

ACT
RELATING TO VALUE ADDED TAX
OF 19 JUNE 1969

amended by subsequent Acts, last by Act of 12 December 2003

Chapter I. Introductory provisions

Section 1.

In so far the Storting decides that a tax shall be paid to the Treasury on sales of goods and services at all stages and on importation, the rules in this Act shall apply unless otherwise laid down in another Act or in a decision by the Storting relating to the tax.

Section 2.

By goods are meant physical objects, including real property. By goods are also meant electric power, water from waterworks, gas, heat and refrigeration.

By a service is meant anything that can be supplied that is not regarded as goods as defined in the first subsection. Also regarded as a service are limited rights to physical objects or real property, together with the total or partial utilisation of intangible property.

Section 3.

By sale is meant:

1. The delivery of goods in return for a remuneration, including the delivery of goods produced on order or the delivery of goods in connection with the carrying out of services.
2. The carrying out of services in return for a remuneration.
3. The delivery of goods or the carrying out of services as total or partial return for goods or services received.

Section 4.

By output tax is meant tax which is to be calculated and paid on sale and on withdrawals.

By input tax is meant tax on purchase etc. of goods and services or on importation.

Section 5.

With the exception of the provisions in the Chapters XI, XII, XIX and XX, the Act shall not apply to:

1. Sales by:
 - a) Authors through exploitation of the copyright to their own literary and artistic works. The same shall apply to sales effected through a middleman in the name of the author.
 - b) Dental technicians who supply technical products made by themselves for use in medical and dental treatment.
 - c) Museums, theatres, cinemas, organisers of exhibitions, concerts and meetings, of catalogues, programmes, picture postcards and souvenirs.
 - d) Charitable and public utility institutions and organisations, of picture postcards, folders, calendars and other objects of trifling value, provided that such sales are occasional and are part of the activity of the institution or organisation concerned. The exemption also applies to sales by charitable and public utility institutions and organisations of goods at considerably inflated prices. The exemptions in the first and second sentences also apply to such sales by a commission agent.
 - e) ---
 - f) Idealistic, non-profit organisations and associations where contributions are received in the form of membership fees, and where these fees cover goods and services that form part of the organisation's or association's idealistic, non-profit activities.
 - g) Housing co-operatives of management services to an associated housing association.
2. Sale and rental of properties to other cinematographic film than advertising film.
3. Sale of stamps, notes and coins as collectors' items.

The Ministry may issue regulations for delimiting and supplementing the provisions in the first subsection and may stipulate that the businesses referred to in the first subsection, 1 f, shall

nevertheless calculate and pay VAT if the exemption brings about a significant distortion of competition in relation to other, registered, businesses that supply equivalent goods and services.

Section 5 a.

With the exception of the provisions in Chapters XI, XII, XIX and XX, the Act does not apply to the supply and letting of real property or rights to real property. The exemption to the letting of real property also covers the supply of goods and services that are delivered as part of the letting.

The exemption in the first subsection does not apply to:

1. the letting of car space in car parks,
2. ---
3. the letting of reception rooms in connection with the serving of foodstuffs,
4. the supply of the rights to use advertising space,
5. hire of storage lockers
6. sale of trees and crops on the root where this does not occur together with the sale of land,
7. sale of the right to extract mineral products and other natural products from land, and also hunting and fishing rights.

The Ministry may issue regulations for delimiting and supplementing the provisions in the first and second subsections.

Section 5 b.

With the exception of the provisions in Chapters XI, XII, XIX and XX, the Act does not apply to the supply of:

1. Health services and healthrelated services, including services as stated in Sections 5-4 to 5-12 of the National Insurance Act, and ambulance services rendered with specifically designed vehicles. This exemption also applies to dental technical services. This exemption also applies to the procurement of such services.
2. Social services, including services as stated in Section 4-2 of the Social Services Act, and services in children's and youth institutions. This exemption also applies to the procurement of social services.
3. Educational services and the procurement of such services.
4. Financial services, including
 - a) insurance and its brokerage services,
 - b) financing and credit services, but not financial leasing,
 - c) execution of payment orders,
 - d) valid means of payment and related brokerage services,
 - e) financial and similar instruments and related brokerage services,
 - f) the management of securities funds.
5. Services in the form of entitlement to attend theatre, opera, ballet, cinema and circus performances, exhibitions in galleries and museums. The exemption also covers the entitlement to attend concerts and sports events, and admittance to theme and adventure parks and centres. This exemption also applies to the procurement of such services.
6. Lottery services.
7. Services rendered as part of the execution of the duties of public authorities.
8. Ceremonial services provided in connection with funerals and interments.
9. ---
10. The provision of the letting of accommodation in connection with hotel businesses, etc.
11. Guide services and the provision of such services.
12. The right to take part in sports events.
13. Services connected with the serving of foodstuffs in school and student canteens.
14. Services in the form of artistic performances and the procurement of such services. This exemption also applies to services that are an integrated and necessary part of this presentation.
15. Services relating to the operation of community alarm systems.
16. ---

The exemptions for health and healthrelated services, social and educational services also cover other services and goods that the institution etc. normally supplies during the provision of

these services. The exemption also covers the hiring out of labour for the performance of those services covered by the first subsection nos. 1, 2 and 3. The exemption also covers the procurement of labour for the performance of the services covered by the first subsection no. 1.

The exemptions in the first subsection do not apply when the services are supplied or procured by the provider of electronic communication service by means of an electronic communication and where the payment for the service is demanded by the one who carries out the communication service.

The Ministry may issue regulations for delimiting and supplementing the provisions in the first and second subsections.

Chapter II. Administration of the tax.

Section 6.

The King shall issue rules for the administration and supervision of the tax.

Section 7.

Any person charged with a public office, post or task associated with the administration of the tax under this Act, shall within the limits imposed by his functions maintain silence with regard to what in the course of his work, has come to his knowledge, concerning to any person's business, economy, capital or earnings and any other financial and personal circumstances that are not generally known. Nor must he make use of his knowledge of such circumstances in his own economic activity.

The provisions contained in the first subsection shall not prevent information being given to other public authorities for use in their work with customs duties and other dues to the State or with taxes to the State or municipality or for statistical use. Nor shall the provisions contained in the first subsection apply when the public interest warrants that the information should be given and the Ministry agrees thereto. Nor shall the duty of confidentiality prevent the exchange of information (co-ordination) as provided for in Act of 6 June 1997 no. 35 relating to the Register of Business Reporting Obligation.

Any person receiving information pursuant to the second subsection is in his turn bound to observe secrecy thereon.

Section 8.

Any person charged with a public office, post or task as set out in Section 7, first subsection, shall make a written declaration to the effect that he will carry out his office or work impartially and to the best of his judgement and conviction, in accordance with the law, and that he will observe the obligation to maintain secrecy.

Section 9.

Sales returns and other tax documents shall be retained for at least ten years. The Ministry shall issue regulations for the method of preservation and the process to be observed in destroying the documents.

Chapter III. Liability to pay tax.

Section 10.

Persons engaged in trade or business and liable to registration shall calculate and pay tax on sales and withdrawals as set out in Chapter IV. In case a person goes bankrupt or dies, the estate shall be liable to calculate and pay tax on sales and withdrawals effected after bankruptcy proceedings were opened or death occurred, and to the extent taxability would have been existent on part of the debtor or deceased. Sales on commission are considered as sales both by the principal and the commission agent. In the case of sales by auction, tax shall be calculated and paid by the auctioneer.

The rules set out in the first subsection, first sentence, shall also apply to co-operative undertakings which in return for payment directly or through the medium of dues or grants, distribute goods or services or effect sales for members. It is immaterial to the liability to pay tax whether the goods or the co-operative services are invoiced and paid outside the enterprise.

Persons engaged in trade or business, who are aliens and who have no place of business or residence in Norway, shall, unless otherwise provided, calculate and pay tax through a representative. The representative shall also be liable to pay tax.

Persons in trade or business, who on their own account carry on an activity that involves the construction, renovation, modernisation etc. of buildings or structures for sale or letting, shall, when goods and services are used in that activity, calculate and pay tax as in the case of withdrawals. The provisions of Section 14 shall similarly apply.

The King may, after calling for an opinion from a consultative committee, decide that persons engaged in trade or business whose activity comes outside the scope of the Act, shall calculate and pay tax on goods they produce or services they render for their own use in such trade or business. The King will decide what shall be included in the taxable amount and if and to what extent deduction may be made for input tax.

The Ministry may decide with binding effect who should be considered as persons engaged in trade or business according to the provisions of this Section.

The Ministry may make regulations relating to the implementation of the provisions in the third subsection and prescribing that the tax may be calculated and paid in some manner other than through a representative.

Section 11.

The State, municipality and institutions which are owned or operated by the State and municipality are liable to tax in the same way as persons engaged in trade or business if they are engaged in the sale of goods or services as set out in Chapter IV.

When such institutions, individually or jointly, are engaged in activities which are aimed principally at satisfying their own needs, they shall only be liable to pay tax on their sales to others. In this case the liability to pay tax on withdrawals shall not apply when goods and services are appropriated by the institution for its own use, and deduction may be made only for input tax on goods sold and services rendered to others. The provisions in this subsection shall not apply to institutions or any activity organised as joint-stock companies, public limited company, co-operative societies or organised in accordance with the Act of 25 June 1965 relating to certain State enterprises etc. The King may, after calling for an opinion from a consultative committee, decide that the State, municipality and institutions which are owned or operated by the State and municipality, shall calculate and pay tax on goods that are produced or services which are rendered for their own use. The King will decide what shall be included in the taxable amount and if and to what extent deduction may be made for input tax.

Section 12.

Several enterprises operated by the same owner shall be regarded as one taxable enterprise.

If special accounts are kept for any single enterprise as mentioned in the first subsection, the tax authorities may decide that this part of the enterprise shall be regarded as one taxable enterprise. This shall also apply to any enterprise operated by the State, a municipality and an institution governed by the State or a municipality.

Collaborating companies may be regarded as one single enterprise liable to payment of tax when at least 85 per cent of the capital in each company is owned by one or several of the collaborating companies and the companies are registered as one entity. All the participating companies shall then be jointly and severally liable for correct payment of the tax.

Enterprises operated jointly by several persons (joint ownership or other forms of joint enterprise) shall be regarded as one taxable enterprise, unless otherwise provided by the tax authorities.

Chapter IV. Sales etc. involving liability to pay tax.

Section 13.

Tax shall be paid on the sale of goods and services that are covered by the Act in accordance with the provisions in Chapter I.

Section 14.

Tax shall be paid when any person engaged in trade or business and liable to registration withdraws goods or services from the enterprise for private use or for other purposes falling outside the scope of the Act. The same shall apply to the withdrawal of services which are liable to tax in accordance with any regulations made pursuant to Section 28 a.

Whenever the right to deduction is not precluded according to Section 22, tax shall be paid as for withdrawal when goods and services from the enterprise concerned are used:

1. For board and in kind remuneration of the owner, management, employees and pensioned staff of the enterprise.
2. In work on and running of real property covering housing needs, leisure time, holiday or other recreational needs, including moveables and equipment for such property. The duty to pay tax pursuant to this provision does not apply to the building and maintenance of workers' canteens.
3. For entertainment purposes.
4. For gifts and for the handing out for publicity purposes.

No tax shall be paid on services rendered free of charge by an individual direct to charitable and public utility institutions and organizations. The Ministry may issue regulations for the delimiting and carrying into effect the provision contained in the preceding sentence.

5. ---

Whenever the right to deduction is not precluded according to section 22, tax shall be paid as for withdrawal when passenger vehicles are used for other purposes than as a commodity, a vehicle used in commercial vehicle hire, or for passenger transport in return for a remuneration. Tax shall also be paid on goods and services for the maintenance, use and running of passenger vehicles that are used for other purposes than mentioned in the first sentence. Camping trailers shall be regarded as passenger vehicles. The Ministry may in regulations provide for specific conditions as to a minimum period of ownership and use.

The Ministry may issue regulations stating what is covered by the provisions in the second and third subsection.

Tax shall not be paid on products withdrawn by a person from his own farming with subsidiary activities, forestry and fishing, for private use or for purposes within the framework of these activities. The Ministry will issue regulations laying down what is covered by farming and forestry.

Section 15.

(Repealed by the Act of 4 March 1977).

Section 16.

Tax shall not be paid on sales of:

1. Goods and services:
 - a) to foreign countries,
 - b) for use in sea-areas outside Norwegian territorial waters in connection with research and exploitation of subterranean natural resources or for use in connection with construction, rebuilding, repair and maintenance of pipelines between sea-areas and shore,
 - c) to Svalbard (Spitzbergen) and Jan Mayen
 - d) for use of foreign ships

The exception for pipelines applies only to last stage sales and will comprise appertaining onshore operating plant to such extent as laid down by the Ministry.

2. Goods and services:
 - a) for use of ships of not less than 15 metres maximum length aircraft when they are carrying freight or in return for payment are carrying passengers in international transport
 - b) to specialised ships for use in offshore petroleum activities.

The exception in favour of services will apply only as further provided by the Ministry.

3. Goods and services provided for aircraft as defined in Section 17 first subsection no. 1 c, on international flights.
4. Transport services within the realm when the transport is carried out directly to or from a foreign country. With the exception of the Posten Norge AS' bulk dispatch of letters to

abroad, the provision in the first sentence does not apply to the carriage of overseas mail by Posten Norge AS.

5. Goods by the person possessing such good for private use or for other purposes which have not given right to deduction of input tax.
6. Goods and services as part of a transfer of the enterprise or part of the enterprise to a new proprietor.
7. Newspapers published regularly, with at least one edition per week.
8. Books at the last stage of the sales process. This shall also apply to periodicals mainly sold to regular subscribers or mainly distributed to members of a society or association and periodicals with a preponderantly political, literary or religious content.
9. Electric power and energy supplied from alternative energy sources for household consumption in the counties of Finnmark, Troms and Nordland.
10. ---
11. Vehicles covered by the resolution made by the Storting prescribing excise tax on re-registration, providing the vehicles have been registered in Norway.
12. Services for the account of a foreign assignor to the extent laid down by the Ministry.
13. Services at the last stage of the sales process concerned with the planning, projecting, building, repair and maintenance of public roads and the construction of railways to be used exclusively in public passenger transport, and also manufacturing in engineering workshops of bridges or parts of bridges to such roads or railways.
14. Vehicles which exclusively use electricity for propulsion.
The Ministry may issue regulations regarding:
 - a) The delimiting, supplementing and implementing of the provisions in the first subsection, and may decide that the exemption from the duty to pay tax according to No. 2 a) shall be extended also to cover goods and services for use of other ships in international waters,
 - b) ---.

Section 17.

Nor shall tax be paid on:

1. Sales of:
 - a) ships of not less than 15 metres maximum length, intended for the transport of passengers for payment, or for the transport of freight or for towing, salvage, rescue, ice breaking, vocational fishing or trapping activities, and also specialised ships for use in offshore petroleum activities,
 - b) training ships, naval vessels to the National Defence and ships to be used for research and weather forecasting,
 - c) aircraft intended for vocational air transport activity and also military aircraft,
 - d) oil-drilling platforms and other movable platforms for use in the petroleum industry. Equipment supplied together with ships, aircraft or platforms of the type referred to in No. 1 d) is also included in this provision.
2. Delivery of goods and the rendering of services in connection with repairs, maintenance, fresh construction or rebuilding of ships, aircraft and platforms as referred to under No. 1, including permanent working equipment for such ships, aircraft and platforms.
3. The hiring out of:
 - a) ships of not less than 15 metres maximum length for use in international transport, and for use in domestic service provided that the ship is intended for the transport of passengers for a consideration, and also specialised ships for use in offshore petroleum activities,
 - b) aircraft as referred to under No. 1,
 - c) platforms as referred to under No. 1.
4. The sale of fishing vessels of less than 15 metres maximum length.
5. The rendering of services by salvage or rescue vessels in connection with the salvaging of such ships, aircraft or platforms as referred to under No. 1.

The Ministry may issue regulations laying down what is covered by the provisions of the first subsection.

Chapter V. Taxable amount.

Section 18.

The tax shall be calculated on the basis of the consideration for the sale liable to tax. The actual tax shall not be included in the taxable amount.

In the taxable amount shall be included:

1. All costs incurred in fulfilling the agreement, comprising the cost of packaging, dispatch, insurance and the like included in the consideration for which special payment is demanded.
2. Customs and excise duties and other dues according to law. This does not apply to tax pursuant to the Storting's ruling relating to non-recurring tax.
3. Dues, fees and other costs incurred in connection with the supply of goods or services.
4. Auctioneering fees, commissions and the like.
5. Service dues, service charges and the like.

In the case of such credit purchases as defined in the Credit Purchase Act Section 3 No. 1, credit costs under Section 4 first subsection c in that Act shall not be included in the basis for tax calculation, providing the costs are separately stated in a sales document. This rule applies only when credit is given for more than 30 days counting from the expiry of the month of delivery.

For the supply of second-hand goods, works of art, collectors' items and antiques, specific provisions relating to the basis for calculation of tax are stated in Section 20 b.

Section 19.

If the consideration consists in whole or in part of anything other than ordinary means of payment (barter trade), the price of the goods or services delivered shall be used as a basis. If the price in such cases is lower than the ordinary sales value of corresponding goods or services sold in the business or enterprise, the sales value shall, however, be used as a basis. The same shall apply if no special price has been agreed, and also in the case of withdrawals and the rendering of a service or in the production of goods as referred to under Section 10, fifth subsection, Section 11, third subsection and Section 14.

If between the supplier and the purchaser of goods and services there exists a community of interests which supposedly may lead to a fixing of the consideration different from what would have been the case if such a community of interests had not existed, the taxable amount can not be set lower than the ordinary sales value.

The Ministry may with binding effect lay down what is to be regarded as the ordinary sales value.

Section 20.

(Repealed by the Act of 20 December 1991.)

Chapter V a. Relating to second-hand goods etc.

Section 20 a.

"Liable dealers" mean businesses that purchase/acquire second-hand goods, works of art, collectors' items or antiques with the intention to resell them, including sale with commission and by auction,

Liable dealers who purchase/acquire goods as stated in the first subsection may, on the resale of the goods, calculate tax in accordance with the regulations in this Chapter.

For the regulations in this Chapter to apply, it is a pre-condition that liable dealers have acquired the second-hand goods etc., from a vendor who shall not calculate tax from the sale or enter the tax in the sales document.

Liable dealers who themselves import works of art, collectors' items and antiques may, on resale of the goods, also calculate tax in accordance with the regulations in this Chapter.

Section 20 b.

The basis for the calculation of tax for the supply of goods stated in Section 20 a, first subsection, is the dealer's gross profit. The gross profit is the difference between the purchase price and the sales price. The tax itself is not taken into account in the basis for the calculation of tax.

The basis for the calculation of tax for the supply of works of art, collectors' items and antiques that the dealer has himself imported from abroad, is the dealer's gross profit. The gross profit is the difference between the purchase price and the sales price. The tax itself is not taken into account in the basis for the calculation of tax. The purchase price is the basis for the calculation of tax as stipulated in Section 62, first subsection.

If the purchase price exceeds the sales price, the difference cannot be subtracted from the basis for the calculation of tax for other sales, with the exception of those referred to in subsection six, last sentence.

When tax is calculated in accordance with the regulations in this Chapter, the amount itself shall not be entered in the sales document.

In the event of the export of second-hand goods, works of art, collectors' items and antiques, the general regulations of the Act apply, with the exceptions that follow from subsection six.

In the event that tax for a given item in accordance with the first subsection cannot be calculated, either because of a collective purchase or sale where the price of the item is not known, the gross profit for the second-hand goods etc. is not calculated for each individual item, but rather collectively for the entire reporting period. If the purchase or sale of goods in accordance with the first sentence constitutes the main part of the dealer's purchases or sales in the period, the gross profit for other second-hand goods etc., where the purchase and sales price are known, may also be calculated collectively, and for each term. If, in a given term, the value of purchases exceeds that of sales, the difference may be taken into account in the collective purchase value for the subsequent term.

Section 20 c.

The Ministry may issue regulations for delimiting, supplementing and implementation of the provisions in this Chapter.

Chapter VI. Deduction and refund (input tax).

Section 21.

A registered person engaged in trade or business may deduct input tax on goods and services for use in an enterprise with sales as referred to under Chapter IV from the output tax, unless otherwise provided by this Chapter. Parts in goods and services procured for, or for use as working plant in a joint ownership shall also be regarded as goods and services for use in an enterprise, unless the joint ownership is under an obligation to register in accordance with the provisions of Section 12, fourth subsection.

In the case of bankruptcy the debtor is entitled to deduct input tax on supplies and services made to him prior to the opening of bankruptcy proceedings. After that time the right to deduct lies with the estate. When being engaged in distributing the property of an insolvent estate of a deceased person, the estate may deduct input tax supplied after the opening of administrative proceedings from output tax due after this time.

Input tax deducted in respect of a building or structure may be reimposed if the building or structure before completion, or within 3 years of completion, is sold, let or otherwise disposed of for purposes falling outside the scope of the Act. The provisions in the first sentence shall not apply in the event of decease or bankruptcy or in other circumstances in which reimposition of tax would be particularly unfair on the person liable to pay tax.

The Ministry may issue regulations relating to reimposition of tax as specified in the third subsection.

Section 22.

The right to deduction does not include input tax on:

1. Expenses concerning catering and the hiring of such premises for entertainment as mentioned in Section 5 a, second subsection no. 3.
2. Art and antiques, unless the purchaser sells goods of the same kind in his business or trade.
3. Other goods and services acquired solely for such use as mentioned in Section 14, second and third subsection.

The Ministry may make regulations regarding a refund at a specified rate of Value Added Tax on provisions for use on any single voyage on board vessels engaged in fishing and catching in dis-

tant waters other than Skagerak, Kattegat, the Baltic, the North Sea, the Norwegian Sea and those parts of the Barents Sea which are less than 250 nautical miles from the Norwegian coast.

Section 23.

A registered person engaged in trade or business may apportion input tax when goods and services are acquired for mixed use both in activities with sales as mentioned in Chapter IV and in any action disqualified from deduction pursuant to provisions in this Chapter. This shall not apply to goods and services of a kind sold in the course of his business activity, cf. Section 14.

Section 24.

A registered person engaged in trade or business shall have the surplus amount refunded when the input tax exceeds the output tax. It is a condition that sales returns for previous terms have been submitted.

Even though refund of amount mentioned in the first subsection has not taken place within the next term, the person concerned shall not be entitled to enter the amount as a deductible item in subsequent sales returns.

The excess amount according to the first subsection shall be refunded to the registered person concerned within three weeks after the sales returns have been received. Such claims for refund cannot be the subject of pawn or transfer.

Section 25.

Input tax which cannot be justified by the submission of vouchers is not deductible.

Section 26.

The Ministry may issue detailed regulations regarding the right of deduction and the basis for the apportionment of input tax according to Section 23 and may in this connection prescribe that a deduction shall not be made when the taxable sale is insignificant in proportion to the other activities. The Ministry may also issue regulations to the effect that a deduction may be made without apportionment when the sales not covered by Chapter IV of the Act are insignificant in relation to the other activities.

The Ministry may issue regulations for the carrying out of the provision in Section 25 for co-operative undertakings.

Section 26 a.

Persons engaged in trade or business who are aliens and who are not liable to registration in Norway are on application entitled to refunds of input tax, provided:

1. the input tax relates to the purchase of goods or services in Norway, or imports of goods into Norway, for use in the enterprise, and
2. the sale abroad would have entailed liability to registration or the right to voluntary registration according to Chapter VII of the Value Added Tax Act if the sale had taken place in Norway, and
3. the input tax would have been deductible if the enterprise had been registered in Norway.

A decision concerning a refund can be changed by the authority that took the decision. A change in disfavour of the person towards whom the decision is directed can only be made if new information shows that the previous decision was incorrect. A decision to make a change according to the first and second period can be made up to ten years after the first decision relating to the refund.

A decision concerning a refund can be changed by a superior tax authority. Notice of a change in disfavour of the foreign enterprise must be given within two years of the date when the inferior tax authority made its decision.

If contrary to the first subsection tax has been refunded or the amount of tax paid out is too high, repayment can be demanded of the incorrectly refunded amount, plus interest, according to the rules for the payment of value added tax according to the present Act. Incorrectly refunded amounts plus interest can be offset in connection with subsequent applications for refunds.

The Ministry may make it a condition for refunds that the applicant's home country allows corresponding refunds of value added tax or other sales taxes to Norwegian persons engaged in

trade or business. The same applies to refunds of value added tax on goods and services for the use of lorries registered or domiciled abroad and used for transport to and from abroad.

The Ministry may issue more detailed regulations concerning the implementation, delimitation and supplementation of this provision, including laying down more detailed conditions for refunds.

Chapter VII. Registration.

Section 27.

A person engaged in trade or business who is engaged in sales covered by Chapter IV of this Act or who is liable to tax according to Section 10, second, third, fourth and fifth subsections, Section 11 and Section 12, fourth subsection, shall unsolicited and without delay submit written notice regarding his activity to the tax authority in the county where he has his place of business or his place of residence if he has no place of business. Such notice shall also be submitted when the activity ceases.

In bankruptcy and when a Court is in charge of the settlement of the estate of a deceased person whose liabilities have not been accepted by his heirs, the administrator, or in the latter case the Court shall give notice of the opening as well as the conclusion of the proceedings. The Ministry may issue further regulations regarding the duty to submit such notices, and on whom this duty shall be incumbent when the activity ceases. A notice to creditors issued in the administration of an estate shall have no effect on a tax demand made under this Act.

The Ministry may likewise issue regulations regarding the content of such a notice.

Section 28.

Registration shall take place when the taxable sales and withdrawals of the person engaged in trade or business have totally exceeded 50 000 NOK over a period of 12 months. Charitable and public utility institutions and organisations shall be obliged to register under the provision of the preceding sentence when sales and taxable withdrawals of goods and services have totally exceeded 140 000 NOK over a period of 12 months. Those businesses that are obliged to register pursuant to the Business Registration Act must be enrolled in the Register of Business Enterprises before registration, in accordance with the first and second sentences, can take place. The tax authorities may permit registration before the time specified in the first, second and third sentence under special circumstances.

If a person who is liable to registration comes under administrative proceedings as a result of bankruptcy, the estate shall, regardless of the amount-limit in the first subsection, be filed as a registrant under a separate number with effect as from the time proceedings were opened.

If the person concerned carries out activities in several places, the tax authorities shall decide where he is to register.

A registered enterprise shall remain registered for at least two complete calendar years after registration or after sales and taxable withdrawals have fallen below the limit of the amount mentioned in the first subsection, unless the activity in question has ceased or the County Tax Inspector for special reasons sanctions its deletion from the register. The person concerned shall submit sales returns and pay the tax even though sales and withdrawals do not exceed the minimum limit.

The Ministry may issue regulations delimiting or supplementing the provisions in the first subsection.

Section 28 a.

The Ministry may issue rules to the effect that persons engaged in trade or business selling services other than those mentioned in Chapter IV may be registered on application, and may in this connection lay down detailed conditions for voluntary registration. The Ministry may, when issuing rules for voluntary registration, dispense with the condition laid down in Section 28, first subsection, where special circumstances exist.

Voluntarily registered persons engaged in trade or business shall be liable for tax on sales of services covered by the voluntary registration, unless otherwise stipulated by the Ministry.

Section 29.

Persons liable for taxation shall submit to the tax authorities returns showing:

1. Total sales and withdrawals.
2. Sales and withdrawals on which, pursuant to Sections 16 and 17, no tax is to be paid.
3. Output tax.
4. Input tax entitled to deduction.
5. Account of output and input tax.

All amounts must be rounded down to the nearest krone (NOK).

Returns shall be signed by the person liable to tax or by a person capable of legally binding him and shall contain a declaration to the effect that the returns are in conformity with registered and documented accounts information and the actual circumstances involved.

The Ministry shall stipulate the form on which such returns shall be made.

Rules for returns from persons engaged in agriculture with subsidiary activities, forestry and fishing, shall be laid down in detailed provisions issued by the Ministry.

The Ministry may stipulate in regulations that the returns may be sent electronically and specify the terms and the form for electronic filing. The Ministry may also lay down rules on signing, authentication, integrity and confidentiality at electronic filing, use of service suppliers, the format of the electronic returns, approval of software and terms for rejecting inadequate returns. Otherwise, the Value Added Tax Act applies correspondingly.

Section 30.

Returns shall be made on a terminal basis, each term comprising two calendar months. The first term shall be the months of January and February, the second term March and April, the third term May and June, the fourth term July and August, the fifth term September and October, and the sixth term November and December.

The Ministry may agree to the use of longer terms where special circumstances exist.

In the event of the input tax regularly exceeding the output tax by at least 25 per cent, the tax authorities may agree to a division of the calendar year into 12 terms. The tax authorities may also agree to shorter terms, though not less than one week, provided that the input tax regularly exceeds the output tax by at least 50 per cent. Agreement shall normally be given for 24 months, including the first monthly or corresponding term.

Section 31.

Persons engaged in agriculture with subsidiary activities and forestry shall submit annual returns. Annual returns shall be submitted to the tax authorities, and the tax, after the accounting, shall be paid within 3 months and 10 days after the expiration of the calendar year.

The Ministry may agree to the use of shorter terms where special circumstances exist.

The Ministry shall issue regulations stipulating who comes under the scope of the first subsection.

Section 31 a.

Persons engaged in trade or business who are obliged to register and who have low turnover, may submit an annual VAT return. The Ministry may issue regulations for delimiting and implementation of the provisions in the first sentence.

Section 32.

Amounts as mentioned in Section 29 shall be included in returns for the term during which they are entered in the accounts, according to accounting regulations pursuant to the Act relating to Annual Accounts etc. (Accounting Act) unless the Ministry decides to the contrary.

Where special circumstances exist the Ministry may agree that the payment date is used as basis for dividing sales and taxes on the terms.

Section 33.

Returns must reach the tax authorities within 1 month and 20 days after the expiration of each term or from the date when the activities cease. Returns sent through the post shall be

considered to have arrived in time if they bear a postmark antedating the expiration of the time-limit.

Unless the tax authorities decide otherwise, returns shall be submitted for each term, even though during one or more terms there have been no sales liable for taxation.

Chapter IX. Falling due and payment of tax.

Section 34.

Tax shall fall due for payment at the expiration of the time-limit for submitting returns according to Section 31, Section 33 and Section 40.

Tax laid down according to Sections 55 and 56 and supplementary tax according to Section 73 shall be paid at the latest on the 20th day after the expiration of the month when notification of the decision has been posted.

Section 35.

Tax shall be paid:

- a) to the Tax Collector, or
- b) to a bank authorised by the Ministry as a bank to which the tax can be paid.

The Ministry may issue regulations to the effect that tax amounts due and outstanding credit amounts which are less than a specified limit shall not be paid or refunded.

The Ministry may issue regulations relating to payment arrangements and to banks' obligation to refuse payments made with insufficient information.

Section 36.

On tax amounts paid after payment has fallen due, interest shall be paid.

If a refund is made after the time-limit laid down in Section 24, third subsection, the person engaged in trade or business shall be entitled to compensatory interest.

The Ministry may issue regulations regarding the calculation and payment of interest and compensatory interest.

Section 37.

When a decision is made to make a stipulation according to the provisions of Chapters XIII and XIV, interest shall be calculated from the time the tax should have been paid according to Section 34 up to the tenth day after the expiration of the month in which notification of the decision is posted. If the payment has been made before the decision was taken, interest shall be calculated up to the tenth day after the expiration of the month of the payment.

When the stipulation shows that the excess amounts that have been paid out in accordance with Section 24 are incorrect, interest on the excess amounts paid out shall be calculated from the expiration of the time-limit for making the return in the period concerned up to the tenth day after expiration of the month in which notification of the decision is posted. If the disbursed excess amount is repaid within the time-limit for submitting returns, interest shall be calculated from the day of disbursement and up to the tenth day after the expiration of the month of repayment.

The provision as to the calculation of interest according to the first subsection shall not apply to additional tax.

On amounts due according to the first and second subsections and on additional tax due, interest shall furthermore be paid until payment is made.

The Ministry may issue regulations regarding the calculation and payment of interest.

Section 38.

When a tax amount is reimbursed in whole or in part, resulting from a complaint or a reduction of tax pursuant to Section 56 or a decision by or a settlement in a law-court, the reimbursement shall also include interest. Furthermore, compensatory interest shall be paid on the reimbursement amount stipulated, as from the time tax was paid in.

If tax amounts are refunded in cases other than those mentioned in the first subsection, the Ministry may grant compensatory interest under special circumstances.

The Ministry may issue regulations regarding the calculation and payment of compensatory interest.

Chapter X. Special rules for sales of raw fish.

Section 39.

The fishermen's sales to or through fishermen's sales organisations established under the Act relating to the Sales of Raw Fish of 14 December 1951, a lower rate for output tax may be stipulated.

Section 40.

Fishermen shall submit annual returns.

Annual returns shall be submitted to the tax authorities, and tax after the accounting shall be paid within 3 months and 10 days after expiration of the calendar year. Returns which show an excess of input tax shall be treated as claims for a refund of tax.

The Ministry may under special circumstances give its consent to the use of shorter terms.

In the case of average, great loss of equipment and the like, the Ministry may, for the benefit of fishermen who are obliged to submit annual returns, give its consent that input tax shall be refunded before expiration of the actual calendar year.

The duty of submitting returns and of settling the tax rests with the shipowner, skipper or fisherman who is either in charge of supplying fish to the sales organisation or other buyer, or who receives payment on behalf of the boat or fisherman.

Section 41.

If a fishermen's sales organisation as mentioned in Section 39 has only been an intermediary in, or has only authorised the fishermen's sale of fish, the organisation shall calculate and pay tax on the remuneration received.

In other respects the provisions of this Act shall apply to fishermen's sales organisations.

The Ministry may issue regulations for the implementation of the provisions of this Chapter, including what comes under the provisions of the first subsection of the present provision and decide with binding effect what is to be considered as "being an intermediary" and "authorising".

Chapter XI. Rules for book-keeping and justification.

Section 42.

(Repealed by the Act of 21 Dec 2000)

Section 43.

Persons engaged in trade or business and liable for registration are considered liable for tax on their sales to the extent that they do not establish by means of orderly book-keeping, vouchers, notes, contracts, correspondence and copies of invoices or in any other way authorised by the tax authorities, that they are not liable to pay tax on sales.

Section 44.

A sales document pertaining to taxable goods and services cannot be issued prior to delivery unless, otherwise provided for by the Ministry.

A person not registered with the tax authorities must not under any circumstances enter the tax amount on the sales document. Nor in such cases should they inform by means of price specification that payment includes VAT pursuant to this Act.

If in contravention of the second subsection the tax amount has been entered in a sales document, or too large a tax amount has been entered, or for the sale of goods and services which are not liable to tax an amount has been entered as tax, the incorrectly entered amount shall be paid according to the rules for payment of tax under this Act. The payment may be avoided if the error is corrected in the customer's favour.

Section 44 a.

The Ministry may issue regulations to the effect that associations and organisations (co-operative undertakings) which mainly sell products resulting from their members' fishing, forestry or agriculture with subsidiary activities, may enter the tax amounts in their settling of accounts with suppliers who are not registered with the tax authorities. The Ministry shall issue detailed regu-

lations concerning the conditions for the carrying out of this arrangement, and may decide that the arrangement shall similarly apply to other purchasers and producers.

The Ministry may also rule that the provision in the first subsection, first sentence, shall apply to dealers in products from handicraft and domestic crafts work carried out at home even though their sales are not mainly concerned with such products.

Section 45.

The Ministry may issue regulations relating to the obligation to register and the documentation of accounting information, including the contents of sales documents for those obliged to submit returns pertaining to their business pursuant to this Act, or in accordance with provisions pursuant to this Act in so far as the amounts referred to are to be included in the tax return.

Chapter XII. Relating to general compulsory information and the obligation to provide information, figures etc., for the purposes of examination.

Section 46.

Persons who are obliged to submit returns pertaining to supplies pursuant to this Act, or to provisions pursuant to this Act, shall without delay submit, supply or transmit account books, vouchers, contracts, correspondence, board records and auditors' reports and other documents of importance for auditing the tax whenever the tax authorities so demand. He shall also provide complete information on circumstances which the authorities consider important for the examination. This also applies to those who are required to keep accounts pursuant to Section 1-2, third subsection of the Accounting Act.

The person engaged in trade or business and such persons as are in his service or assist him, shall render the necessary help and assistance and make access available to office and business premises. This also applies to those who are required to keep accounts pursuant to Section 1-2, third subsection of the Accounting Act.

Persons engaged in trade or business other than those mentioned in the first subsection shall, whenever the tax authorities so demand, transmit a copy of their annual settlements and provide the requested information regarding their activities. This also applies to copies of the annual accounts and annual report if these are available.

Section 47.

A person engaged in trade or business shall, when so requested, give the tax authorities information with regard to any financial transaction which he has or has had with other named persons engaged in trade or business when such transactions involve activities of both parties. Information and specified figures may be demanded regarding deliveries and purchases of goods, services, payment and other circumstances connected with the transaction and payment for it. The provisions in this subsection also apply where sales have been effected through a middleman.

In the case of persons engaged in trade or business who carry out sales or purchases on commission, the tax authorities may demand a list of the persons commissioning such sales and purchases. From persons commissioning such sales and purchases a list may be demanded of the intermediaries that have been commissioned. Figures may also be demanded showing the scope of sales involved in the commission over a specified period of time.

From production, sales and transport organisations, including associations and bodies whose activity involves stipulating and testing of qualities, quotas or prices, the tax authorities may demand verification figures concerning outstanding accounts resulting from the organisation's own activity or activity that has taken place with its co-operation or under its supervision.

The Ministry may decide that information and verification figures as mentioned in this Section may also be called in for groups of unspecified persons engaged in trade or business.

The provision in Section 46 shall similarly apply to persons liable to provide information and figures according to the first, second and third subsections of this Section.

Section 48.

Banks, insurance companies, mortgage and credit associations, savings associations, stockbrokers, solicitors, barristers and others who have sums of money to administer for some other person or who make a living by providing loans, shall be obliged at the request of the tax authorities

to supply information with regard to the means being administered on behalf of named person engaged in trade or business and their yield, and also about deposit and debit accounts, deposits and other financial transactions involving such named person. Postal operators are obliged, at the request of the tax authorities, to provide information regarding the dispatch of money by insured letter on behalf of a named person, estate, company or institution.

The County Tax Inspector may make inquiries or request information concerning funds being administered on behalf of a named person engaged in trade or business who is liable to registration or has registered voluntarily and regarding the financial yield of such funds, and concerning deposit and debit accounts, deposits and other financial transactions involving such named person. The Directorate of Taxes or any person so authorised by the Directorate may require information from or make inquiries in the institutions mentioned in the first subsection concerning any unnamed person engaged in trade or business who is liable to registration or has registered voluntarily.

The person who is the subject of the investigation shall render the assistance necessary for carrying out the check and shall be obliged in this connection to make available for inspection documents, account books and registers which may be of importance in the investigation.

Section 48 a.

When special circumstances deem it necessary, and there is suspicion that the provisions provided by or in support of this Act have been contravened, the Directorate of Taxes can instruct, or issue power of attorney to instruct, businesses that supply access to telecommunications networks or services to provide information as to the names and addresses of subscribers who do not otherwise have generally accessible telephone, telefax or personal bleeper numbers.

Section 49.

Any person who causes work to be carried out on a building or structure, is obliged, when so requested, to name and to the extent mentioned in Section 47, first subsection, second sentence, provide the tax authorities with information regarding the work and his financial transaction with the contractor, artisan, architect, consultant and any other persons who have taken part in the work on their own account.

Any person who has participated in the work - cf. the first subsection - is similarly under an obligation to provide information about such work and his financial relations with the owner and the employer.

Section 49 a.

Businesses and public institutions that have given a foreign business an on-site assignment for building or assembly work shall, unsolicited, provide the County Tax Inspector in the county where the work is carried out, with information regarding both the assignment and each contractor who has performed an assignment in connection with the main project. Information to be submitted shall include the contractor's name, address, registration number in the tax register, the date on which the assignment is anticipated to start and be completed, the location at which the assignment shall be carried out, and the contracted amount as stated in the contracts entered into by the principal.

The information shall be submitted as soon as possible after the contract has been entered into, and not later than 14 days after the work has begun.

If those obliged to submit returns have provided equivalent information, including the contractor's registration number in the tax register, to Central Office – Foreign Tax Affairs in accordance with Section 6-10 no. 1 of the Assessment Act, the obligation to submit returns will be considered fulfilled.

Section 50.

The local Controller of Assessments shall unsolicited provide the tax authorities with any information that is available and of importance for a tax audit. The local Controller of Assessments may also provide such information for use in the collection of tax under this Act.

Public authorities, public bodies etc., as well as officials, shall be obliged on request from the tax authorities to provide information which they have been acquainted with in the course of their work and shall also to such extent as necessary provide transcripts, copies of documents etc.

Irrespective of the obligation otherwise applying to maintain secrecy:

- a) any authority which is concerned with the assessment and collection of taxes, customs and excise duties and the paying out of compensatory amounts, subsidies, grants, benefits, allowances etc. shall on request from the tax authorities provide information regarding any amount that has been established, collected or paid out and the grounds on which it is founded,
- b) any authority entrusted with supervisory functions under the Act of 14 June 1985 No. 61 on Trade in Securities shall on request from the tax authorities provide information they have acquired in this work, providing the giving of the information is compulsory pursuant to statutory provisions,
- c) any authority entrusted with supervisory functions under the Act of 16 June 1989 No. 53 relating to Land and Estate Agents shall on request from the tax authorities provide information they have acquired in this work,

The Ministry may issue regulations to the effect that information shall be provided pursuant to second and third subsection a), b) and c) with regard to a not named person, estate, company or entity.

The regulations may prescribe that information for use in direct checking of a taxable person's returns shall be available in machine-readable form.

Section 51.

The obligation to provide information according to the provisions of this Chapter rests in a individual enterprise with the proprietor; in a company, association, institution or similar body with the day-to-day manager of the enterprise or the chairman of the board of directors, where no such manager exists.

In the case of estates which advertise for creditors, the shareholders, probate judges, executors and others who are involved in the settling of the estate, shall be obliged to provide the information which the tax authorities consider necessary in order to decide whether tax is owed by the estate under this Act.

Section 52.

The Ministry may direct anyone who has not complied with the obligation to provide information or figures for the purpose of such auditing as mentioned in Sections 47-49 of this Chapter, to provide the information demanded under the threat of a daily fine.

Injunctions to companies, associations, bodies or organisations shall be addressed to the board and shall be sent in a registered letter to each member. The fine may be collected from members of the board as well as from the company, association, body or organisation.

The collecting of the fine pursuant to this Section shall be effected by distraint. The fine shall accrue to the Treasury.

Section 53.

Any person who is obliged to provide figures or information under the provisions of this Chapter, shall organise his book-keeping or make notes in such a way that the information can be provided.

Chapter XIII. With regard to the discretionary raising and stipulation of tax.

Section 54.

When sales returns have not been rendered in time or in the prescribed form, the output tax for the term concerned may be raised by at least 250 NOK or up to 3 per cent of the tax amount. The tax may not, however, be raised by more than 5 000 NOK. The increase may be made up to 3 years after the expiration of the term concerned.

Even though a return has been rendered in time and in the prescribed form, output tax can be raised in the same manner for as many as the three last terms, if the account books etc. have not been submitted, made available or sent in upon request.

When the tax authorities have directed anyone to keep his books in conformity with the accounting legislation in force and these directions have not been complied with at the expiry of the time-limit, the output tax for the term concerned may be raised in accordance with the provision in the first subsection, first and second sentence. If the directions have not been complied with even at

the expiry of the next term, the tax for this term may be raised similarly. The same rule shall apply to the following terms, though not for more than one year.

Advance notice under Section 16 of the Act of Public Administration is not necessary in the case of measures according to the first and second subsection.

Section 55.

The basis for calculating output tax and the amount of input tax may be stipulated on a discretionary basis when:

1. Sales returns have failed to come. Returns received after the decision to make a discretionary assessment is taken, shall be regarded as not received according to this provision.
2. Returns received are found to be incorrect or incomplete or are based on accounts which are found not to have been kept in accordance with accounting legislation in force.
3. Someone has been registered by the tax authorities not in accordance with the conditions for registration, thereby causing a loss of tax revenue for the State.

If discretionary assessment involves more than one term, it may be made jointly, though not covering a longer period of time than one calendar year. The assessment shall be motivated at the same time as when the decision to make an assessment is taken.

Assessment can be undertaken up to 10 years after the expiration of the term involved.

Section 56.

Any increase made in accordance with Section 54 and any assessment made in accordance with Section 55 may be changed by the authority that has made the decision. A change in disfavour of the person towards whom the decision is directed, can only be undertaken if new information shows that the previous assessment was incorrect.

A decision according to the first subsection, second sentence, may be taken up to 10 years after the expiration of the term involved.

A decision to make an increase pursuant to Section 54 or an assessment pursuant to Section 55 may be changed by a superior tax authority. Notice of a change in disfavour of the person liable to tax must be given within 2 years of the date when the inferior tax authority made its decision.

Chapter XIV. Complaints.

Section 57.

Decisions pursuant to Chapter XIII and Section 73 can be brought before the Board of Appeal for Value Added Tax. Appeals to the Board where the value of the object of appeal is less than NOK 15 000, excluding interest, will not be considered without the consent of the Board's chairman. This decision cannot be appealed. Appeals not brought before the Board will be determined by the Directorate of Taxes. The Ministry shall decide what body shall act as the complaint instance for other decisions pursuant to this Act.

The Board of Appeal shall consist of a chairman and four other members, each with a deputy, who shall all be appointed by the Ministry.

The Ministry may determine that the Board of Appeal shall be organised into two sections. Both sections shall then be constituted in accordance with the provisions in subsection 2.

A quorum of the Board of Appeal shall consist of at least three members, one of whom shall be the chairman or his deputy. In the event of a tie, the chairman shall have the casting vote. The chairman and his deputy shall be qualified district court judges.

The Ministry shall issue detailed rules on the organisation of the Board of Appeal and its procedure.

Section 58.

Complaints concerning decisions pursuant to Section 55, first subsection No. 1, will not be dealt with unless the complainant at the same time as making the complaint, submits sales returns in the prescribed form covering the term to which the decision applies.

Complaints concerning decisions under Chapter XIII and Section 73 shall not be dealt with if the authority which has made the decision modifies it so that it corresponds to the claim asserted in the complaint. In cases where the complainant's claim is not fully met, the new decision shall con-

stitute the basis for dealing with the complaint, after the complainant has been given the opportunity of stating his view.

Chapter XIV a. Relating to binding prior statements.

Section 58 a.

The Directorate of Taxes may, at the request of a taxable person, provide prior statements regarding the tax-related consequences of specific dealings in advance of their implementation. This applies only when it is of major significance to the taxable person to clarify these consequences prior to implementation, or where the Directorate of Taxes finds that the case is of public interest.

If required by the taxable person, prior statements provided under this Chapter shall be binding if the dealings in question are conducted within the terms and conditions of the statement.

Section 58 b.

The conditions regarding binding, prior statements do not apply in respect of the import of goods as stated in chapter XVI.

Section 58 c.

A fee shall be paid for a binding, prior statement.

Section 58 d.

The Directorate of Taxes' decision not to provide binding, prior statements cannot be the subject of appeal.

A binding, prior statement can neither be the subject of appeal or brought before a court of law.

Decisions for which binding, prior statements form the basis, may be the subject of appeal or be brought to court in accordance with other applicable provisions.

Section 58 e.

The Ministry may issue regulations for supplementing and implementation of provisions in this Chapter, including those related to fees.

Chapter XV. Collection and legal process.

Section 59.

Tax claims under this Act, together with interest and costs, can be collected by distraint. The same applies to claims for excessive amounts according to Section 24 which have been incorrectly paid out.

The tax claim may be enforced even though its basis has been appealed against or brought in before a court of law.

Claims for refund of excessive amounts relating to the payment of the Value Added Tax cannot be subject of pawn or transfer.

Section 59 a.

If the statutory limitation of a tax claim is suspended on pain of legal enforcement pursuant to the provisions of Section 17 of the Statutory Limitation of Claims Act of 18 May 1979, subsequent interest payable on the claim remains due until the limitation itself has expired.

Section 60.

When a person liable to tax intends to take up residence abroad and stay there for at least six months, he shall be obliged before leaving, to pay or deposit security for all tax amounts for which he

is or will be responsible to the State. If circumstances exist which make it probable that the person liable to tax intends to take up residence abroad for the period of time mentioned without paying or depositing security for the tax, the Tax Collector can through the Police impose a ban on his leaving the country.

Section 61.

When a Court of Law finds that the person liable to tax shall only pay part of a disputed tax amount or shall only have refunded part of a refund claim, and sufficient information does not exist to establish the correct amount, the Court findings shall indicate how a new tax amount is to be arrived at. In the case of disputes brought in before the Distraint Court, the same shall apply so that the measure is confirmed for the amount that will emerge from a stipulation of the tax amount in accordance with the order or judgement of the Court.

If a Court finds that a tax claim cannot be maintained owing to formal defects, the decision is referred to the tax authority concerned for reconsideration.

Section 61 a.

The Ministry may make regulations to the effect that a tax demand against an alien who has failed to register through a representative when bound to do so, may be enforced against the person who has received the article or service.

Chapter XVI. Import.

Section 62.

Tax on goods imported from abroad, Svalbard (Spitzbergen) and Jan Mayen shall be paid at the importation. The basis for calculating the tax shall be stipulated in conformity with the rules for the stipulation of the customs value of goods for which an *ad valorem* duty is to be paid.

A lower basis for the calculation of tax is stipulated to the import of works of art, collectors' items and antiques, than that stipulated in the first subsection.

In the case of reimport of goods after refinement, processing or repair abroad, the tax shall be calculated on the cost, including the cost of transport both ways.

Customs duties and other charges, including import dues, shall be included in the tax basis according to detailed rules laid down by the Ministry.

The Ministry may issue regulations for tax free import of goods which in accordance with special provisions can be imported duty free, and more detailed regulations relating to lower bases for the calculation of tax according to the provisions in the second subsection.

Section 63.

Tax shall not be paid on the import of goods as stated in Section 5, subsection 1, no. 3, Section 5 b, subsection 1, no. 4 d, Section 16, subsection 1, no. 7, 8 and 15, and Section 17, subsection 1, no. 1. Nor shall tax be paid on the reimportation of ships, aircraft, oil drilling platforms and other movable platforms used in the petroleum activities, including fixed operational equipment in cases stated in Section 17 subsection 2.

Artists may import free of tax their own original works of art. This also applies to importation through an intermediary as stated in Section 5, subsection 1 a.

The Ministry may issue regulations relating to the delimiting and supplementing of the provisions in this Section.

Section 64.

The tax shall be paid by the person who, under the Customs Act of 10 June 1966 no. 5 is the owner of the goods. Sections 37, 38, 57, 58, 59 and Section 69 of the Customs Act shall be similarly applied as far as tax according to this Act concerned.

Section 65.

The tax shall be collected by the Customs authorities. The Customs Act Section 9 shall be similarly applied to tax under this Act.

Section 65 a.

The Ministry may issue regulations concerning the payment of tax on services imported from abroad and which become liable when supplied in the domestic market. The Ministry may issue more detailed regulations relating to the delimiting, supplementing and implementation of such liability to pay tax.

Section 66.

The Ministry shall issue detailed regulations for calculation, collection and supervision.

*Chapter XVII. Various provisions.***Section 67.**

The local Controller of Assessments shall assist in establishing and maintaining the census of registered persons engaged in trade or business.

Section 68.

The Police shall be obliged to render assistance in connection with the supervision, including the maintenance of the register. The Police may demand information and the handing over of material as dealt with in Section 46.

*Chapter XVIII. Remission etc. of tax.***Section 69.**

The Ministry may reduce or remit tax when on account of decease, particularly serious or protracted illness, permanent incapacity or other reasons it would be particularly unreasonable or disproportionately oppressive to insist on the whole amount. This shall also apply to interest and additional tax levied upon a person under this Act.

Section 70.

The Ministry may in whole or in part make exemptions from the duty to pay tax under this Act when special circumstances exist.

Section 71.

The Ministry may list as expenses tax amounts which cannot be collected.

*Chapter XIX. Penalties and additional taxes.***Section 72.**

1. Any person who wilfully gives the tax authorities incorrect or incomplete information in returns or in figures or specifications, and who thereby evades tax or obtains an undue refund shall be punished as for fraud under Section 270 and Section 271 in the Penal Act. Prosecutions for contravention of these provisions come in the first instance under the jurisdiction of the district courts.

2. Any person who wilfully fails to register under the provisions in Chapter VII, or fails to submit returns in compliance with the provisions in Chapter VIII or Chapter X, or contravenes the provisions regarding book-keeping and justification in Chapter XI, or the provisions concerning the obligation to provide information in Chapter XII, shall be punished with fines or imprisonment for a period of up to three months. The same applies to any contravention of regulations issued pursuant to these provisions or to regulations relating to the registration and documentation of accounting information issued pursuant to this Act.

If a person has intentionally evaded tax or obtained an undue refund he shall be sentenced to imprisonment for a period of up to three years, and fines may be employed together with imprisonment.

3. Any person acting as accessory to the contravention shall be punished in the same manner as if contravening.

4. If contravention pursuant to this Section has been effected negligently, fines shall be used as punishment.

5. These provisions shall apply in so far as the offence is not covered by more stringent penal provisions.

Section 73.

Any person who wilfully or negligently contravenes this Act or any regulations issued pursuant to this Act, with the result that the Treasury has been or could have been deprived of tax, may be ordered to pay an additional tax up to 100 per cent over and above tax stipulated according to Sections 55 and 56. Such an order can be given up to 10 years after the expiry of the term in question. The provisions in Section 56 shall apply similarly.

As far as responsibility according to this Section is concerned, any person liable for tax shall be responsible for the actions of assistants, spouse and children.

Chapter XX. Transitional rules and coming into force.

Section 74.

Tax under this Act shall be paid according to the rules in force at the time of delivery. If tax is to be paid on import, it shall be paid according to the rules in force at the time of customs clearance.

If before the coming into force of this Act or subsequent tax impositions, a contract has been entered into for delivery of goods, the recipient shall be obliged to pay a supplement corresponding to the tax or the increased tax, unless it can be established that in stipulating the price the tax has been taken into consideration.

Section 75.

The Ministry may issue regulations containing rules necessary for the supplementing and carrying into effect of this Act.

Section 75 a.

When special grounds exist the Ministry may on application allow exemption from the provisions set out in Chapter IX relating to falling-due and payment of tax. The Ministry may lay down conditions for such exemption.

Section 76.

Chapter VII of this Act shall come into force on 1 October 1969. In other respects the Act shall come into force on 1 January 1970.

No. 1

Regulations relating to the obligation to keep accounts and book-keeping for businesses that are subject to the provisions of the VAT Act.

(Not applicable to the businesses of agriculture and associated activities, forestry and fisheries.)
(Stipulated by the Directorate of Taxes on 20 August 1969 under the provisions of the VAT Act, Section 47, and the Investment Tax Act, Section 7, and delegation of authority of 9 July 1969.)

I. The obligation to keep accounts.

Section 1.

Businesses that provide supplies as described in Chapter IV of the Act on Value Added Tax of 19 June 1969, shall keep accounts in accordance with the provisions of the Accounting Act. The accounts are to be organised in such a manner that the tax authorities may, at any time, verify the correct calculation of VAT and investment tax.

II. Regulations that specifically concern VAT.

Section 2.

Businesses that provide both taxable and tax-exempt supplies of goods and/or services must keep the tax-exempt supplies separate from the taxable supplies in their accounts. The tax-exempt sales must be substantiated according to further provisions by the controlling authorities.

Section 3.

Businesses must either set up separate accounts for each of the items that are to be stated in the tax returns, or keep supplementary books, or draw up an overview that clearly shows how the amounts in the tax returns may be identified in the account books. The accounting or the similar overview must be organised in such a manner that it is clear from the accounting material whether and to what extent the supplies provided and the trader's own withdrawals of goods and services have been subjected to tax computation, whether the input tax has been deducted, and moreover how the output tax and the input tax have been produced.

Section 4.

Within the deadline for submission of the term's tax return, the business must undertake a settlement of taxes, where the accounts or overviews corresponding with the amounts on the turnover returns, are to be balanced.

This balancing is to be entered into a separate book if the amounts do not directly appear on the entered accounts.

For each year an overview must be kept of output tax and input tax allocated on the accounts to which the taxes refer. The overview is to be balanced against the submitted returns for the reporting periods and stored for 10 years.

Section 5.

The tax returns are to be written out in duplicate to be kept together in storage.

Section 6.

Withdrawals of goods and services for use in the trader's own business, and on which taxes are to be paid pursuant to Chapter IV of the Act, shall, concurrently, be entered as items in the accounts or entered into a separate book.

III. General provisions.

Section 7.

The accounting books shall, at all times, be satisfactorily up-to-date in accordance with what is deemed to comply with good accounting practice.

In- and outgoing payments in cash should, if possible, be entered into the cash book on the day they occur.

Section 8.

Business that sell goods and/or services that are subject to different rates of value added tax, shall substantiate their cash sales with the cash register, terminal or other equivalent system, or with duplicates of dated, pre-numbered sales vouchers. The sales must be registered in such a manner that the amounts to be taxed at different rates are clearly stated.

Businesses not included by the first subsection and that do not substantiate their daily cash sales in a satisfactory manner with dated pre-numbered sales slips in duplicate (or similar sales vouchers) or dated cash register sales slips, shall keep a book for the calculation of each day's cash turnover. The book shall be bound and the pages numbered before being taken into use. Ink or indelible pencil shall be used for entering amounts, and the book shall contain the following information for each day:

Counted cash balance at the end of the day		NOK
+ paid out this day, specified, i.e., under the following main items:		
Payments to suppliers	NOK	
Cash purchases for goods	"	
Wages, freight, other expenses paid	"	
Instalment on loan	"	
Private withdrawal	"	
		NOK
- Counted cash balance at start of day		"
Paid in during the day		NOK
- paid in, not from cash sales, specified, i.e., under the following main items:		
Payments from customers on credit sales	NOK	
Trader's in-payments and outlays for the business	"	
Paid in as rent or other things not connected with the business	"	
		NOK
Total cash sales for the day		NOK

When using dated, pre-numbered sales slips in duplicate and/or dated cash register adding slips, a cash balance at the end of every day must also be carried out, with the result entered into a settlement book, in order for the cash turnover to be deemed substantiated in a satisfactory manner.

The statements are to be dated and signed by the person who has counted the cash.

Section 9.

An account book shall be kept, or another satisfactory system must be employed, for recording outstanding accounts with creditors and debtors. Recording is also to be carried out in cases of cash settlement for supplies between traders, so that both separately and in accumulation it is shown how much has been received from, or supplied to, any other trader in the course of the year.

Section 10.

A separate book must be kept, or another satisfactory system must be employed, for the recording of goods and services for private use, taken out of the business by the trader. This also applies to services performed in remuneration for goods and services.

For each instance of withdrawal of goods/services for private use, an entry must be made stating the date, which goods/services have been withdrawn with a specification of the type, quantity and price. Such entries shall be made on the same day as the goods/services are with-

drawn, and each month the entries are to be credited to the turnover account and debited against the private account.

Section 11.

An account book must be kept, or another satisfactory system must be employed, for the recording of supplies to executives who have a managerial position in the company. This also applies to shareholders in companies with 10 or fewer shareholders. A separate account is to be kept for each shareholder/ executive.

The supplies shall be substantiated with vouchers or by entry into a separate book, showing the date of supply, the date of payment and which services have been supplied with a specification of the type, quantity and price.

Section 12.

In the event that goods or services are exchanged, such transactions are to be entered into the books concurrently. The value of the services received is to be charged to the purchase account and credited to the account of the relevant customer or supplier. The value of the supplied services is to be credited to the turnover account and charged to the account of the relevant customer or supplier.

Section 13.

Taxes on losses on outstanding claims, which were previously computed, may only be deducted on the turnover return if the loss has been written off on the account of the individual customer. A list must be kept of receivables that are written off with a specification of the date, name, and reference to any account number. If only a part of the total outstanding amount has been written off, the oldest part of the receivable is deemed to be written off first.

A list must be kept of incoming payments related to receivables previously written off with a specification of the name, date, and reference to any account number.

No. 2

Regulations relating to the contents of sales documents etc.

(Issued by the Ministry of Finance 14 October 1969 in pursuance to Section 45 of the Act relating to Value Added Tax of 19 June 1969)

Section 1.

In connection with the sale of goods and services to other enterprises, registered enterprises shall issue a sales document (invoice, note or bill). A contract note, statement of account or voucher issued by the recipient of the goods or service is also considered a sales document. The obligation to issue a sales document also applies when a payment in advance or a part payment is entered as a sale.

Section 2.

A sales document must be numbered and dated and state:

- a) The name and address of the enterprise supplying the goods or performing the service.
- b) The organisation number allocated pursuant to Act no. 15 of 3 June 1994 relating to the Central Coordinating Register for Legal Entities, followed by the letters MVA.
- c) The name and address of the enterprise receiving the goods or service.
- d) A clear description of the goods or service.
- e) The quantity or extent of items supplied or performed.
- f) The amount paid for the goods or service.
- g) The place of delivery of the goods or service.

A part of an enterprise which according to the second subsection of Section 12 of the Value Added Tax Act is regarded as separately liable to tax shall use the organisation number allocated to the whole enterprise in pursuance of the Act relating to the Central Coordinating Register of Legal Entities, followed by the letters MVA. An enterprise which has been included in a joint

registration according to the third or fourth subsection of Section 12 of the Value Added Tax Act shall use the separate organisation number allocated to it in pursuance of the Act relating to the Central Coordinating Register of Legal Entities, followed by the letters MVA.

In connection with sales of snow scooters as mentioned in Section 3 of the Ministry of Finance's Regulation of 25 October 1971 relating to the definition of the expression "passenger cars", the registration number of the snow scooter shall be stated in the sales document. The same applies to the sale of goods and services for the operation, maintenance, repair, upgrading and alteration of such vehicles.

A procurer of services can issue sales documents for several suppliers in one sales document. A common number series can be used for such sales documents.

The Directorate of Taxes may under special circumstances permit the requirements in the first, second and third subsection to be departed from.

Section 3.

In connection with the sale of goods and services between registered enterprises, the sales document shall specify the amount of the payment less tax and the amount of the tax unless otherwise laid down in the present Regulations.

In connection with sales to municipalities which are entitled to compensation for value added tax according to the Act relating to Compensation to Municipalities and County Municipalities for Value Added Tax in respect of purchases of certain services from registered enterprises, the sales document shall specify the amount of the payment less tax and the amount of the tax.

Section 4.

In connection with sales from a retailer to another registered enterprise, the sales document may show the amount of the payment including tax and the amount of the tax.

In connection with sales from registered enterprises to retailers, the Directorate of Taxes may for the individual branch of trade permit the showing of the amount of the payment including tax, and the amount of tax.

The Directorate of Taxes may furthermore agree to make the provision in the first subsection correspondingly applicable to the transport of goods.

Section 5.

A registered enterprise may always demand that the sales document show the amount of the payment less tax and the amount of the tax, cf. Section 3.

Section 6.

If a sales document comprises both taxable and exempt sales, including sales which fall outside the scope of the provisions in Chapter IV of the Value Added Tax Act, the amounts relating to the taxable sales shall be entered and added together separately. The same applies if taxable sales include supplies with different rates.

Section 7.

In so far as they have been made effective, previously agreed but conditional rebates shall be deducted from the basis for the calculation of output and input tax.

Section 8.

In connection with barter, cf. Section 3 no. 3 of the Value Added Tax Act, it is sufficient for one of the parties to the exchange to issue a sales document, provided the sales document also contains information concerning the nature, amount and price of the goods/services taken in exchange. In the joint sales document, the amount of value added tax must be entered separately in respect of each party's selling price in the exchange, provided the goods/services supplied or taken in exchange are liable to value added tax.

Section 9.

Enterprises which are not registered with the tax authorities must not unless otherwise provided enter output tax in their sales documents.

Section 10.

Sales documents must be issued in at least two copies, one of which shall be retained by the supplier.

Section 11.

Sales documents must be clearly legible. Together with other documents, they must be kept systematically arranged in this country for at least ten years after the end of the accounting year in question.

The Ministry of Trade and Shipping may exempt anyone who according to the Accountancy Act is under a legal obligation to keep accounts from the obligation to store the documents or lay down a shorter period for their storage. The Directorate of Taxes may do the same in respect of persons not obliged to keep accounts according to the Accountancy Act.

No. 12

Regulations relating to the calculation and collection of value added tax on the importation of goods

(Stipulated by the Ministry of Finance on 12 December 1975 under the provisions of the VAT Act, Section 62, fifth subsection, and Section 66.)

I

Chapter 1. Basis for calculation of value added tax.

Section 1.

At the time of importation, VAT is to be calculated in accordance with the regulations for the determination of the value of the goods for duty purposes. At the time of re-importation of goods after refining, processing or repairs overseas, the tax is to be calculated on the expenditure, including expenses for transmission back and forth.

Section 2.

The basis for calculation shall include customs duties and other dues charged by the customs service at the time of importation.

Section 3.

At the time of importation of cinematographic film other than advertising film, VAT is to be calculated on the reproduction value of the film copies, without addition of the payment for the right to show the films. Expenses for subtitling of the films overseas shall be included in the tax base. The importer is obliged to issue a statement on whether subtitling has been carried out or not.

Section 3a.

At the time of importation of works of art, collectors' items and antiquities, a lower basis shall be used for the calculation of taxes than the basis established under Section 1.

Included in the grouping "works of art, collectors' items and antiquities" are the goods mentioned in Ministry of Finance's regulations on the sale of second-hand goods, works of art, collectors' items and antiquities, Sections 5-7.

The basis for calculation at the time of importation as mentioned in the first subsection above, is 20 per cent of the basis of calculation established under Section 1.

Chapter 2. Tax-exempt importation of goods.

Section 4.

VAT shall not be calculated on goods that are imported free of duty pursuant to the Customs Tariff introductory provisions, Section 11 nos. 1-20 and nos. 24-29, Section 13 and Section 14 nos. 1-8, no. 10 and no. 14, and Section 17 no.1 c regarding goods that have been repaired free of charge overseas.

The Customs authorities may demand a deposit or other security for the value added tax on goods that are imported temporarily, exempt of duty pursuant to Customs Tariff introductory provisions, Section 14.

Section 5.

Neither is value added tax to be calculated on:

1. Gift parcels/packages valued at less than NOK 1000. The exception does not apply to alcoholic beverages or tobacco (including cigarette paper).
2. Other parcels/packages valued at less than NOK 200. The exception does not apply to alcoholic beverages or tobacco (including cigarette paper).
3. Art and museum objects that are imported directly for approved, publicly funded museums and collections, to the same extent that customs duties are exempted.
4. Baggage belonging to UN representatives and foreigners with diplomatic passports and Norwegian laissez-passer, to the same extent that customs duties are exempted.
5. The United Nations' information material, provided that it is received free of charge and is not to be sold in this country.
6. Visual and audio material of an educational, scientific and cultural nature, to the same extent that customs duties are exempted.
7. Documents and printed matter from the authorities of a Nordic country, to the same extent that customs duties are exempted.
8. Equipment for use in timber rafting in Norwegian/Swedish watercourses, to the same extent that customs duties are exempted.
9. Tourist promotion material for re-exportation or consumption in this country, to the same extent that customs duties are exempted.
10. Equipment and provisions belonging to overseas scientific expeditions, to the same extent that customs duties are exempted.
11. Theatre costumes, stage sets and other stage props for loan or hire and later re-exportation, to the same extent that customs duties are exempted.
12. Printing plates and matrices in regular subscription that are imported duty-free by newspapers and by press agencies or similar institutions acting on behalf of newspapers.
13. Motor vehicles that are imported duty-free in connection with the owner moving into Norway.
14. Spare parts and necessities, including cabin equipment as well as service goods for aeroplanes, to the extent that the Directorate of Customs and Excise grant exemption from duties.
15. Animals which:
 - a. are imported temporarily for breeding purposes,
 - b. are imported temporarily for participation in contests and/or exhibitions,
 - c. are imported temporarily in connection with the owner's temporary stay in Norway,
 - d. are owned by persons resident in Norway, and which are re-imported after a temporary stay abroad,
 - e. are imported in connection with the owner moving to Norway, provided that the value of the animal does not exceed NOK 2000.
16. Human organs, blood and similar that are imported by hospitals or medical laboratories for use, examination and/or control.
17. News pictures in ordinary letter dispatches and in express letter dispatches to picture bureaux and press agencies that are registered in the VAT census, cf. the VAT Act, Chapter VII.

The exemption embraces ordinary pictures on paper, as well as transparent pictures on film basis (overheads, colour slides and similar).

18. Editorial matter in ordinary letter dispatches and in express letter dispatches to newspapers, magazines and periodicals (technical/professional) issued by newspapers, publishers, organizations and institutions registered in the VAT census, cf. the VAT Act, Chapter VII. The exemption embraces proofs of articles, reports, short stories and serial stories with any associated illustrations, strip cartoons, as well as advertisement originals (pasted texts with attached pictures).
19. Pharmaceutical preparations that are distributed free of charge for clinical testing, where exemption from registration is granted by the Norwegian Medicines Control Authority.
20. Flight simulators, and parts and components of these for use in connection with civil aviation.

The Directorate of Customs and Excise may grant exemption from VAT to goods that are duty-free in accordance with the Customs Tariff introductory provisions, Section 11 no. 23, provided that the exporter and importer is one and the same person, institution or company.

Section 5a.

Of electric power that is imported from abroad, no VAT is calculated upon importation.

Chapter 3. Refund of VAT.

Section 6.

The Directorate of Customs and Excise cannot refund VAT to businesses that are required to register pursuant to the VAT Act, or that are voluntarily registered in the VAT census, if nothing to the contrary is determined.

Section 7.

For businesses other than those that are required to register and those that register voluntarily, the following regulations on refund apply:

- A. The Directorate of Customs and Excise or whoever it authorises, may refund VAT on goods, which within one year from the importation are re-exported overseas in an unaltered condition, if the goods are sent in error, ordered by mistake, delivered too late or are not in accordance with the recipient's order. The same applies to re-exportation of goods as stated in the Customs Tariff, Section 14, no. 4 and no. 9.
- B. Upon re-exportation of goods that were received for hire or loan, the VAT is refunded with a deduction of 5 per cent for each month or part of month since customs clearance.
- C. The provisions under B above apply similarly upon re-exportation of construction machinery, construction or transport material, that have been imported by overseas businesses for temporary use in this country. The same applies to the re-exportation of goods stated in the Customs Tariff, Section 14, nos. 11-13.
- D. If errors are made in tariffing, or there is a miscalculation, or incorrect quantity determination or value assessment, the provisions of the Customs Act, Section 59, apply.
- E. The Directorate of Customs and Excise or whoever it authorises, may in other cases refund VAT on goods that are re-exported within one year from the date of importation, in cases where the customs duties are or could have been refunded.

Chapter 4 On credit for VAT at importation.

Section 8.

The Directorate of Customs and Excise or whoever it authorises, may grant credit for VAT that is charged upon importation according to the provisions of this chapter.

Section 9.

Credit may be granted to single persons as well as to firms that have customs credit.

Section 10.

According to further provisions by the Directorate of Customs and Excise, the applications shall provide information necessary for the evaluation of the creditworthiness of the applicant.

Firms applying for credit shall always provide information about who is the general manager/managing director, and on the composition of the board.

Section 11.

The Directorate of Customs and Excise or whomsoever it may authorise, may demand security for VAT. Security may be demanded in the form of:

- A. Surety by a Norwegian bank, or
- B. Surety by an insurance company that is authorised to carry on business in this country, or
- C. Surety by another credit company approved by the Directorate of Customs and Excise.

If it emerges that the pledged security does not give sufficient cover for continued credit, the recipient of the credit shall pledge further security.

Section 12.

Credit granted may at any time be revoked. The reasons for the revocation must be stated.

Section 13.

The Directorate of Customs and Excise or whoever it authorises, may refuse the granting of credit for VAT upon importation of consignments when the value of the consignment does not exceed NOK 5 000, and the dispatch is otherwise exempt from customs duties and taxes other than VAT.

Section 14.

For applicants who are granted credit under these regulations, the settling day for amounts placed and charged to their account during a calendar month, is to be fixed at the 18th of the next calendar month. If this date falls on a Saturday or holiday/festival day, the settling day is considered to be the first ensuing working day. There are no days of grace.

Credited amounts are deemed to be paid on time when it appears from receipts issued by banks, the postal service or the customs cashier in Oslo, that the amounts owing have been paid not later than the due date.

Section 15.

Interest shall be paid on tax amounts that are not paid on time. The interest rate shall be 3 percentage points above the interest rate at any time fixed in regulations pursuant to Section 3, first subsection, first sentence, of the Act of 17 December 1976 No. 100 on Interest on Overdue Payments. The interest is to be calculated from the settling-day and until payment is discharged.

Interest amounts below NOK 50 shall not be claimed.

Chapter 5. Special provisions on security.

Section 16.

As a rule, security is not demanded upon granting of credit to traders with customs credit who are registered under the VAT Act.

Section 17.

The Directorate of Customs and Excise, or whomsoever it may authorise, may require the provision of security if the VAT due is not paid at settling-day.

II

The regulations come into force on 15 December 1975. With effect from the same date, the regulations of 25 September 1970 on the calculation and collection of VAT upon importation, with amendments of 25 February and 13 October 1975 are repealed.

No. 18

Regulation relating to proportional deductions in respect of input tax according to the Act relating to Value Added Tax.

(Issued by the Ministry of Finance 20 December 1969 in pursuance of the first subsection of Section 26, cf. Section 23, of the Act relating to Value Added Tax.)

Section 1. *Basis of apportionment.*

The basis for the apportionment of input tax according to Section 23 of the Value Added Tax Act is the intended use of the goods or services in the part of the business which falls within the scope of the Act. The person engaged in trade or business can claim a deduction in respect of input tax on the part of the purchase price which is proportional to this supposed use.

Section 2. *Building and management of buildings.*

If it can be assumed that the building costs can be divided more or less evenly among the square metres of floor space devoted to various uses, the input tax on the construction of a building can be apportioned on the basis of the proportion between the floor space intended for use in the part of the business which falls within the scope of the Act and the building's total floor space. The same applies correspondingly to extensions, additions and alterations.

The same apportionment as mentioned in the first subsection can be applied to proportional deductions in respect of input tax on overall maintenance and repairs. The same applies to tax on other expenses relating to the management of the building. If a different distribution of such expenses has been agreed with the tenants, this can be used as the basis for the apportionment.

Section 3. *Overall operating expenses.*

Of input tax on goods and services acquired for use as a whole in the overall operation of the enterprise, a deduction can be claimed in respect of a part corresponding to the proportion between the enterprise's taxable sales and total sales in the past accounting year.

Sales means sales excluding value added tax.

Section 4. *Limitation of the right to proportional deduction.*

If the taxable sales are insignificant in proportion to the other activities, no deduction can be made in respect of any part of the input tax on goods and services acquired for the use of the activities as a whole. This provision does not apply to businesses whose main sales derive from services that are covered by the exemption provision for financial services pursuant to Section 5 b no. 4 of the Value Added Tax Act.

If the sales which are not covered by the Act are insignificant in proportion to the other activities, a deduction can be made without apportionment of input tax among acquisitions for the use of the activities as a whole.

Sales are considered as insignificant if they do not normally exceed 5 per cent of the total sales of the business.

Section 5. *Various provisions.*

The provision in Section 1 can be applied correspondingly to input tax on electricity, fuel and telephone services acquired as a whole for business and private use.

The provisions in Section 2 can be applied correspondingly to the building etc. by persons registered as engaged in trade or business of premises intended in part to meet needs for housing or leisure, holiday or other recreational needs, cf. Section 14 second subsection no. 2 of the Value Added Tax Act.

By "taxable sales" in Sections 3 and 4 is meant sales covered by the provisions in Chapter IV of the Value Added Tax Act.

The Ministry of Finance has issued the following comments and guidelines concerning the provisions in Sections 1 - 5 above of the Regulation:

Comments on Section 1.

The right to deduction according to Section 21 of the Act only extends to input tax on goods and services for use in business activities with sales as mentioned in Chapter IV of the Act. A registered person engaged in business and trade who also carries on activities which fall outside the scope of the Act, for instance the letting of premises, hotel activities, passenger transport etc., is not entitled to deduction in respect of input tax on acquisitions for use in that part of the activity. The person engaged in business or trade must therefore in his or her accounts distinguish clearly between purchases according to their use in the activity. If the item or service was acquired for use in the activities as a whole, a proportional deduction can be claimed according to Section 23 of the Act.

The basis for the calculation of the proportional deduction is the supposed use of the good or service in the part of the activity which falls within the scope of the Act.

In some cases, only a limited part of the asset is put to the use of the part of the activity which falls within the scope of the Act. An example would be a commercial building part, of which the person engaged in the business lets. In other cases, an asset as a whole is put to the joint use of both parts of the activity, as in the case of a hotel laundry which at the same time does washing for both the hotel operation and the restaurant operation.

When calculating the proportional deduction, the person engaged in business or trade will have to exercise sound commercial judgement. As a rule, the calculation has to be made before the goods or services are put to use. As an aid in the exercise of judgement, he or she will be able to make use of previous experience of the use of corresponding goods or services. In general, he or she must aim at an apportionment of costs which accords with the standards of good business practice.

With regard to groups of goods and services with the same proportional use in the part of the activity which falls within the scope of the Act, the person engaged in business or trade can use the same proportion when calculating the proportional deduction in respect of input tax. This applies for instance to purchases of office equipment, office materials etc. for use in the joint administration of the activities, or joint purchases of necessary equipment etc. for means of transporting goods and conveying passengers.

On certain conditions, Sections 2 and 3 of the Regulation permit the use of specific proportions when calculating the proportional deduction in respect of acquisitions relating to the building and management of buildings and purchases for use as a whole in the overall operation.

The accounts must show how the proportional deduction has been calculated, cf. Section 3 of the Regulation issued by the Directorate of Taxes relating to the obligation to keep accounts and book-keeping.

The provisions concerning proportional deductions do not apply to goods and services of a kind sold in the course of the business activity, cf. the last sentence of Section 23. A full deduction of input tax on such goods and services can be claimed. If any of them are to be put to use in the part of the business activity which falls outside the scope of the Act, output tax shall be paid according to the withdrawal rule in the first subsection of Section 14.

Comments on Section 2.

The provision in the first subsection is likely to apply especially to commercial and other buildings with more or less uniform standards in the various storeys. The condition for applying the provision is that the building costs can be assumed to be practically evenly distributed among the square metres of floor space devoted to the various purposes. The building costs in question here are those charged to the owner. Furnishing and equipment costs chargeable to individual tenants cannot be included. Building costs include the costs of preparing the site and the costs of road, water supply and sewerage construction etc. The same applies to expenses for installations and special furnishings or equipment in the building, such as lifts, heating and ventilation systems, etc.

A share of corridors and other common areas in the building for use in the part of the business which falls within the scope of the Act, is also considered a floor space.

The provision applies correspondingly to extensions, additions and alterations for use in the activity as a whole.

If the conditions for applying the provision in the first subsection are not met, the proportional deduction must be calculated in accordance with the provision in Section 1.

According to the second subsection, the proportional deduction in respect of input tax on joint maintenance and repairs can be calculated on the basis of the proportion between the floor space for use in the part of the activity which falls within the scope of the Act and the building's total floor space. Normally to be considered as joint maintenance and repairs are work on the exterior and interior work relating to common corridors and storage space, joint pipeline systems, etc.

The same proportions can also be used for proportional deductions in respect of input tax on other operating expenses relating to the building, such as charges for water, chimney sweeping, street sweeping and snow clearing, waste disposal, joint cleaning, heating, etc.

Comments on Section 3.

The goods and services in question here are only those acquired for use as a whole in the joint operation of the activities. All acquisitions exclusively for use in the part of the activity which falls within the scope of the Act carry full deduction rights, whereas the right to deduction does not comprise acquisitions solely for use in the rest of the business.

Comments on Section 5.

If goods or services are purchased for use as a whole in an activity which falls within the scope of the Act and for private use, a deduction can be claimed in respect of input tax according to Section 21, while tax is payable on withdrawals for private use according to the first subsection of Section 14. For practical reasons, the first subsection of Section 5 of the Regulation permits proportional deductions in respect of input tax on electricity, fuel and telephone services.

According to Section 22 of the Act, the right to deduction does not comprise input tax on goods and services acquired exclusively for use as mentioned in the second subsection of Section 14. According to the last-mentioned provision, tax shall be paid as for withdrawal when the goods and services from the enterprise are used for the purposes mentioned there. In these cases, too, it will for practical reasons be appropriate to permit proportional deduction with regard to the building etc. of commercial premises which are also intended to meet the housing needs of the owner of the enterprise or its employees. In such cases, Section 2 of the Regulation can be applied correspondingly.

No. 24

Regulation relating to the sale of goods and services for use abroad, etc.

(Issued by the Ministry of Finance 23 February 1970 in pursuance of litra a of the last subsection of Section 16, cf. literas a, c and d and no. 2 of the first subsection and the second subsection of Section 22 and Section 75, of the Act relating to Value Added Tax..)

Chapter 1. The sale of goods and services for use abroad, on Svalbard and Jan Mayen, and on foreign ships and aircraft.

Section 1.

On conditions as mentioned in Section 2, registered persons engaged in business or trade shall not pay value added tax (zero-rate) on the sale of goods to abroad, Svalbard and Jan Mayen, and for the use of foreign ships and aircraft as mentioned in Section 17 first subsection literas a-c of the Value Added Tax Act.

Regarded as equivalent to sales to abroad are

- a. ---
- b. the sale of goods as gift consignments to recipients resident abroad or staying on Svalbard or Jan Mayen,

- c. the delivery of advertising or propaganda material which the registered person engaged in business or trade sends direct to abroad on behalf of a Norwegian client.

Advertising publications printed in foreign languages and advertising films with foreign speech which are intended for use abroad are, subject to more detailed conditions laid down by the Directorate of Taxes, exempt from tax even if delivered from the printer/advertising film producer to a client in Norway. (See Regulation no. 35.)

Section 2.

The condition for the tax exemption in the first subsection of Section 1 where the sale is concerned of goods for the use of foreign ships and aircraft as mentioned in Section 17 first subsection literas a-c of the Value Added Tax Act, is that the goods are delivered to the foreign ship or aircraft in question. Otherwise the condition for the tax exemption in the first subsection of Section 1 is, where nothing to the contrary has been decided, that the goods are cleared for export by the Customs.

The condition for the tax exemption in the second subsection of Section 1 is that the seller has the goods cleared for export by the Customs.

In connection with tax-free sales according to the first and second subsections of Section 1, a seller effecting a consignment to abroad can, unless obliged to present a completed export declaration to the Customs, use a mail receipt book as documentation of the export.

The Directorate of Taxes may issue more detailed rules concerning authentication of the tax-free sale. (See Regulation no. 35.)

Section 3.

If goods have been re-sold to abroad by a registered Norwegian purchaser before he or she has taken delivery of the goods, the supplier of the goods can supply it free of tax provided it is directly cleared for export by the Customs.

The Directorate of Taxes may issue more detailed rules concerning authentication of the tax-free sale. (See Regulation no. 35.)

Section 4.

- In airport transit lounges, value added tax shall not be paid on the sale of
1. alcoholic beverages, tobacco products, chocolate and sweets, perfumes, cosmetics and toiletry,
 2. other goods to persons resident in other countries than Denmark, Finland, Norway or Sweden.

The Directorate of Taxes may issue more detailed rules concerning authentication of the tax-free sale. (See Regulation no. 35.)

Section 5.

Notwithstanding the provision in the first subsection of Section 22 of the Value Added Tax Act, a registered person engaged in business or trade can claim a deduction in respect of input tax on goods for use as gifts to abroad and for distribution abroad for advertising purposes. Nor shall tax be payable on goods as mentioned as on withdrawals according to the second subsection of Section 14 of the Value Added Tax Act.

The Directorate of Taxes may issue more detailed rules concerning authentication. (See Regulation no. 35.)

Section 6.

The tax exemption in the first subsection of Section 1 does not comprise deliveries to ships and aircraft in passenger traffic between Norway and Denmark, Sweden or Finland of goods for sale to passengers from kiosks or similar outlets on board. This does not apply to alcoholic beverages, tobacco products, chocolate and sweets, perfumes, cosmetics and toiletries, to the extent that and subject to the conditions under which such goods can be released by the Customs untaxed.

Section 7.

The tax exemption in the first subsection of Section 1 does not apply to sales to ships laid up in Norwegian waters of provisions and other goods which are consumed during the laid-up period.

Section 8.

A registered person engaged in business or trade shall not pay tax on the sale of services exclusively intended for use abroad, on Svalbard and Jan Mayen, or for foreign ships and aircraft, as mentioned in Section 17 first subsection literas a-c of the Value Added Tax Act. Nor shall tax be paid on the sale of services that is capable of delivery from a remote location¹ when the recipient of the service is a business resident abroad, on Svalbard or Jan Mayen or a public activity abroad, on Svalbard or Jan Mayen. In the case of the sale of services that can be supplied from a distance to others resident abroad, on Svalbard or Jan Mayen, the stipulation in the first subsection applies. The condition for the tax exemption according to the first subsection is that the service:

- a. is performed abroad, on Svalbard or Jan Mayen, for foreign ships or aircraft as mentioned in the first subsection, or
- b. is performed in this country for a client resident abroad, on Svalbard or on Jan Mayen.

With regard to a service as mentioned under litra b of the second subsection and involving work on goods, it is moreover a condition for the tax exemption, where nothing to the contrary has been decided, that the person engaged in business or trade has the goods cleared for export by the Customs.

The Directorate of Taxes can issue more detailed rules concerning authentication of the tax-free sale. (See Regulation no. 35.)

1 See regulation no. 121 of 15 June 2001 relating to value added tax on the purchase of services from abroad.

Chapter 2. Sale of goods and services for the use of ships and aircraft in international transport.

Section 9.

Subject to conditions as mentioned in Section 11, a registered person engaged in business or trade shall not pay value added tax (zero-rate) on the sale of goods for the use of ships of over 15 metres maximum length and aircraft in international transport when they carry cargo or convey passengers for payment.

As ships in international transport are reckoned ships which sail regularly between foreign ports or between Norwegian ports and ports abroad or on Svalbard or Jan Mayen. The same applies correspondingly to aircraft.

The tax exemption in the first subsection also applies to goods for ocean station vessels and for ships engaged in pelagic whaling in the Antarctic.

The tax exemption in the first subsection moreover applies to provisions and goods for consumption on individual voyages supplied to ships of over 15 metres maximum length which carry freight or convey passengers for payment in domestic trade when they are cleared out to ports abroad or on Svalbard or Jan Mayen. Under the same conditions, the same applies correspondingly to goods for salvage vessels and tugboats with maximum lengths of over 15 metres, Naval vessels and training ships and aircraft as mentioned in the first subsection of Section 17 first subsection no. 1 litra c of the Value Added Tax Act.

Section 10.

In respect of ships which are abroad, the tax exemption in the first subsection of Section 9 also applies to goods for the personal use of crew members and all goods for the slop chest.

With regard to the supply of goods for the slop chests of ships lying in Norwegian ports, the tax exemption only applies to goods which can be released by the Customs free of customs duties and taxes.

Section 11.

The condition for the tax exemption in Section 9 is that the goods are delivered to the ship or aircraft in question or, if the ship or aircraft is abroad, that the goods are cleared for export by the Customs.

The condition for the tax exemption in the first subsection of Section 10 is that seller has the goods cleared for export by the Customs.

The condition for the tax exemption in the second subsection of Section 10 is that the seller has the goods cleared for export by the Customs as goods on which customs duties and taxes are to be refunded.

The Directorate of Taxes may issue more detailed rules concerning authentication of the tax-free sale. (See Regulation no. 35.)

Section 12.

The tax exemption in the first subsection of Section 9 does not include deliveries to ships and aircraft in passenger traffic between Norway and Denmark, Sweden or Finland of goods for sale to passengers from kiosks or similar outlets on board. This does not apply to alcoholic beverages, tobacco products, chocolate and sweets, perfumes, cosmetics and toiletries in so far as and subject to the conditions under which they can be cleared for export by the Customs untaxed.

Section 13.

The tax exemption in the first subsection of Section 9 does not apply to sales to ships laid up in Norwegian waters of provisions and other goods which are consumed during the laid-up period.

Section 14.

The tax exemption in the first subsection of Section 9 does not apply to deliveries of goods to shipping companies or airlines in this country.

Subject to more detailed conditions laid down by the Directorate of Taxes, registered shipping companies and airlines can, the provision in the first subsection of Section 22 of the Value Added Tax Act notwithstanding, claim a deduction in respect of input tax on goods for use as mentioned in the first subsection of Section 9. Shipping companies or airlines which are not registered in the chief county tax inspector's census of liable registrants can claim refunds of input tax on conditions laid down by the Directorate of Taxes. (See Regulation no. 35.)

Section 15.

Registered persons engaged in business or trade shall not pay value added tax on sales of services for use by ships and aircraft as mentioned in the first, second and third subsections of Section 9 if the service relates to

- a. work on the vessel or aircraft or its permanent working equipment,
- b. towing of the vessel,
- c. the leasing of permanent working equipment delivered to the vessel or aircraft.

Nor shall value added tax be paid on a commission paid by a Norwegian shipping company for the voyage chartering of a ship in international transport or for the affreightment of cargo on a ship in international transport.

Chapter 3. Crediting with value added tax on sales to tourists etc.

Section 16.

On conditions as mentioned in Sections 17 - 19, the seller can be credited with value added tax calculated on sales of goods to persons resident abroad when the goods are taken out as luggage. The same applies to sales of goods to persons staying on Svalbard or Jan Mayen.

Section 17.

When goods are sold to persons resident in Denmark, Finland or Sweden, the seller can be credited with the value added tax when the accounts document that the buyer imported the goods into his or her home country in immediate connection with the sale, and that payment of value

added tax or a corresponding general purchase tax was demanded on the importation of the goods.

Section 18.

When goods are sold to persons resident in other countries than Denmark, Finland or Sweden, the seller can be credited with the value added tax when the accounts document that the goods were taken out of the country by the buyer within a month of its delivery. The same applies to sales of goods to persons staying on Svalbard or Jan Mayen.

Section 19.

The selling price of each commodity sold to a person resident in Denmark, Finland or Sweden must be at least NOK 1,000 excluding tax. The same applies to sales to persons staying on Svalbard or Jan Mayen. A group of goods normally constituting an item of goods are also regarded as one commodity.

For sales to persons resident in other countries, it is sufficient for the individual invoice amount to be at least NOK 250 excluding the tax.

The Directorate of Taxes may issue more detailed rules concerning authentication as a condition for being credited with value added tax. (See Regulation no. 35.)

Chapter 4. Delivery of goods to free warehouses.

Section 20.

A registered person engaged in business or trade shall not pay value added tax (zero-rate) on sales of goods which he or she with the consent of the Customs authorities delivers for storage to the buyer's free warehouse.

The Directorate of Taxes may issue more detailed rules concerning authentication of the tax-free sale. (See Regulation no. 35.)

Comments:

Comment on the third subsection of Section 2, in a letter dated 2 December 1987 from the Ministry of Finance:

As of 1 July 1986, export declarations are not as a general rule required for goods worth up to NOK 5 000. Special rules apply to fish, concerning which information can be obtained from the Customs authorities.

With regard to Section 5 and Section 14 of the Regulation, the Ministry of Finance commented as follows in a letter dated 27 February 1970 to the Directorate of Taxes:

Re Section 5.

According to section 22 first subsection no. 3 of the Value Added Tax Act, the right to deduction does not extend to input tax on goods and services acquired exclusively for use as mentioned in the second subsection of Section 14 of the Act, with a corresponding obligation according to the latter provision to pay tax as on withdrawals if the right to deduction mentioned is not precluded.

In order that registered persons engaged in business and trade shall not be charged tax on goods used as gifts to abroad and for distribution abroad for advertising purposes, Section 5 of the Regulation lays down that a deduction can be claimed, the provisions in the first subsection of Section 22 of the Value Added Tax Act notwithstanding, and moreover that tax shall not be paid as on withdrawals.

Re Section 14.

According to Section 14 of the Regulation, the tax exemption does not apply to ships and aircraft in overseas trade for deliveries of goods to shipping companies or airlines in this country. The second subsection of the Section contains a provision which, notwithstanding the first subsection of Section 22 of the Value Added Tax Act, conveys a right to deduction in respect of input tax on goods for use as mentioned in the first subsection of Section 9 of the Regulation.

No 27.

Regulations relating to sales of goods and services for use offshore in connection with exploration for and exploitation of submarine natural resources

(Issued by the Ministry of Finance 19 February 1974 in pursuance of Section 16, second subsection litra a, cf. first subsection no. 1 litra b and Sections 70 and 75 in the Act relating to Value Added Tax of 19 June 1969 No. 66.)

Chapter 1. Sales to drilling and licensed companies etc.

Section 1.

Persons engaged in trade or business and liable to registration, shall not, on conditions laid down in the Value Added Tax Act and these Regulations, charge and pay tax on goods to licensed companies, drilling companies, platform owners and lessees of platforms, provided that the goods are for use in sea-areas outside Norwegian territorial waters in connection with exploration for and exploitations of submarine natural resources.

Regarded as equal to sales to licensed and drilling companies are sales to persons in trade or business, who as for registration are non-labile, but render services offshore relating to plant and installations as referred in Section 2 a in these Regulations.

The exemption under the first and second subsection shall not apply to:

- a) goods for use within the country,
- b) goods for sale to the crew.

Section 2.

Persons engaged in trade or business and liable to registration, shall not, on conditions laid down in the Value Added Tax Act and these Regulations, charge and pay Value Added Tax on the rendering of services to assignors mentioned in Section 1 if:

- a) the service is performed at the drilling well or exploitation site or in the exploration area or on or at storage installations, installations for generating electric power, pipelines, place for shipment or other plant and installation connected with the exploitation of natural resources in sea-areas outside Norwegian territorial waters,
- b) the service is performed in Norway on equipment and plant related to such plant or installations as mentioned under litra a) above,
- c) the service involves projecting, drafting, engineering or technical assistance related to plant or installations as mentioned under litra a) above,
- d) the service relates to transportation between shore and drilling well, exploitation or installation site in sea-areas outside Norwegian territorial waters.

Section 3

Persons engaged in trade or business and liable to registration, shall not charge and pay Value Added Tax on the sales of goods in connection with rendering such services as mentioned in Section 2.

Chapter 2. Sales to owners or lessees of specialised ships.

Section 4.

Persons engaged in trade or business and liable to registration, shall not, on the conditions laid down in the Value Added Tax Act and these Regulations, charge and pay Value Added Tax on goods for use of a specialised ship.

"A specialised ship" is any ship specially built or rebuilt for use in the petroleum industry or for carrying out assignments in such industry.

On conditions as mentioned in the first subsection, a person engaged in trade or business and liable to registration shall not charge and pay Value Added Tax on services for the use of specialised ships providing the service involves:

- a) work on the ship or the ship's permanent equipment,
- b) towing of the ship,

c) hiring out permanent working equipment delivered to the ship.

Nor shall Value Added Tax be chargeable or payable on fees paid by a Norwegian shipping company for the negotiation of a voyage chartering of, or a freight of cargo with a specialised ship.

Chapter 3. General rules.

Section 5.

Base companies liable to registration, shall not charge and pay tax on the sale of services involving storage, unloading, transport etc. (handling) for account of assignors referred to in Chapter 1 and Chapter 2, providing such sales are made on the base site.

Section 6.

Tax exemption under these regulations shall apply on condition that the goods are supplied in compliance with a Purchase Order and furthermore on conditions of verification as provided by the Directorate of Taxes in Rules issued 22 February 1974.

Section 7.

These Regulations shall enter into force on 1 March 1974.

No. 31.

Regulations relating to zero-rated transport directly to or from abroad.

(Stipulated by the Ministry of Finance on 26 May 1970 and under the provisions of the VAT Act, Section 16, last subsection *litra a*, cf. first subsection no. 3.)

Section 1.

No VAT (output tax) shall be charged on transport services in Norway when the transport occurs directly to or from abroad.

Direct transport, as referred to in the first subsection, occurs when an agreement exists covering the uninterrupted transport from one location in Norway to a location abroad, or vice versa.

Concerning connection transport (transport of transit or transfer passengers) to or from abroad, the exemption only applies if

- a. an agreement about through transport has been made in advance,
- b. a ticket has been issued from the first point of departure in this country to the final destination abroad, or vice versa,
- c. subsequent transport is carried out by the use of the identical means of transport,
- d. subsequent transport is started within 24 hours and is directly linked to the initial transport, and
- e. any checked in luggage is checked in from the start.

The rules set out in the third subsection apply regardless of the transport taking place by the use of a means of transport that is scheduled and/or chartered, and regardless of the subsequent transport involving a change of station, airport, seaport etc. provided that the other conditions are met.

The exemption does not apply to any part of a round trip in this country that exceeds 24 hours.

Section 2.

The zero-rated VAT in Section 1 also applies to services rendered generally in connection with transport services in Norway.

Section 3.

The services referred to in Sections 1 and 2, and that concern the transport of goods can only be invoiced at zero-rate VAT in accordance with the transit document, and only to the consignee/shipper or the foreign carrier, shipping agent etc. Persons engaged in trade and business

who transport goods directly between locations in Norway and abroad can also invoice the Norwegian carrier at zero-rate VAT.

Section 4.

The Directorate of Taxes may stipulate more detailed regulations regarding direct transport and the necessary documentary proof etc. for zero-rated supplies pursuant to these Regulations. (See Regulation no. 34.)

No. 34.

Regulations relating to direct transport to and from abroad, and to proof of zero-rate entitlements pursuant to the Ministry of Finance Regulations of 26 May 1970.

(Stipulated by the Directorate of Taxes on 28 July 1970 and pursuant to the Ministry of Finance Regulations Section 4.)

(See Regulations No. 31.)

1.

An agreement regarding the transport of goods as referred to in Section 1, second subsection of the regulations must be in writing, either in the form of a written commission, consignment note, bill of lading or bordereau for the entire route. As proof of the zero-rated supply can also be used a manifest, if the manifest states the name of the sender, the place of dispatch, the receiver, the recipient place and in addition the freight charge and other charges that are collected for each shipment.

An agreement regarding the transport of persons as referred to in Section 1, second subsection of the regulations can be verified besides through a written agreement, through a sales document or a ticket. The documentation shall furthermore contain an account of the journey, in which the times of any connection transport, cf. the regulations section 1, third subsection, are listed. The same rule applies to connection transport.

However, in the case of co-ordinated transport to or from abroad, more than one transport document may be used as proof of the zero-rated supply for the entire route, on condition that cross-references are appended to the shipping agent's documents. The same applies to connection transport.

2.

The person responsible for the zero-rate invoicing in accordance with Section 1 of these regulations shall keep a copy of the document referred to under (1) as a voucher for the accounts.

3.

Sales documents for services as stated in Sections 1 and 2 of these regulations, must contain a reference to the document stated under (1) above.

Both a copy of the sales document and the document stated under (1) above shall be kept as vouchers for the accounts.

4.

The tax exemption (zero-rating) for the transport of goods in Sections 1 and 2 of these regulations applies only to services rendered prior to the goods being made available to the consignee or his representative at the destination stated in the document stated under (1).

No. 35

Regulation relating to authentication rules for sales of goods and services for use abroad, etc.

(Issued by the Directorate of Taxes 31 July 1970 in pursuance of the Ministry of Finance's Regulation No. 24 of 23 February 1970.)

The rules relate to the respective Sections of the Ministry of Finance's Regulation.

1. *The first subsection of Section 1 of the Regulation.*

Goods for the use of foreign ships or aircraft as mentioned in the first subsection of Section 1 of the Regulation can be supplied free of tax in Norway on the following conditions:

It must be stated in a sales voucher which shipping company/airline is the buyer and when and to which ship/aircraft delivery has been made. The supplier must on his copy of the sales voucher demand a receipt from the person responsible on board confirming receipt of the good(s) for the ship's use. Reference is also made to the Ministry of Finance's Regulation of 14 October 1969 relating to the contents of sale documents etc. (No. 2). The receipt must be kept by the supplier in the manner laid down by the Directorate of Taxes, see item 9 below.

The third subsection of Section 1 of the Regulation.

Advertising publications printed in foreign languages and advertising films with foreign speech which are exclusively intended for use abroad, can be delivered free of tax by the printer/film producer to a client in Norway who is not an intermediary (advertising agency), provided the assignment has been carried out on the basis of a written order stating that the publications/advertising films are for use abroad.

The printer/film producer must retain the order and a copy of the tax-free publication/film as laid down by the Directorate of Taxes, see item 9 below.

The provisions in the first and second subsection apply correspondingly to deliveries of advertising publications/advertising films as mentioned from an advertising agency to a client in Norway. The delivery from the printer/film producer to a Norwegian advertising agency is liable to tax unless the publication/film is an advertisement for that agency for use abroad.

2. *Section 2 of the Regulation.*

In the cases in which clearance for export by the Customs is laid down as a condition, the exporter is obliged to keep a copy of the customs declaration as authentication of the tax-free sale of goods for use abroad etc. The customs declaration shall be kept as laid down by the Directorate of Taxes, see item 9 below.

In connection with consignments for which the current Customs Regulations do not require the presentation of a customs declaration, the condition for tax-free delivery is:

- a. For dispatch by road, air, railway or ship, the seller shall keep a copy of the invoice stamped by the Customs and a waybill stamped and bearing the charterer's receipt showing that the consignment has been received for dispatch abroad.
- b. For dispatch through the Postal Services, the seller shall use the Postal Services Administration's customs declaration form 147, or a mail receipt book, clearly showing the buyer's (consignee's) name and address, the value of the goods, and the post office's stamp and receipt for the consignment.
- c. For dispatch through a forwarder, the seller can use a declaration (manifest) issued by the forwarder and stamped by the Customs and clearly showing the individual buyer's (consignee's) name and address, a description of the goods, and the value of the goods, together with a reference to the seller's sales voucher and bearing the charterer's stamp and receipt for the consignment for dispatch abroad.

A copy of the invoice, the waybill, and the Postal Service's customs declaration form 147 shall be kept as laid down by the Tax Directorate, see item 9 below. A mail receipt book is a

voucher and must be retained in this country for 10 years from the date of the last consignment entered in the book. A declaration (manifest) issued by a forwarder is a voucher and must be retained in this country for 10 years from the date when the declaration (manifest) was stamped by the Customs Administration.

The Ministry of Trade may exempt a person who is obliged to keep accounts and books according to the Accounting Act from the obligation to retain the documents or fix a shorter period of retention. The Directorate of Taxes may do the same for a person who is not obliged to keep accounts and books according to the Accounting Act.

The third subsection of Section 2 of the Regulation.

(Repealed with effect from 1 June 1983 by an amending Regulation of 19 May 1983.)

The fifth subsection of Section 2 of the Regulation.

(Repealed with effect from 1 June 1983 by an amending Regulation of 19 May 1983.)

2A. *Section 3 of the Regulation.*

A registered Norwegian supplier can deliver goods which have been resold to abroad to the exporter free of tax on the following conditions:

The exporter shall issue an order form with a copy. The order form shall be clearly written, numbered, dated, and signed (also the copy), and shall state:

- a. The exporting firm's name, address and registration number in the census of registrants liable to VAT.
- b. The name and address of the person engaged in business or trade who is to supply the good.
- c. The nature of the goods.
- d. The quantity of the delivery requested.
- e. In the event, the price if it has been fixed.
- f. The time and place of the delivery.
- g. That the goods have been resold to abroad and to which country.

On his or her copy of the order form, which must be retained as a voucher, the exporter shall enter a reference to the supplier's voucher, to the invoice to the foreign buyer, and to the export document.

In the invoice to the exporter, the supplier of the goods shall refer to the order form, which is to be attached to the supplier's copy of the invoice and retained as a voucher. The invoice (and copies) shall be clearly marked:

"Value added tax not calculated."

2 B. *Section 4 first subsection no. 2 of the Regulation.*

The seller must issue a dated invoice containing the following information:

- a) The seller's name and address.
- b) The buyer's name, address and passport number.
- c) The buyer's flight number.
- d) A clear description of the goods.
- e) The quantity or volume sold.
- f) The amount paid for the goods.

3. *Section 5 of the Regulation.*

The condition for claiming a deduction in respect of input tax according to Section 5 is that the person engaged in business or trade has the goods cleared for export by the Customs.

The provisions in item 2 above relating to the retention of the customs declaration and of authentication of consignments for which no customs declaration is required apply correspondingly.

4. *Section 8 of the Regulation.*

The condition for tax exemption according to litra a of the second subsection of Section 8 is that the sales voucher states when and where the service was performed. With regard to the tax exemption in litra b of the second subsection of Section 8, documentation is also required showing that the service is entirely for use abroad, on Svalbard or Jan Mayen, cf. Section 43 of the Value Added Tax Act.

5. *Section 11 of the Regulation.*

In cases where the condition is stipulated of clearance for export by the Customs, the seller is obliged to retain the customs declaration. The customs declaration shall be kept as laid down by the Directorate of Taxes, see item 9 below.

Provided delivery is made in Norway, goods delivered to ships or aircraft as mentioned in Section 9 can be delivered free of tax on the following conditions:

The sales voucher must state which shipping company/airline was the buyer and when and to which ship/aircraft the delivery was made. On his or her copy of the sales voucher, the supplier must demand a receipt from the person responsible on board showing receipt of the good(s) for use on board. See also the Ministry of Finance's Regulation of 14 October 1969 relating to the contents of sale documents etc. (No. 2). The receipt must be retained by the supplier as laid down by the Directorate of Taxes, see item 9 below.

Goods delivered in Norway to a shipping company's forwarder for forwarding by him or her to ships abroad may be delivered free of tax on the following conditions:

The order must be made from the shipping company to the supplier in writing. The order must state the name and address of the forwarder who is to arrange the transport and which ship the goods are to be delivered to. The order must be retained by the supplier as laid down by the Directorate of Taxes, see item 9 below.

The forwarder must ship the good(s) out through the Customs on behalf of the shipping company and send a copy of the customs declaration and the vouchers which must be presented to the Customs to the shipping company. The customs declaration and vouchers must be kept by the shipping company as laid down by the Directorate of Taxes, see item 9 below.

6. *Section 14 of the Regulation.*

The condition on which a shipping company or airline in pursuance of Section 14 can claim a refund in respect of input tax on goods for use as mentioned in the first subsection of Section 9 is that the shipping company or airline keeps separate stock accounts, with a separate account for deliveries/withdrawals for each ship or aircraft.

A receipt for items withdrawn or delivered shall be issued by the person responsible on board.

The receipt shall be retained by the shipping company/airline as laid down by the Directorate of Taxes, see item 9 below.

On the conditions mentioned above, shipping companies and airlines which are not registered in the chief county tax inspector's census of liable registrants may apply to have taxes paid refunded by the chief county tax inspector. The application must include a list of the particular deliveries/withdrawals, the name of the vessel/aircraft, its signal letters if any, and the trade in which it is engaged.

7. *Section 16 and Section 17 of the Regulation.*

It is a condition for being credited with value added tax calculated on sales to persons resident in Denmark, Finland or Sweden that a numbered and dated sale document is issued stating:

- a. The name and address of the person engaged in business or trade who supplies the good.
- b. The buyer's name and home address.
- c. The nature and quantity of the goods.
- d. The amount paid for the goods excluding tax and the amount of tax.

The seller must present a duplicate/copy of the import document from the buyer's home country which shows the date of the import and that value added tax/the general purchase tax has been paid.

Section 16 and Section 18 of the Regulation.

It is a condition for being credited with value added tax calculated on sales to persons resident in other countries than Denmark, Finland or Sweden during a temporary stay in this country that the seller can present a completed form RG-135. The same applies to sales to persons staying on Svalbard or Jan Mayen. An export attestation from the Customs must be entered on the form within a month after the delivery of the goods.

In connection with crediting through a private company, the seller must present an invoice or bill from that company, and a copy of the issued refund form.

8. *Section 20 of the Regulation.*

The condition for tax exemption according to Section 20 is that the seller's invoice clearly shows that the place of delivery is the buyer's free warehouse.

In addition, a copy of the customs declaration shall be retained by the seller in the manner laid down by the Directorate of Taxes, see item 9 below.

9. Declarations and other documents which according to the present rules shall be retained by the person engaged in business or trade shall be clearly written. They are vouchers, and must be kept in this country in good order together with other documents for at least 10 years after the expiry of the accounting year in question.

The Ministry of Trade may exempt persons who are obliged to keep accounts and books according to the Accounting Act from the obligation to keep the documents, or require a shorter period of retention. The Directorate of Taxes may do the same for persons who are not obliged to keep accounts and books according to the Accounting Act.

No. 42.

Regulations relating to exemption from Value Added Tax (zero-rate) for the repair, maintenance, new-building and conversion of ships etc.

(Stipulated by the Ministry of Finance on 22 January 1971 and under the provisions of the VAT Act, Section 17 first subsection no. 2 and second subsection and Section 75.)

Section 1.

Registered persons engaged in trade or business shall not calculate or pay Value Added Tax (output tax) on last stage payments invoiced by the business for services provided that are directly connected to the repair, maintenance, new-building and conversion of:

1. Ships measuring and exceeding 15 metres in length, and intended for commercial passengers, the transport of cargo, for towing, salvage, rescue, ice-breaking, commercial fishing and hunting activities, and vessels specially designed for use in offshore petroleum-related activities. Tax exemption (zero-rate) also applies if such vessels are hired out to the Navy.
2. Training ships, Navy vessels and ships used for meteorological and research purposes.
3. Commercial and military aircraft. Tax exemption (zero-rate) also applies if commercial aircraft are hired out to the Air Force.
4. Oil drilling platforms and other mobile platforms used in the petroleum activities.
5. Fixed operational equipment on vessels, aircraft and platforms as described under 1-4.

Section 2.

Nor shall persons engaged in trade or business, and who provide the services referred to in Section 1, calculate or pay Value Added Tax (output tax) on goods that they deliver in connection with the service.

Section 3.

The Directorate of Taxes can provide more detailed regulations regarding entitlement to tax exemption (zero-rate). (See no. 43.)

Section 4.

These regulations take effect from 1 January 1971.

No. 43.

Regulations relating to the rules of entitlement to tax exemption (zero rate) for the supply of services and goods in connection with the repair, maintenance, new-building and conversion of ships etc. according to the VAT Act, Section 17, first subsection, no. 2.

(Stipulated by the Directorate of Taxes on 17 February 1971 and pursuant to regulations no. 42 Section 3.)

1. The condition for tax exemption (zero rate) in Section 1 of the Ministry of Finance regulations of 22 January 1971 is that the sales voucher states both when, and for which vessel, aircraft or platform as described in Section 1 of the regulations, the services are provided. If the service is not provided on/for the vessel, aircraft or platform, there is an additional condition that the responsible person on board, the shipping company or the airline company must provide a declaration that the item for which the service is provided is part of the ship's, aircraft's or platform's fixed operational equipment. The declaration must be retained by the supplier as stipulated by the Directorate of Taxes, see (3) below.
2. The condition for tax exemption (zero rate) in Section 2 of the regulations is that the item is invoiced as part of the same sales document as for the service provided or, in cases where a separate sales document is used, that reference is made on this to the sales document issued for the provision of the service. The supplier must request a receipt from the responsible person on-board or from the shipping company/airline company indicating that the item has been received. The receipt must be retained by the supplier as stipulated by the Directorate of Taxes, see (3) below.
3. Declarations and other documents that are to be kept by the persons engaged in trade or business in accordance with these rules, shall be clearly legible. They are vouchers to the accounts and as such shall be kept in Norway together with other documents in an orderly manner for at least ten years after the end of the accounting year in question.

The Department of Trade can grant exemption from the obligation to keep these documents or stipulate a shorter period of safekeeping.

No. 49

Regulations on delimitation of the expression "passenger vehicle"

(Stipulated by the Ministry of Finance on 25 October 1971 under the provisions of the VAT Act, Section 14, third subsection, and Section 75.)

Section 1.

The following are to be regarded as passenger vehicles in accordance with the VAT Act, Section 14, third subsection:

1. A passenger vehicle without motorised propulsion.
2. A motor vehicle that is registered as a moped, light motorcycle, heavy motorcycle or belt driven motorcycle (snow scooter). If such a motor vehicle is primarily equipped for the transport of goods, it is not to be considered a passenger vehicle.

3. A motor vehicle registered as a passenger car, including vehicles primarily equipped for the transport of goods, with a total allowable weight of less than 3,500 kg, and which behind the driver's seat is equipped with built-in seating arrangements or fittings, mountings, recesses or similar for such an arrangement.
The following are also to be considered passenger cars
 - a) Motor vehicle which has been approved for use as a taxi, a hire car with chauffeur or a hotel vehicle.
 - b) Motor vehicle that has been approved as an ambulance.
4. Belt-driven cars/vehicles that are registered for more than 2 persons including the driver.
5. Motor vehicle registered as a bus under 6 meters with up to 17 seats.
6. Registered caravan.
7. Camper vans.

Section 2.

A motor vehicle registered as a combi vehicle is to be regarded as a passenger vehicle for that part equipped for passenger transport.

Combi vehicles with only one row of seats behind the driver's seat are not to be regarded as passenger vehicles according to these regulations.

Section 3.

Persons engaged in trade or business and who are registered according to the VAT Act, may, at any one time, own one belt-driven motorcycle (snow scooter) as stated in Section 1 no. 2 without it being considered a passenger vehicle. Such vehicles may not be purchased new more than every two years, unless the vehicle has been condemned.

No. 50

Regulations on tax exemptions (zero rate) for advertising services on foreign account

(Issued by the Ministry of Finance 24 November 1971 in pursuance of Section 16, first subsection No 11 of the Act relating to Value Added Tax of 19 June 1969 No. 66.)

Section 1.

Subject to the conditions set out in these Regulations, persons engaged in trade or business and liable to registration under the Value Added Tax Act shall not be liable to charge and pay Value Added Tax on advertising services carried out in Norway for account of foreign assignors.

Persons engaged in trade or business, who pursuant to Section 28 a in the Value Added Tax Act are registered on a voluntary basis, shall in respect of the provision in the above subsection be regarded as if they were persons liable to registration.

Section 2.

Advertising services shall be taken to include i.a. services involving:

- a) preliminary work directly relating to advertising (research, reporting and the like),
- b) drafting proposals for arranging advertising campaigns, the layout of advertisement, advertising material and the like,
- c) insertion of advertisements,
- d) renting space for advertising purposes,
- e) renting time for film, cinema and theatre advertisements,
- f) transmission of advertisements on radio or television,
- g) airborne advertising transparencies and the like,
- h) mass delivery or distribution of advertising matter and the like,
- i) renting of stands on fairs and exhibitions.

Section 3.

The tax exemptions shall not apply to the delivery of advertising material such as posters, printed matter, clichés, matrixes etc. or preparatory work on advertising material or other goods, land, building or plant serving the advertising purpose.

Section 4.

Tax exemptions according to these Regulations are granted on conditions that:

- a) the foreign assignor is not registered in Norway,
- b) the business activity of the foreign assignor is of a kind wholly covered by Chapter IV in the Value Added Tax Act, and moreover that the advertisement relates to goods and services supplied in his business.

The provision in the first subsection under b, shall apply correspondingly to activities which, had they been carried out in Norway, would have qualified for registration on a voluntary basis in accordance with Section 28 a of the Value Added Tax Act.

Section 5.

The Directorate of Taxes may stipulate detailed rules as to how tax free sales are to be verified under these Regulations.

Section 6.

These Regulations shall enter into force on 1 January 1974.

No. 53

Regulations on tax exemption (zero rate) for guarantee repairs performed on behalf of a foreign principal

(Stipulated by the Ministry of Finance on 16 June 1972 under the provisions of the VAT Act, Section 16, first subsection no.11, and Section 70)

Section 1.

Pursuant to the conditions stipulated in these regulations, persons engaged in trade or business who are liable for registration shall not calculate or pay value added tax (output tax) on guarantee repairs, performed on behalf of a foreign principal, on goods or constructions that the principal has delivered to a buyer in Norway.

Section 2.

The conditions for tax exemption (zero rate) in accordance with these regulations are that the foreign principal is not registered for business activities in Norway, and that the costs of the guarantee repairs are to be borne entirely by the foreign principal.

Section 3.

The Directorate of Taxes is empowered to stipulate more detailed rules on the enforcement of these regulations.

Section 4.

These regulations come into effect from 1 July 1972.

No. 55

Regulations relating to tax exemption (zero rate) for certain services regarding public roads

(Stipulated by the Ministry of Finance on 20 November 1972 under the provisions of the VAT Act, Section 16, second subsection, litra a, cf. first subsection no. 12.)

Section 1.

No VAT (output tax) shall be paid on the supply of services by the end supplier in connection with the planning, design, construction, repair and maintenance of public roads, as well as the workshop production of bridges or parts of bridges for such roads.

Section 2.

According to these regulations, a public road is a road or street that is open for general traffic, and which is maintained by the state, county or municipality pursuant to the provisions of the Public Roads Act of 21 June 1963 No. 23 chapter IV.

Section 3.

Public roads also include other roads open for general traffic that are constructed by the private sector, for example by a road, bridge or tunnel construction company, by urban or rural neighbourhood organisations or other associations, provided that the state, county or municipality has made a binding decision that the road is to be adopted as a public road.

Section 4.

In addition, a road or part of road includes the main body of the road with its surfacing, as well as other devices constructed or mounted for the sake of its use, preservation or safeguarding as a permanent or temporary thoroughfare for vehicular as well as pedestrian traffic.

A road or part of road also includes bridges, tunnels, fill etc. for conveying the road, ferry quaysides and other quays that are constructed solely for the purpose of the further conveyance of road users, and which are included as part of the road network, passing places, turning places, bus stops, bus bays, picnic areas, parking areas and storage yards etc. that are built for the purpose of traffic flow on the road. The same applies to kerbstones, railings, pavements, shoulders and traffic islands, road signs and other non-automatic, non-illuminated fixed arrangements for traffic regulation, as well as pedestrian underpasses/bridges.

A road or part of road also includes the drainage system of the road with storm drains, trenches etc., superstructures, snow shields or other devices for safeguarding against landslide, rockfall or snow drift, planted areas as well as reinforcement walls, counter fills or similar for protection against slides.

Section 5.

The tax exemption (zero rate) in Section 1 does not embrace the supply of services provided in connection with the planning, design, construction, repair and maintenance of devices that are not built for the sake of the use of the road or street, its preservation or securing as a thoroughfare, even if the devices are built within the area encompassed by the road or street.

In all cases tax liability applies to services connected with:

- a. Fences, gates, barriers, cattle/livestock grids etc.
- b. Shelters or other constructions at bus stops etc.
- c. Quays, other than those mentioned in Section 4, wharves, embankments etc.
- d. Illuminated road signs, traffic lights, road or street lighting fitted to lampposts, as well as other mechanical or electrical equipment, such as motors and pumps for bascule bridges, and cables or other lines for the supply of power to the devices mentioned.
- e. Rails, cables and other equipment for rail wagons or trolleybuses.
- f. Sewer conduits, water and gas pipelines, power lines and telephone/telegraph lines.

Section 6.

The Directorate of Taxes is empowered to provide further rules regarding the supplementation and implementation of these regulations, and may establish interim provisions for contractors and others that have ongoing work on roads as of 31 December 1972 and in workshops as of 31 December 1980, as well as provisions on simplified calculation bases for tender works encompassing the supply of materials. (See No. 56 and No. 84).

Section 7.

These regulations come into force as of 1 January 1973.

No. 60

Rules relating to the verification of tax-free sales of goods for use offshore in connection with exploration and exploitation of submarine natural resources

(Issued by the Directorate of Taxes 22 February 1974 in pursuance of Section 6 of the Regulations laid down by the Ministry of Finance 19 February 1974.)

Purchase Order as mentioned in Section 2 in the Regulations laid down by the Ministry of Finance 19 February 1974 shall contain:

The Purchase Order shall be distinguished with number and date and shall state:

- a) name and address of the purchaser,
- b) name and address of the supplier,
- c) type of goods,
- d) quantity requested,
- e) time and place for the delivery of the goods,
- f) the place where the goods are to be used.

The Purchase Order shall be written legibly in at least 2 copies whereof one copy shall be kept by the purchaser.

The supplier must in his invoice provide a reference to the Purchase Order which must be kept with a copy of the invoice. The invoice (with copies) shall clearly be marked:

"Value Added Tax not included."

No. 71

Regulations concerning the registration of persons engaged in trade or business who are aliens, by a representative in Norway

(Issued by the Ministry of Finance 31 March 1977 in pursuance of Section 10 subsection 7 and Section 61 a of the Act relating to Value Added Tax of 19 June 1969 No. 66.)

Section 1.

Any person engaged in trade or business, who is an alien, and who has no place of business or residence in Norway, shall through a representative be included in the census of liable registrants, providing he makes such sales in this country as mentioned in Chapter IV in the Value Added Tax Act.

The representative is bound to have his residence or his place of established business in Norway.

Section 2.

A notice as mentioned under Section 27 first subsection of the Value Added Tax Act, shall contain such information, both regarding the alien person and his representative, as required in the form issued by the Directorate of Taxes. The notice shall be signed by both of them.

Section 3.

The alien person engaged in trade or business as well as his representative are both responsible for the calculation and the payment of the Value Added Tax.

Section 4.

Any sales document (invoice etc.) relating to sales of goods and services made in this country by the alien person shall be sent through his representative.

The representative shall enter the following in the sales document:

- a) his own name and address and the organisation number of the alien person followed by the letters MVA according to Regulations issued by the Ministry of Finance 14 October 1969 concerning contents of sales documents etc. Section 2 first subsection litra b and second subsection.
- b) Value Added Tax (output tax) calculated on the basis of the payment.

A sales document shall be issued in at least 3 copies and one of them shall be preserved by the representative.

Section 5.

The representative shall for such supplies as are relating to the alien person (purchases and sales), keep separate and complete tax accounts. The accounts shall be so arranged as to make the tax authorities able to check whether Value Added Tax and Investment Tax have been charged correctly. In other respects Chapter II in Rules of 20 August 1969, issued by the Directorate of Taxes, regarding the Accountancy and Book-keeping of Persons covered by the Value Added Tax Act and the Tax on Investments Act etc., shall apply.

Tax accounts, sales documents, vouchers etc. and the accounts kept for purposes of the alien person's activities in Norway, shall by the representative be orderly preserved in this country for at least 10 years after the expiry of the relevant financial year.

The Banking, Insurance and Securities Commission may grant exemption from liability to preservation or prescribe a shorter period of preservation for persons under obligation to keep accounts pursuant to the provisions in the Accountancy Act.

Section 6.

Tax demands against an alien who, in contravention of Section 1 above, has failed to register through a representative, may be enforced against buyers or assignors hereinafter listed:

- a) the State, municipality or institutions which are operated by the State or municipality to the extent these or assignors have not the right to deduct the Value Added Tax charged on the supplies,
- b) persons engaged in trade or business, not liable to registration in accordance with the Value Added Tax Act,
- c) persons engaged in trade or business, liable to registration in accordance with the Value Added Tax Act, when the right to deduction of the Value Added Tax (input tax) charged on the supplies in question is not allowed, cf. the Value Added Tax Act Section 22.

The provisions set out in the first subsection shall not apply to interest and additional tax.

Section 7.

The Directorate of Taxes may stipulate detailed rules for implementation of these Regulations.

Section 8.

These Regulations shall enter into force as from 1 May 1977. From the same date cancellation shall be effected for Regulations of 14 April 1970 issued by the Ministry of Finance and relating to sales of taxable services to the State, municipality and not registered persons in trade or business, where the services are rendered by an alien, not registered with the Norwegian tax authorities, and Regulations of 16 June 1972 relating to the registration through a representative in Norway of an alien person engaged in trade or business.

No. 106

Regulations relating to refunds of value added tax to persons engaged in trade or business who are aliens.

(Issued by the Ministry of Finance 25 June 1996 in pursuance of Section 26 a, sixth subsection, of the Act relating to Value Added Tax of 19 June 1969)

Section 1.

Persons engaged in trade or business who are aliens and who are not liable to registration in Norway are on application entitled to refunds of input tax, provided:

1. the input tax relates to the purchase of goods or services in Norway or imports of goods into Norway for use in the enterprise, and
 2. the sale abroad would have entailed liability to registration or the right to voluntary registration according to Chapter VII of the Value Added Tax Act if the sale had taken place in Norway, and
 3. the input tax would have been deductible if the enterprise had been registered in Norway.
- Value added tax on goods acquired or imported and sold in this country is not refunded. The same applies to value added tax on goods imported for delivery to purchasers in Norway.

Section 2.

An application for a refund must relate to a period of not less than three months and at most one calendar year. The period can be less than three months if it is the remainder of a calendar year.

The application can only comprise value added tax relating to goods and/or services supplied in the period mentioned in the first subsection.

The refund applied for must not be less than NOK 2 000. If the period to which the amount of the refund relates is a whole calendar year or the remainder of a calendar year, refunds can nevertheless be allowed down to a lower limit of NOK 200.

Section 3.

An application for a refund according to the present Regulations must be made on a special application form (RF-1032), and must be submitted no later than six months after the end of the calendar year to which the application relates.

Enclosed with the application must be original invoices or corresponding documents which meet the requirements for authenticating deductibility according to the provisions in Chapter VI of the Value Added Tax Act. Also enclosed with the application must be a clear description of the nature of the activity and a certificate from a public authority in the country in which the activity is carried on, confirming that the applicant was engaged in such activity during the period of the application. Submission of a certificate can be omitted if such a certificate was submitted with a previous application in the current year.

If tax is refunded on goods which were not consumed by the foreign enterprise during the application period and which could be object of resale in Norway, documentation must also be enclosed with the application showing that the goods have been exported from the country.

If the circumstances so indicate, the tax authorities can require further documentation to enable them to allow a refund.

Section 4.

With regard to the payment of interest according to the fourth subsection of Section 26 a of the Act, the amount shall be calculated from the date on which the tax was paid to the time-limit set for the payment of the refund. Interest can also be calculated from the due date and until payment is made.

Section 5.

The provisions in the Act of 19 June 1969 apply as appropriate to applications for refunds to persons engaged in trade or business who are aliens in so far as nothing to the contrary appears from the present Regulations.

Section 6.

The present Regulations enter into force on 1 July 1996.

No. 117

Regulations relating to the voluntary registration of the lessor of buildings or plants for use in businesses that are registered under the VAT Act

(Stipulated by the Ministry of Finance on 6 June 2001 under the provisions of the VAT Act, Section 28a.)

Section 1.

Whoever rents out buildings or plants that are used by a business registered under the VAT Act, may on application to the County Tax Office, be registered in the VAT census according to the provisions of chapter VII of the VAT Act and on the conditions stated in these regulations.

The same applies to whoever rents out buildings or plants to

- a. municipalities and county municipalities with municipal and county municipal enterprise where the highest authority is the local council, the county council or other governing bodies pursuant to the Local Government Act or special laws that relate to local government.
- b. inter-municipal or inter-county municipal fusions that are organised pursuant to the Local Government Act or special laws that relate to local government

The registration covers the areas where the user would have had the right to claim deduction for input tax or would have had the right to be compensated for value added tax pursuant to the Act of 12 December 2003 No. 108 on compensation of value added tax to municipalities and county municipalities etc. if the user had owned the building or plant.

There must be an unbroken chain of voluntarily registered persons between the lessor and the person using the areas in a registered business.

Section 2.

The registered lessor of the building or plants shall calculate output VAT on the supply that is covered by the registration.

VAT shall also be calculated on the taxable supplies of goods and services from the lessor's business, even if this supply does not, in the course of a twelve-month period, exceed the limits for registration pursuant to the VAT Act, Section 28.

Section 3.

The registered lessor of the building or plant has the right to claim deduction for the input VAT on acquisitions for use in the business covered by the voluntary registration, in accordance with the provisions of the VAT Act, Chapter VI.

Section 4.

The provisions of the VAT Act apply to those that are registered in accordance with these regulations.

Section 5.

The registered lessor of the building or plant is obliged to comply with the provisions and conditions for registration that may exist at any time.

Section 6.

The registered lessor of the building or plant shall document how the building or plant is used through dimensional drawings or similar of the building or plant and through lease contracts. The area to be let for deductible purposes must be clearly indicated.

At the end of each year an account must be provided of the use of the premises during the year. If sub-letting has taken place, an account must be provided by the ultimate tenant of his use

of the premises. The immediate tenant must also confirm that he has registered for the letting voluntarily.

Each building or plant must be registered in such a way that a breakdown of the construction costs for each individual user can be provided. The same applies to subsequent extensions, additional expenditure etc. on areas of the building or plant.

Section 7.

The Directorate of Taxes has the authority to lay down further rules regarding documentation and regarding the implementation of this regulation.

Section 8.

This regulation will come into effect on 1 July 2001.

Repealed from the same date are Regulation (No. 80) of 3 May 1983 No. 918 regarding the voluntary registration of the lessor of buildings or plants for use in businesses registered under the VAT Act, and Regulation (No. 87) of 6 May 1983 No. 1017 regarding the implementation of the regulations relating to voluntary registration of the lessor of buildings or plants for use in businesses registered under the VAT Act. However, this does not apply to buildings or plants under construction as at 1 July 2001 or completed before this date.

No. 120.

Regulations relating to reduced VAT rate on foodstuffs.

(Stipulated by the Ministry of Finance on 15 June 2001 and pursuant to the ruling of the Storting (Parliament) relating to VAT, Section 4.)

Section 1. *Scope*

These regulations apply to foodstuffs which, pursuant to the ruling of the Storting (Parliament) relating to VAT and Investment Tax etc., I Section 2, shall be calculated at a lower rate of VAT.

Reduced VAT rate shall be calculated at all stages of supply.

Section 2. *Definition of foodstuffs*

A foodstuff is regarded as any item of food or drink, or any other commodity, intended for human consumption.

A commodity is defined as being intended for human consumption when it

1. possesses characteristics that deem it suitable for human consumption, in that it has been approved, or has passed a sample analysis where such procedures are established for the commodity, and
2. is in fact supplied for consumption

If there is any doubt as to whether a commodity may be regarded as a foodstuff, reference in this respect can be made to the Act of 19 May 1933 No.3 related to Inspection of Foodstuffs etc.

Section 3. *Exemptions to the scope of reduced VAT rate*

The following commodities are not regarded as foodstuffs:

- a) medicines; narcotics, drugs, or preparations defined as medicines pursuant to the Medicines Act of 4 December 1992 No. 132. Medicines which, pursuant to the Medicines Act must have a commercial license, are not regarded as medicines according to these regulations prior to issue of the license, or until the issue of a specific exemption from the obligation to have such a license.
- b) water from water utilities; water from water utilities as defined in the regulations of 1 January 1995 no. 68 related to water supply and drinking water etc.
- c) tobacco products; commodities as defined in Section 3 third subsection of the Protection against Tobacco-related Illnesses Act of 9 March 1973 No. 14.
- d) alcoholic drinks; drinks which contain more than 0.7 per cent alcohol by volume.

Section 4. *Raw materials and input commodities*

Reduced rate of VAT shall be paid on the supply etc. of raw materials and input commodities that are regarded as foodstuffs pursuant to Section 2 cf. Section 3, including raw materials and input commodities that are supplied for the production of commodities as stated in Section 3.

Section 5. *Composite commodities*

A composite commodity is defined as a foodstuff which, when combined with another component commodity with its own function or value, emerges as a single entity.

A reduced rate of VAT shall be paid in respect of the supply of a composite commodity if the component commodity comprises only an insignificant part of the final product.

Section 6. *Other costs*

Other costs associated with the supply of a foodstuff are also liable to the same VAT rate as the foodstuff itself, provided that they constitute part of the calculation basis pursuant to Section 18 of the VAT Act.

If the packaging of the foodstuff has a value or function beyond that of simply packaging the commodity, this will be regarded as supply of composite goods according to Section 5.

Section 7. *Services connected with the serving of foodstuffs*

Foodstuffs that form part of the supply of services connected with the serving of foodstuffs are not regarded as supply of foodstuffs.

Services connected with the serving of foodstuffs means the serving of foodstuffs from the serving premises pursuant to the Act relating to Serving Businesses of 13 June 1997 No. 55, i.e. the place where food and/or drink is/are served and which is designed for consumption on the premises. Services connected with the serving of foodstuffs also include serving as stated in Section 2 second subsection, b, c, d, e, f and g of the Serving of Foodstuffs Act, unless the serving is part of another service that is covered by the exemption in Section 5 b second subsection of the VAT Act.

Adjoining rooms/areas to serving premises onboard ships, in hotels, at places of work, in theatres and cinemas etc., are regarded as part of the serving premises. The Directorate of Taxes is empowered to stipulate regulations with further provisions regarding what are to be considered as adjoining rooms/areas pursuant to these regulations.

Serving premises also include the place where a catering business, in addition to delivering foodstuffs, provides services such as the hiring out of waiters/waitresses, the laying and clearing of tables etc.

The supply of foodstuffs from serving premises is not regarded as constituting a part of the supply of services connected with the serving of foodstuffs if:

- a) the foodstuff is not to be consumed on the premises, or
- b) the foodstuff is regarded as a traditional commodity available from a kiosk.

The Directorate of Taxes is empowered to stipulate further provisions concerning what is considered to be serving premises. The Directorate is also empowered to stipulate regulations with further requirements for businesses that both supply foodstuffs and services connected with the serving of foodstuffs.

Section 8. *Imports*

These regulations apply equally to the import of foodstuffs as appropriate, and until other regulations are issued to the contrary.

Section 9. *Implementation*

These regulations come into effect as of 1 July 2001.

No. 121.

Regulations relating to VAT on the purchase of services from abroad.

(Stipulated by the Ministry of Finance on 15 June 2001 and pursuant to the VAT Act Sections 65 a and 66.)

Section 1. *VAT liability in connection with the purchase of services from abroad*

Pursuant to these regulations, VAT shall be paid on services which are purchased from abroad, and which are liable when supplied in the domestic market.

The service is liable when it is supplied to a business that is resident in Norway, or to the state, a municipality, or to an institution that is owned or managed by the state or a Norwegian municipality. Unless it is documented that VAT on the service has been calculated abroad, it is also liable for VAT when it is supplied to a recipient abroad if the service is intended for use in Norway by any of those stated in the previous sentence.

The provision in the first subsection applies only to services that can be supplied from a remote location, that is to say in cases where the performance or supply of the service cannot, by its very nature, or only with difficulty, be associated with a given physical location.

Section 2. *Who shall calculate VAT (payment liability)*

VAT shall be calculated and paid by the recipient as defined in Section 1.

A recipient who is not enrolled in the VAT register shall not calculate or pay VAT when the amount for a term is less than NOK 500.

Section 3. *Basis for calculating VAT*

VAT shall be calculated based on the remuneration for the service, cf. the VAT Act of 19 June 1969, no. 66 chap. V.

Remuneration stated in foreign currency shall be converted to Norwegian kroner based on the exchange rate at the time of supply as stipulated in Section 10 of the regulations of 3 December 1980 no. 4917 relating to the determination of the value of goods for customs purposes.

Section 4. *Reporting and payment of VAT etc.*

Liable recipients that are not enrolled in the VAT register shall report VAT pursuant to these regulations on a separate VAT return as stipulated by the tax authorities. The return period is 3 months, and follows the quarter. The returns shall not be submitted for those periods where no liability accrues. In all other respects, the provisions in the VAT Act apply as appropriate.

Liable recipients who are enrolled in the VAT register shall report VAT pursuant to these regulations as output taxes on a return that is dealt with in Section 29 of the VAT Act.

Section 5.

These regulations come into force as of 1 July 2001.

No. 122.

Regulations relating to the submission of annual year-end returns by businesses that are required to register and that have low turnover.

(Stipulated by the Ministry of Finance on 29 June 2001 and pursuant to the VAT Act of 19 June 1969 no. 66 Section 31 a.)

Section 1.

Businesses that are required to register and that have a turnover below a threshold of NOK 1 000 000 exclusive of VAT, can apply to the County Tax Inspector for permission to submit annual year-end returns. Year-end returns shall cover the calendar year.

Section 2.

The tax authorities can reject an application to submit annual year-end returns if the business has failed to carry out its obligations to pay tax or submit returns, or if it has seriously infringed other provisions of the VAT Act.

Section 3.

The return must reach the tax authorities by the deadline stipulated in Section 33 of the VAT Act. VAT is due for payment on the same date, cf. Section 34 of the VAT Act.

Section 4.

Registered businesses that submit annual year-end returns and that anticipate that their turnover for the calendar year will exceed NOK1 000 000, shall inform the tax authorities immediately.

Section 5.

Registered businesses can request that the reporting period be amended.

In the event of an amendment to bi-monthly reporting periods the request must reach the tax authorities by 1 December at the latest in order that it may take effect from 1 January the following year. The amended reporting period shall apply for at least the two succeeding calendar years.

In the event of an amendment to annual year-end returns, the deadline is 1 February of the same year.

Section 6.

In the event that the business has failed to carry out its obligations to pay tax or submit returns, or has seriously infringed other provisions of the VAT Act, or if turnover during the calendar year has exceeded the threshold, the tax authorities can stipulate that returns be submitted at bi-monthly intervals. The amendment shall apply for at least two succeeding calendar years, and may take effect for the calendar year in which the infringement was committed. The same conditions apply in cases where the threshold is significantly exceeded.

Section 7.

These regulations come into effect as of 1 July 2001.

For businesses that become liable to pay VAT as a result of the VAT reform, annual year-end returns can be submitted for 2001. Other businesses can submit annual year-end returns for the first time for the year 2002.

If at least 50 per cent of a business's total turnover is associated with activities that are VAT-liable from 1 July 2001, the business can submit annual year-end returns pursuant to the regulations stipulated in Section 1.