hired out by other companies? Have joint and several liability in mind.

In recent years, offers from companies hiring out workers have become more and more common. Workers are hired out to other companies by both Norwegian and foreign employers. This is a common occurrence in the construction industry, but it has also started to become more and more popular in other branches. However, companies which use workers hired out from other companies are often unaware that the law on paying taxes makes them co-responsible for fulfilling the obligation of paying hired workers' income tax and social security contributions (employee's and employer's part). This is what is called joint and several liability.

Hiring out workers means that a contractor (company hiring out workforce) rents its employees to a customer (company using workforce), and the work is done under the customer's control and leadership. In other words, the contractor shares no responsibility for the end-result. The law on paying taxes states, however, that both the contractor and the customer share joint and several responsibility for the fact that the legally established income tax and social security contributions (employee's and employer's part) related to the workers' salary, are paid to the tax collector's office.

Joint and several liability is in force whether the contractor is a Norwegian or a foreign entity, but using workforce hired out by foreign companies entails, of course, a greater risk.

Such liability is also binding when someone hires out their own workforce through a proprietorship or other organizational form. In such cases, the tax office will conduct an individual analysis of the connections. If the result is akin to a normal employment relationship, the tax authorities will also use the rule of joint

and several liability. The result of the analysis will be based on such factors as: whether the contractor has more than one customer, whether they work in their own office or on the customer's premises, who is responsible for the end-result and how long a period the contract covers.

If the contract covers a long period, the contractor works on their customer's premises, uses the customer's equipment and they do not work for other entities, the customer sets themselves up for the risk that they will not avoid joint and several liability in case of any potential faults.

The aforementioned regulations are binding from the day the worker is hired. In other words, there are no indications for hired workers to work without the customer's joint and several liability for some time.

Joint and several liability can be avoided if the customer and the contractor enter into an agreement that will clearly define the rules concerning liability and give the customer the right to access the documentation regarding paying hired workers' income tax and social security contributions.

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# Kleven signs contract with Maersk Supply Service

Kleven has entered into a contract with Maersk Supply Service, a provider of global offshore marine services, for the building of six anchor-handling vessels. The deal also includes options for four additional vessels.

The ordered vessels are 95 meters long, of the SALT 200 AHTS design from Salt Ship Design. They will be collectively built by the company's two Norwegian shipyards - Kleven Verft and Myklebust Verft.

The first six vessels are to be delivered from the last quarter of 2016 (Q4 2016) until the third quarter of 2017 (Q3 2017). As long as all options are declared, the last vessels from the contract will be delivered in 2018.

The value of the contract has not been disclosed.

Other Norwegian equipment providers will also take part in the contract, contributing their products and services.

'It is an exceptionally good day', said the company's Chief Executive Officer, Ståle Rasmussen, during contract celebrations.

## ***Almost a hundred years of history***

Kleven is a family-owned company active within the shipbuilding industry and with a history spanning almost a hundred years. It owns and operates two yards in Norway – Myklebust Verft in Gursken and Kleven Verft in Ulsteinvik. The yards are equipped with facilities for early outfitting and hull assembly, as well as service, repair, rebuilding and docking for the majority of vessel types, including anchor handling tugs and seismic vessels.

In August 2012, the company changed its name from Kleven Maritime to Kleven, however its portfolio remains the same.

The company's annual turnover amounts to approximately USD 500 million.

## ***Rumors and speculation***

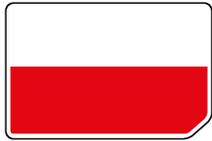
Kleven has many associations with Poland and the Polish workforce, and a lot of Poles have worked for the company.

In the beginning of 2014, the Polish media speculated that the company could take over the Polish shipyard in Gdansk (Stocznia Gdańsk).



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