

# *Doing business in Norway*

## Global Mobility

*A checklist for foreign  
based companies when  
sending employees to  
Norway - registration  
and reporting obligations  
you need to be aware of*



When a non-Norwegian based company renders services or sells products in Norway or on the Norwegian continental shelf, and employees spend time in Norway due to this delivery of services or goods, several reporting obligations may follow.

In addition, the foreign entity may be required to withhold taxes from the employees' salary and be in compliance with other regulations in accordance with the Norwegian Employment Act, etc.

This information folder briefly describes what the contractor already operating in Norway and the foreign company will need to do in order to be in compliance with the Norwegian tax law. It also includes information we will need to receive in order to assist.

### **1. Duty to inform the authorities about the contract for service or product delivered**

When a company or a public body gives assignments to foreign contractors for work in Norway, the company/public body is generally obliged to inform the Norwegian authorities about the contract with the foreign based company. Part 1 of the form RF1199 has to be submitted to the Central Office for Foreign Tax Affairs (COFTA) in order to register the contract.

The due date for filing the form is 14 days after work has started.

### **2. Duty to inform the authorities about the personnel in Norway**

When the contract is to be reported (see 1. above), any employees working in Norway on this contract should be reported. Part 2 of the form RF1199 has to be submitted to COFTA which will register and provide the employee with a Norwegian identity number.

The due date for filing the form is 14 days after work has started.

Within 14 days after the employee has ended the work in Norway, the cancellation part of the form has to be submitted.

Please note that the duty to register exists irrespectively of tax liability.

### **3. Obligation to meet for an ID check for foreign workers**

Foreign workers must report to their local tax office (ID office) for an identity check. An overview of the Tax Administration's 42 ID offices can be found at [skatteetaten.no/idoffices](http://skatteetaten.no/idoffices).

Workers must bring the following documents with them to their ID check:

- Valid passport or national ID card approved as a travel document in the Schengen Area.
- Form RF-1209 "Application for tax deduction card for foreign citizens".
- Employment contract or written confirmation of work assignments in Norway.
- Persons from countries outside the EU/EEA area must also document that they have a residence permit giving entitlement to work in Norway.

PwC may review the necessary documents and accompany your employees to the tax office in order to secure the process for obtaining Norwegian ID numbers.

## **Table of contents**

- 1. Duty to inform the authorities about the contract for service or product delivered**
- 2. Duty to inform the authorities about the personnel in Norway**
- 3. Obligation to meet for an ID check for foreign workers**
- 4. Obligation to register with the Central Coordination Registry for Legal Entities**
- 5. Duty to report income and tax withholding, and payment of tax**
- 6. Employees' duty to file a personal income tax return**
- 7. Obligation to contribute to the Norwegian social security system**
- 8. Registration of staffing enterprises**
- 9. Other issues to be aware of when having employees in Norway**

### **4. Obligation to register with the Central Coordination Registry for Legal Entities**

A company or self-employed person who is engaged in business activity in Norway or on the Norwegian continental shelf must have an organisation number. The same applies to businesses that only have employees who work in Norway. The organisation number is necessary in order to meet certain statutory obligations. For example, the payment of tax withholdings, national insurance contributions and value added tax.

The organisation number must be included on all the entity's business documents.

The registration with the Central Coordination Register for Legal Entities will not in itself lead to a corporate tax liability or a VAT liability in Norway.

### **5. Duty to report income and tax withholding, and payment of tax**

#### **Tax withholding**

The foreign employer is obliged to withhold and pay tax. The basis for tax withholding is the employees' salary received while working in Norway. In addition, the social security employer's part has to be paid (if not exempted). Exemptions from tax withholding can be granted if the employee is concluded not to be taxable to Norway.

#### **Salary and remuneration reporting**

Information regarding income and tax withholding has to be submitted to the tax authorities on a monthly basis. The reporting is done by submitting the a-melding electronically in the web portal Altinn. The due date for submitting the a-melding is no later than the 5th in the month after the payroll month, i.e. for January the due date is on 5th February onwards.

The tax withholding and the social security employer's part reported in the a-melding have to be paid as follows:

PwC can assist your company with the calculation of tax due, preparation of payroll reports due, instruction of payments, etc. In order to assist you, we need a summary of all remunerations awarded to the employee. Access to the web portal Altinn is needed.

The summary should contain details about:

- Salary, bonus, overtime, etc.
- Various allowances
- Benefits in kind, such as accommodation, phone, etc.

Remuneration period	Reporting and payment due
January-February	15th March
March-April	15th May
May-June	15th July
July-August	15th September
September-October	15th November
November-December	15th January

In order to calculate the correct tax liability, we will also need information regarding the employee's:

- Family and residency status
- Social security status
- Periods of work/stay in Norway

#### **6. Employees' duty to file a personal income tax return**

All employees who have performed work in Norway are obliged to file a personal income tax return by the end of April the year after the fiscal year, i.e. calendar year.

The tax residency status of the individual will decide if the declaration shall include Norwegian sourced income only or world wide income.

PwC can assist with the completion of the tax return.

#### **7. Obligation to contribute to the Norwegian social security system**

A person working in Norway is considered compulsory insured under the Norwegian National Insurance Scheme. The social security contribution (employee's part) amounts to 8.2% of gross taxable employment income and the employer's part amounts to 14.1% of gross employment income, including the employer's contribution to the employee's pension plan.

If the employee is seconded from a country where a social security agreement is in place, i.e. covered by the EU/EEA-regulations, or agreements with USA, Australia or Canada, exemptions from paying the entire amount may apply. Norway also has social security agreements with Chile, Turkey, Croatia, Serbia and Montenegro and Quebec.

If the employee obtains a certificate of continued membership from the home country's social security authorities according to the social security agreement, the certificate shall be submitted to the Norwegian social security authorities (NAV) for approval. The NAV office will notify the tax authorities and the Tax Collector's Office about the exemption and that social contribution is not to be paid to Norway either in full (EU-countries and Australia), or in part, (USA and Canada). PwC can assist you with these matters.

#### **8. Registration of staffing enterprises**

All staffing companies engaged in hiring out labour in Norway have a duty to report these activities to the Norwegian Labour Inspection Authority, which will register the company in a public register of staffing enterprises.

PwC can advise if a registration is required, and if so, assist with the registration.

#### **9. Other issues to be aware of when having employees in Norway**

##### **Will the Norwegian employment law affect the working condition, salary level and benefits?**

The Norwegian Employment Act has mandatory regulations applicable for all employees working in Norway. This could result in the employee's right to a higher holiday allowance and/or salary. PwC may assist you with reviewing any consequences working in Norway will have for your employees. We can also assist with writing employment contracts, etc.

##### **Is a Norwegian pension plan required?**

When the employees are mandatory members of the Norwegian social security system, the employer is required to establish and contribute to a mandatory occupational pension scheme in Norway. It is possible to be granted an exemption, and PwC can assist you in this respect.

##### **Is an occupational injury insurance required?**

Everyone who performs work for an employer is covered by the Norwegian Occupational Injury Act. The law ensures employees compensation for injury/illness as a result of an occupational injury. Everyone has these rights, regardless of whom their employer is. The employer, unless he is insured, will need to cover the amounts payable according to the law in the event of an injury. It is the employer, or the contractor if the employees are hired in to work for the contractor directly, who is responsible to cover any injury.



***For more information, please contact:***

---

**Arne Jermund Stavheim**

Director

[arne.jermund.stavheim@no.pwc.com](mailto:arne.jermund.stavheim@no.pwc.com)

+47 952 60 608

---

**Erland Nørstebø**

Partner

[erland.norstebo@no.pwc.com](mailto:erland.norstebo@no.pwc.com)

+47 952 60 669

---

**Rune Strømhylden**

Director

[rune.stromhylden@no.pwc.com](mailto:rune.stromhylden@no.pwc.com)

+47 952 60 289