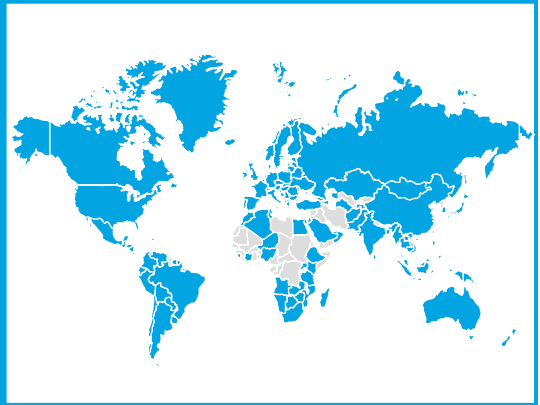


INPATRIATES

Norway

Tax facts for international assignees



INCOME TAX: WHO IS LIABLE/RESIDENCY

Non-residents are taxed on income earned in Norway if they are regarded as tax liable and are not exempt according to an applicable tax treaty. Depending on the length of the stay, this includes wages/salaries allocated to workdays in Norway, payments for housing, school tuition for children, telecommunication, insurances exceeding the tax free amounts, and other assignment based allowances.

Residents are taxed on worldwide income regardless of where it is earned or paid.

A foreign national becomes a Norwegian resident according to § 2-3 of the Norwegian Tax Act from the income year in which the assignee's stay exceeds 183 during a 12 month period, or 270 days during a 36 month period. If the assignee arrives in Norway in October year 1, and stays until June in year 2, the assignee will be regarded as 'limited tax liability' in the first year and as a 'tax resident' the following year.

If the assignee is a 'tax resident' in Norway pursuant to Norwegian domestic rules, but also a tax resident in another country pursuant to a tax treaty, the assignee is nonetheless obliged to submit a fully completed tax return to the Norwegian tax authorities.

Individual Tax Return

As the Norwegian tax authorities receives information through the payroll reporting, as well as banks etc. the tax return is prepopulated.

The assignee is responsible for reviewing the prepopulated tax return for any mistakes or omissions, if so the tax return needs to be changed.

The deadline for submitting the tax return in paper is the 30th of April of the following income year.

REGISTRATION/FORMALITIES

Any contract or subcontract awarded to a foreign company has to be reported to the Central Office for foreign tax affairs (COFTA) on the portal for reporting information about assignments, contractors and employees.

This reporting is mandatory regardless of the contractor's or the employee's tax liability.

ID-Check

Foreign assignees need to meet at a local tax office for an identity check shortly after arrival. The assignee has to bring the following documentation:

- Valid passport
- Form RF-1209 application for tax deduction card for foreign citizens.
- Employment contract or written confirmation of work assignments in Norway

Withholding Tax

The employer is obliged to withhold the tax according to the tax deduction card, which is issued after having met for an ID-Check at the local tax office, where the RF-1209 form needs to be delivered. according to § 5 of the Norwegian Tax Payment Act, as well as payment of bimonthly withholding tax and social security contribution 6 times a calendar year.

Payroll Reporting

The 'a-melding' must be submitted by all who pay salaries, pensions and remunerations. The a-melding collects and contains information about salaries and employments. This information is collected in one report, the 'a-melding', and must be submitted electronically by all who pay salaries, pensions and other remunerations at least once every month.

INCOME TAX RATES

| Tax rate | Income | Maximum marginal income tax rate |
|----------|---------------------------|---|
| 23 % | 0 NOK - 169 000 NOK | Excluding employer's contribution 46.6 % |
| 1,4 % | 169 000 NOK - 237 900 NOK | |
| 3,3 % | 237 900 NOK - 598 050 NOK | |
| 12,4 % | 598 050 NOK - 962 050 NOK | |
| 15,4 % | 962 050 NOK | |

SOCIAL TAX RATES

| Zone | Tax rate |
|----------|----------|
| Zone I | 14.1% |
| Zone Ia | 14.1% |
| Zone II | 10.6% |
| Zone III | 6.4% |
| Zone IV | 5.1% |
| Zone IVa | 7.9% |
| Zone V | 0% |

The employee's contribution rate is 8.2%

An employer's contribution is called "arbeidsgiveravgift". This contribution are dependent on each municipality which are assigned to "zones". The following link provides an overview of the zones:

<http://www.skatteetaten.no/en/Rates/Employers-national-insurance-contributions---zone-subdivision/>

According to the EU's new guidelines for regional aid, differentiated employer's national insurance contributions can no longer be given in certain areas of the transport, energy, finance and insurance sectors.

In these sectors, a tax-free amount scheme corresponding to that in Zone Ia has therefore been introduced.

In the agglomeration Zone I the contribution is 14.1% of the gross income.

For further information and to register for future updates contact expat@bdo.global

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations. The information contained within this publication is based upon information available up to the version date indicated in the document footer, and is accurate only as of such version date. While every reasonable effort has been taken by BDO to ensure the completeness and accuracy of the matter contained in this publication, the information contained herein does not constitute an examination of any recipient's compliance with laws, regulations, or other matters. You should not act, or refrain from acting, upon the information contained herein without obtaining specific professional advice. Please contact the appropriate BDO Member Firm to discuss these matters in the context of your particular circumstances. Neither the BDO network, nor the BDO Member Firms or their partners, employees or agents accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO is an international network of public accounting, tax and advisory firms, the BDO Member Firms, which perform professional services under the name of BDO. Each BDO Member Firm is a member of BDO International Limited, a UK company limited by guarantee that is the governing entity of the international BDO network. Service provision within the BDO network is coordinated by Brussels Worldwide Services BVBA, a limited liability company incorporated in Belgium with its statutory seat in Zaventem. Each of BDO International Limited, Brussels Worldwide Services BVBA and the member firms of the BDO network is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BVBA and/or the member firms of the BDO network.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

© Brussels Worldwide Services BVBA, August 2018

www.bdo.global