

Norwegian VAT Act

Chapter 1. Scope of the Act. Definitions

Section 1-1. *Substantive scope*

- (1) This act concerns value added tax (VAT). VAT is a tax paid to the government on the supply, withdrawal or import of goods and services.
- (2) The Storting imposes VAT and stipulates the rates that shall apply; see Article 75(a) of the Constitution.

Section 1-2. *Geographical scope*

- (1) This Act shall apply in the VAT area.
- (2) The VAT area refers to the Norwegian mainland and all areas within the territorial border, but does not include Svalbard, Jan Mayen or the Norwegian dependencies.

Section 1-3. *Definitions*

- (1) The following definitions shall apply for the purposes of this Act:
 - a) supply: delivery of goods or services in return for a consideration,
 - b) goods: physical objects, including real property, electrical power, water from waterworks, gas, heat and refrigeration,
 - c) services: anything that may be supplied and that does not fall under the definition of goods in (b), including limited rights to goods and the utilisation of intangible assets,
 - d) tax subject: a party who is or should be registered in the VAT Register,
 - e) output VAT: VAT to be calculated and paid on supplies and withdrawals,
 - f) input VAT: VAT accrued on purchases, etc. or on imports,
 - g) exempt from the Act: supplies and withdrawals that are not covered by the Act,
 - h) exempt from VAT: supplies and withdrawals that are covered by the Act, but on which output VAT is not payable,
 - i) remote services: services capable of provision from a remote location: services which, due to the nature of their provision or delivery, are impossible or difficult to link to a specific physical location,
 - j) electronic services: services capable of provision from a remote location which are supplied via the internet or other electronic network and which cannot be obtained without the use of information technology, and where delivery of the services is essentially automated,
 - k) public enterprise: government, municipal or county enterprise,
 - l) purpose-built vessels for use in offshore petroleum operations: vessels that are purpose-built or converted for use in petroleum operations and that perform assignments in such operations.
- (2) The Ministry may issue regulations stipulating what is meant by:
 - a) passenger vehicles,
 - b) works of art, collectors' items, antiques and second-hand goods,
 - c) de minimis value,
 - d) vessels and aircraft engaged in international shipping and aviation,
 - e) electronic services
 - f) low-value goods

Chapter 2. Registration obligation and right

Section 2-1. *Registration obligation*

- (1) Businesses and public enterprises shall be liable to register in the VAT Register once the sum of supplies and withdrawals covered by the Act exceeds NOK 50,000 during a twelve-month period. The threshold for charitable and benevolent institutions and organisations is NOK 140,000.
- (2) In connection with the supply of services that give entitlement to attend sporting events, the threshold for registration is NOK 3 million. The first paragraph shall apply to the two highest divisions in the men's football league and the highest division in the men's ice hockey league.
- (3) Suppliers delivering goods covered by Section 3-1 second paragraph, and providing services covered by Section 3-30 fourth and fifth paragraphs shall be registered. When deliveries are made using an intermediary, the intermediary shall be deemed to be the supplier. The threshold amount in the first paragraph shall apply.
- (4) Bankruptcy estates shall be registered if the debtor was registered or obliged to register.
- (5) A decedent's estate shall be registered if the deceased was registered or obliged to register.
- (6) Tax subjects with no registered place of business or domicile in the VAT area shall be registered through a representative. The representative must be domiciled or have its place of business in the VAT area. Notwithstanding the foregoing, the obligation to be registered through a representative shall not apply to tax subjects domiciled in an EEA State which, pursuant to a tax agreement or other agreement under international law with Norway, are required to exchange information and assist with the collection of VAT claims.
- (7) Businesses with no registered place of business or domicile in the VAT area which are only involved in the provision of services as referred to in Section 6-28 may choose whether or not to be registered in the VAT Register.
- (8) The Ministry may issue regulations concerning the registration and documentation obligation, etc. relating to accounting information. In a Regulation, the Ministry may also issue rules concerning registration through a representative and, as part of this, stipulate conditions in order for a tax subject to be deemed to be domiciled in a State, for effective aid not to trigger the obligation to be registered through a representative, and for access to registration without a representative which is liable for ensuring that VAT is paid to be subject to the condition that the tax subject pledges financial collateral. The Ministry may also issue regulations concerning who is to be deemed to be a supplier pursuant to the third paragraph.

Section 2-2. *Single registered entity*

- (1) Multiple enterprises which are operated by the same owner shall be registered in the VAT Register as a single tax subject.
- (2) A part of a tax subject may be registered as a separate tax subject provided it is physically and formally separated. When considering whether such registration should be permitted, importance shall be attached to numerous factors, including whether the part for which separate registration is desired has separate goods purchase arrangements, separate stocks and its own employees. A condition for such registration is that separate accounts are kept for the separated part.
- (3) Two or more cooperating companies may be registered as a single tax subject if at least 85 percent of the capital in each company is owned by one or more of the cooperating companies. All companies participating in a joint registration shall be jointly liable for the payment of VAT.

Section 2-3. *Voluntary registration*

- (1) Businesses and public enterprises that let buildings or facilities may voluntarily register in the VAT Register if such buildings or facilities are used:
 - a) in an enterprise that is registered pursuant to this Act,

- b) by a public enterprise whose supreme authority is a municipal council, county council or other board or council pursuant to the Local Government Act or special local government legislation,
- c) by inter-municipal or inter-county cooperatives organised pursuant to the Local Government Act or special local government legislation.

The threshold amounts in Section 2-1 shall apply correspondingly.

- (2) Lessors of agricultural property of at least five decares and lessors of agricultural land without buildings may register voluntarily.
- (3) Businesses and public enterprises which carry on letting as referred to in the first or second paragraph and which are registered in the VAT Register shall be deemed as being voluntarily registered if the leasing relationship is treated as being subject to VAT.
- (4) Associations whose object is to build and maintain forest roads may register voluntarily.
- (5) Developers which build water or water treatment plants for non-commercial purposes under private auspices may register voluntarily. A condition is that, upon completion, such plants are taken over by a party that is registered pursuant to Section 2-1 for activities in the water or wastewater treatment sector.
- (6) Businesses and public enterprises which, in return for a consideration, provide railway infrastructure for an enterprise that is registered pursuant to this Act may voluntarily register in the VAT Register. The threshold amounts in Section 2-1 shall apply correspondingly.
- (7) The Ministry may issue regulations stipulating how this section should be supplemented and practised, including the conditions for registration.

Section 2-4. Advance registration

- (1) Parties which have not reached the threshold amount for registration may register in advance in the VAT Register if:
 - a) they have made substantial purchases which are directly linked to subsequent taxable supplies,
 - b) their taxable supplies will exceed the threshold limit within three weeks of the date on which such supplies commenced.
- (2) The Ministry may issue regulations stipulating the conditions for advance registration.

Section 2-5. Share fishing

In the case of share fishing, the vessel owner, captain or fisherman who delivers the fish to the purchaser or who receives a consideration for the fish on behalf of the vessel or the fisherman, shall register in the VAT Register.

Chapter 3. Supplies, withdrawals and imports subject to VAT

I Supplies

Section 3-1. Goods and services

- (1) VAT shall be payable on supplies of goods and services.
- (2) VAT shall also be paid on deliveries of low-value goods which are imported to recipients other than businesses and public enterprises within the VAT area. Notwithstanding the foregoing, this provision shall not apply to food products, goods which require special permission for import or goods on which excise duties are payable.
- (3) Supplies of goods on commission shall be deemed to be supplies made by both an agent and a principal.

(4) The provision of electronic services via an intermediary shall be regarded as supply on the part of both the seller and the intermediary.

(5) Even if the provision of a service is exempt from the Act, the Act shall nonetheless apply if a service is provided or mediated by means of electronic communication services and the consideration for the service is collected by the party that provides the communication service.

(6) The Ministry may issue regulations concerning conditions for recipients of low-value goods covered by the second paragraph not to be deemed a business or public enterprise.

Section 3-2. Health services, etc.

(1) The supply or mediation of health services shall be exempt from the Act, including services that:

- a. are covered by the Act relating to Municipal Health and Care Services and the Act relating to Specialist Health Services,
- b. are covered by the Act relating to Dental Health Services, as well as technical dental services,
- c. are covered by the National Insurance Act, Chapters 5 and 10,
- d. are provided by occupational groups authorised or licensed under the Act relating to Health Personnel,
- e. are provided by the occupational health service.

(2) Other goods and services that are supplied as a natural part of the provision of health services are covered by the exemption in the first paragraph if the goods or services are supplied by the party that provides the health service.

(3) The mediation or hiring out of labour where the worker provides health services shall be exempt from the Act.

(4) The hiring out of equipment, access to patient portfolios and similar by businesses that provide health services shall be exempt from the Act if:

- a) the party that is hiring out is a business that provides health services,
- b) the party that is hiring out is an enterprise owned by a business that provides health services,
- c) the party that is hiring out is a public enterprise that provides health services,

(5) the supply of dental technicians' own-produced technical dental products shall be exempt from the Act,

(6) the supply or mediation of ambulance services using specially equipped means of transport shall be exempted from the Act.

Section 3-3. Alternative therapy

(1) The supply or mediation of alternative therapies shall be exempt from the Act if such services are provided by occupational groups which are authorised or licensed pursuant to the Act relating to Health Personnel or by practitioners registered in the Voluntary Register of Complementary Practitioners pursuant to the Act of 27 June 2003 No. 64 relating to the Alternative Treatment of Disease, Illness, etc., Section 3.

(2) Section 3-2 second, third and fourth paragraphs shall apply correspondingly.

Section 3-4. Social services, etc.

(1) The supply or mediation of social services shall be exempt from the Act, including social services:

- a. pursuant to the Act relating to Social Services and the Act relating to Child Welfare Services,
- b. that are provided by children's and young people's institutions, youth clubs, holiday camps and similar,
- c. that consist of childminding.

(2) Other goods and services that are supplied as a natural part of the provision of social services shall be covered by the exemption in the first paragraph if the goods or services are supplied by the party that provides the social service.

(3) The hiring out of labour where the worker provides social services shall be exempt from the Act.

(4) Services relating to the operation of community alarm systems shall be exempt from the Act.

Section 3-5. Educational services, etc.

(1) The supply or mediation of educational services shall be exempt from the Act.

(2) This exemption shall also apply to other goods and services supplied as a natural part of the provision of educational services.

(3) The hiring out of labour where the worker provides educational services shall be exempt from the Act.

(4) Catering services provided in school and student canteens shall be exempt from the Act.

Section 3-6. Financial services

The supply or mediation of financial services shall be exempt from the Act, including:

- a) the supply of insurance services,
- b) the supply of financial services, but not finance leasing,
- c) the processing of payment orders,
- d) the supply of legal tender,
- e) the supply of financial instruments, etc.
- f) the management of securities funds,
- g) the management of investment companies.

Section 3-7. Art and culture, etc.

(1) The supply or mediation of services in the form of admission to theatre, opera or ballet performances, concerts, circuses, travelling funfairs, dance gatherings with live music, computer parties and other similar events aimed at children and young people shall be exempt from the Act. This exemption shall not include striptease performances. This exemption includes programmes, souvenirs and other similar items of de minimis value that are supplied in connection with such services.

(2) The supply or mediation of services in the form of artistic performances of creative works shall be exempt from the Act. This exemption shall also apply to services that are an integrated and necessary part of such performances.

(3) The supply or mediation of guide services shall be exempt from the Act.

(4) The supply of a creator's own works of art and copyright to a creator's literary or artistic work shall be exempt from the Act. The same shall apply to such supplies which take place through an intermediary in the name of the creator of the work.

(5) The mediation of works of art on behalf of their creator shall be exempt from the Act.

(6) The exchange of works of art between public museums and art collections shall be exempt from the Act. This exemption shall also include cases where public museums and art collections receive works of art from private parties in exchange for copies or reproductions. This exemption shall not include exchanges that are arranged with or through a party engaged in the supply of art on a commercial basis.

Section 3-8. Sport, etc.

(1) The supply of services in the form of admission to individual sporting events shall be exempt from the Act. "Individual sporting events" means sporting events which are arranged on no more than one occasion per year by an individual organiser and not in two or more consecutive years. A condition is that the tax subject is not liable to register for services that give entitlement to attend sporting events.

(2) The supply of services in the form of the right to engage in sporting activities shall be exempt from the Act. This exception shall not include the supply or hiring out of the right to use athletes from bodies other than sports clubs, etc whose sporting activities are primarily based on unpaid work.

Section 3-9. Exercising of public authority, etc.

- (1) The provision of services as part of the exercising of public authority shall be exempt from the Act.
- (2) The provision of services between participants in public service offices shall be exempt from the Act if the service concerns the establishment or operation of the service office.
- (3) The provision of services by parties assisting the enforcement authorities in connection with a compulsory sale shall be exempt from the Act.

Section 3-10. Intra-governmental services

The provision of services by one government entity to another such entity shall be exempt from the Act if the supplier is not engaged in commercial activity. This exemption shall also include the supply of goods delivered as a natural part of the provision of the service.

Section 3-11. Real property

- (1) The supply or letting of real property and the rights to real property shall be exempt from the Act. This exemption shall also include the supply of goods or services delivered as part of such letting.
- (2) Notwithstanding the foregoing, the following supplies be covered by the Act:
 - a) letting of rooms, etc as specified in Section 5-5 first and second paragraphs and supply of goods and services as specified in Section 5-5 third paragraph,
 - b) hiring out of function rooms in connection with catering,
 - c) letting of parking spaces in car parks,
 - d) supply of the right to use advertising space,
 - e) letting of storage lockers,
 - f) supply of trees and crops on the root that are supplied separately from land,
 - g) supply of the right to extract soil, rock and other products from the land,
 - h) supply of hunting and fishing rights,
 - i) supply of the right to use airports for aircraft and railway networks for transportation,
 - j) supply of the right to use municipal ports in return for port dues or a consideration in accordance with the Act relating to Harbours and Fairways,
 - k) letting of real property and the sale and purchase of rights to real property that are covered by voluntary registration pursuant to Section 2-3 first, second, third, fourth and sixth paragraphs, and
 - l) hiring out of function rooms as specified in Section 5-11 second paragraph.
- (3) The Ministry may issue regulations stipulating that the supply of hunting and fishing rights shall nonetheless be exempted from the Act, including the conditions for exemption.

Section 3-12. Charitable and benevolent institutions and organisations

- (1) The supply by charitable and benevolent institutions and organisations of the following goods and services shall be exempt from the Act:
 - a) goods of de minimis value,
 - b) goods at a substantial excess price,
 - c) advertisements in members' magazines and similar,
 - d) second-hand goods from shops if the goods were received free of charge and the shop uses unpaid labour,
 - e) goods from individual sales events of short duration.
- (2) The exemptions in the first paragraph (a) and (b) shall also cover supply by agents.
- (3) The supply of goods from kiosks and the supply of catering services by charitable and benevolent institutions and organisations shall be exempt from the Act. A condition is that the supplies take place in connection with events and that unpaid labour is used.

(4) The supply of services by charitable and benevolent institutions and organisations to other parts of the same organisation shall be exempt from the Act. A condition is that such services are directly related to the organisation's non-profit activities.

(5) The Ministry may issue regulations stipulating how this section is to be supplemented and practised, including conditions for exemption and the registration and documentation obligation, etc. regarding accounting information. The tax office may pass individual resolutions according to which one or more entities or parts of an organisation are not covered by the exemption in the fourth paragraph.

Section 3-13. *Non-profit organisations and associations*

(1) The supply of goods and services by non-profit organisations and associations shall be exempt from the Act if the consideration is received in the form of membership fees. A condition is that such supplies constitute an element of the organisation's non-profit activities. This exemption shall not cover services that give entitlement to attend sporting events.

(2) The supply of services by non-profit organisations and associations to entities within the same organisation shall be exempt from the Act. A condition is that such services are directly related to the organisation's non-profit activities.

(3) The Ministry may issue regulations stipulating how this section is to be supplemented and practised, including conditions for exemption and the registration and documentation obligation, etc. relating to accounting information. The Ministry may also issue regulations stipulating that non-profit organisations and associations shall nonetheless calculate and pay VAT if the exemption in the first paragraph results in the significant distortion of competition in relation to tax subjects which supply similar goods or services. The tax office may pass individual resolutions according to which one or more entities or parts of an organisation are not covered by the exemption in the second paragraph.

Section 3-14. *Lottery services*

The supply or mediation of lottery services shall be exempt from the Act.

Section 3-15. *Ceremonial services*

The supply of ceremonial services in connection with burials and cremations shall be exempt from the Act.

Section 3-16. (Repealed through the Act of 19 December 2014 No. 84.)

Section 3-17. *Services as a member of a Board of Directors, etc.*

The supply of services in the form of membership of a board, supervisory board, committee, council or similar shall be exempt from the Act if the consideration for the service is included in the basis for calculating employer's National Insurance contributions.

Section 3-18. *Postage stamps, notes and coins*

The supply of postage stamps, notes and coins as collectors' items shall be exempt from the Act.

Section 3-19. *Goods used for private purposes, etc.*

The supply of goods that have been used privately or for other purposes for which input VAT is non-deductible shall be exempt from the Act.

Section 3-20. *Offsetting of emissions allowances*

The supply of services in the form of offsetting emission allowances shall be exempt from the Act.

II Withdrawals

Section 3-21. *Goods*

(1) VAT shall be payable when goods are withdrawn from a registered enterprise or from an enterprise that is obliged to register. Notwithstanding the foregoing, VAT shall not be payable on capital goods as specified in Section 9-1 if the goods are used for purposes within the scope of the enterprise as a whole.

(2) VAT shall only be payable pursuant to the first paragraph insofar as the tax subject was entitled to deduct input VAT on the procurement or manufacture of the goods concerned. Notwithstanding the foregoing, VAT shall be payable if the reason for non-entitlement to deduction is that the goods were exempt from VAT on procurement.

Section 3-22. *Services*

(1) VAT shall be payable when a service is withdrawn from a registered enterprise or enterprise that is obliged to register either for private use or for a purpose that falls outside the scope of the enterprise as a whole.

(2) For services specified in Section 3-23 and services that consist of the erection, refurbishment, modernisation, etc. of buildings or facilities, including site management, site administration and other administration of such work, VAT shall also be payable when such services are withdrawn for purposes that are exempt from the Act.

Section 3-23. *Special purposes*

VAT shall be payable when goods and services from a registered enterprise or enterprise that is obliged to register are used within the enterprise for the purpose of:

- a) board for or payment in kind to the enterprise's owner, management, employees or pensioners,
- b) construction, maintenance, renting or operation of real property to cover housing or welfare needs, including movable property and equipment for such properties,
- c) corporate hospitality,
- d) gifts or giveaways for advertising purposes where the value is not insignificant.

Section 3-24. *Motor vehicles*

VAT shall be payable when a car dealer registers a vehicle in its own name in the Register of Motor Vehicles, even if the vehicle is not put into use. Notwithstanding the foregoing, this provision shall not apply if the vehicle:

- a) is used as a rental vehicle as part of commercial rental activity,
- b) is used as a means of passenger transport in return for a consideration as part of a passenger transport enterprise,
- c) is not a passenger vehicle and is used as a fixed asset within the enterprise.

Section 3-25. *Goods and services for the maintenance, use and operation of passenger vehicles*

VAT shall be payable when goods or services from a registered enterprise or an enterprise which is obliged to register are used for the maintenance, use or operation of passenger vehicles. The first sentence shall not apply if such vehicles are used as:

- a) sales commodities,
- b) rental vehicles as part of commercial rental activity,

c) a means of passenger transport in return for a consideration in a passenger transport enterprise.

Section 3-26. Construction of buildings or facilities for own account

VAT shall be payable when businesses use goods or services within an enterprise for the construction, refurbishment, modernisation, etc of buildings or facilities for sale or rental, including site management, site administration and other administration of such work, and such activities are carried out solely for the enterprise's own account.

Section 3-27. Exemptions corresponding to those for supplies

The withdrawal of goods and services shall be exempt from the Act if corresponding supplies would be exempt pursuant to this chapter.

Section 3-28. Public enterprises

The withdrawal of goods and services from public enterprises which are either individually or collectively engaged in activities whose primary purpose is to meet their own needs shall be exempt from the Act if taxable supplies of corresponding goods or services amount to less than 20 percent of the total production during a twelve-month period.

III Imports

Section 3-29. Goods

VAT shall be payable on the import of goods to the VAT area.

Section 3-30. Services

(1) VAT shall be payable on services capable of provision from a remote location that are purchased outside the VAT area. This shall not apply, however, if a service is included in the basis of calculation pursuant to Section 4-11 first paragraph.

(2) Liability to pay VAT pursuant to the first paragraph shall arise if the recipient is a business or public enterprise domiciled in the VAT area and a service is taxable when supplied in the VAT area.

(3) If a service is intended for use in the VAT area by any of the parties specified in the second paragraph, VAT shall be payable, even if the service is provided to a recipient domiciled outside the VAT area. This shall not apply, however, if it can be documented that VAT was charged on the service outside the VAT area.

(4) For services capable of provision from a remote location in the form of electronic services, including electronic communication services, the liability to pay VAT shall also arise when the service is provided to recipients other than those specified in the second paragraph, provided the recipient is domiciled in the VAT area and the service is subject to VAT when provided within the VAT area. The same shall apply to other services when they are provided or mediated by a provider of electronic communication services by means of electronic communication and the consideration is collected by this supplier.

(5) If electronic communication services are provided via a fixed terminal in the VAT area, VAT shall be payable, even if the recipient is not domiciled in the VAT area. If provision takes place via a fixed terminal outside the VAT area, VAT shall not be payable, even if the recipient is domiciled in the VAT area.

IV Dispensation

Section 3-31. Dispensation

If special circumstances apply, the Ministry may pass individual resolutions concerning full or partial exemption from the Act.

Section 3-32. The F-35 weapons system

The Ministry may pass individual resolutions concerning exemptions from the Act in connection with the supply of goods and services for maintenance of the F-35 weapons system. The Ministry may issue regulations stipulating how this section is to be supplemented and practised, including the conditions for exemption.

Chapter 4. Basis for the calculation of VAT

I Supplies

Section 4-1. General rule

(1) The basis for calculating VAT on supplies of goods and services shall be the consideration that is paid, including any subsidies that constitute part of the price of the goods or service. The VAT itself shall not be included in the calculation basis.

(2) Amongst other things, the following shall not be deemed to constitute part of the consideration:

- a) compensation for expenditure incurred in the purchaser's name and at the purchaser's expense,
- b) statutory debt collection and reminder fees,
- c) interest on overdue payments pursuant to the Act relating to Interest on Overdue Payments, etc.

Section 4-2. Elements included in the calculation basis

(1) All costs relating to the performance of an agreement shall be included in the calculation basis, whether they are included in the consideration or covered by a separate payment claim, including:

- a) customs duties and other taxes prescribed pursuant to a statute or plenary decision of the Storting, with the exception of one-off motor vehicle registration tax, etc.
- b) connection charges, fees and other costs incurred in connection with the delivery of goods or services,
- c) auctioneers' fees, commission and similar,

(2) Contingent discounts agreed in advance and granted directly in connection with the supply shall be deducted from the calculation basis to the extent to which they are effected.

(3) The Ministry may issue regulations stipulating that specific costs, etc shall not be included in the calculation basis.

Section 4-3. Bartering, etc.

(1) If a consideration consists in whole or in part of anything other than ordinary means of payment, the price of the performance that is delivered shall be used as the calculation basis. If the price in such cases is less than the market value of corresponding goods or services supplied by the enterprise, the open market value shall be used as the calculation basis. The same shall apply if no specific price has been agreed.

(2) The Ministry may issue regulations stipulating that the calculation basis shall be reduced when goods are received for processing and a corresponding quantity of the same type of goods is returned in processed condition. The Ministry may also issue regulations stipulating what is meant by "market value" in connection with the exchange of motor vehicles.

Section 4-4. Commonality of interest

(1) If a commonality of interest exists between the supplier and the recipient of goods or services and it must be assumed that this could result in a different consideration being set than would be

the case if such commonality of interest did not exist, the calculation basis may not be set lower than the market value.

(2) The Ministry may issue regulations concerning what is meant by "market value" in connection with the supply of motor vehicles in cases where a commonality of interest exists.

Section 4-5. Resale of second-hand goods, etc - individual purchases and supplies

(1) When second-hand goods, works of art, collectors' items or antiques are purchased for resale, including supplies on commission or through auction, the calculation basis for the resale may be set as the difference between the purchase price and the sales price for the individual item. A condition is that the goods are purchased from a seller who does not charge VAT on the sale or who does not specify VAT in the sales document pursuant to provisions in or issued pursuant to the Act relating to Bookkeeping.

(2) When works of art, collectors' items or antiques are imported for resale, the calculation basis for the resale shall be set as the difference between the calculation basis set pursuant to Section 4-11 first paragraph and the sales price of the individual item.

(3) If the purchase price pursuant to the first and second paragraphs exceeds the sales price, the difference may not be deducted from the calculation basis for other sales.

Section 4-6. Resale of second-hand goods, etc - combined purchases and sales

If purchases or resales as specified in Section 4-5 are combined and the prices of the individual items are not known, the calculation basis for the resale shall be the difference between the purchase price and the combined sales price of the items for the whole VAT period. If such purchases or sales amount to more than 80 percent of the purchases or sales made during the VAT period, the gross profit on other second-hand goods, etc for which the sales price exceeds the purchase price may also be calculated as a whole and per VAT period. If the value of purchases exceeds the value of sales during a given VAT period, the difference may be included in the total value of the purchases in subsequent VAT periods.

Section 4-7. Losses on outstanding receivables and cancellations

(1) The calculation basis may be corrected if an outstanding receivable on which output VAT was previously charged is deemed to be a bad debt with final effect due to the debtor's insolvency.

(2) The calculation basis shall be corrected if the purchase or sale is cancelled.

(3) The Ministry may issue regulations stipulating when an outstanding receivable may be deemed to be a bad debt with final effect.

Section 4-8. (Repealed through the Act of 7 December 2012 No. 78.)

II Withdrawals

Section 4-9. General rule

(1) In connection with the withdrawal of goods and services, the calculation basis shall be the market value of corresponding goods or services.

(2) The Ministry may issue regulations stipulating what is meant by "market value" in connection with the withdrawal of goods and services.

Section 4-10. Second-hand goods, works of art, collectors' items and antiques

In connection with the withdrawal of second-hand goods, works of art, collectors' items and antiques, the calculation basis may be determined pursuant to Section 4-5 or Section 4-6.

III Imports

Section 4-11. Goods

- (1) In connection with the import of goods, the calculation basis shall be determined pursuant to Chapter 7 of the Customs Act concerning the basis for calculating customs duty. Customs duty and other taxes levied upon import shall be included in the calculation basis.
- (2) Upon the import of works of art, collectors' items and antiques, the calculation basis shall be 20 percent of the calculation basis pursuant to the first paragraph.
- (3) Upon the import of technical dental products, the calculation basis may be set to the value of the materials, components and similar used in the manufacture of the products if these costs are determined separately.
- (4) Upon the re-import of goods after processing, reprocessing or repair, the calculation basis shall be the cost of the work and the cost of outward and return dispatch. Section 7-4 first paragraph (c) of the Customs Act shall apply correspondingly to goods that are re-imported following repair.

Section 4-12. Services

- (1) In connection with the purchase of services as specified in section 3-30, the basis for calculating VAT shall be the consideration that is paid. The provisions concerning the calculation basis for supplies shall apply correspondingly.
- (2) A consideration that is specified in a foreign currency shall be translated into Norwegian kroner at the exchange rate applicable on the date of supply stipulated pursuant to Section 7-19 of the Customs Act.

Chapter 5. VAT rates and associated areas

Section 5-1. General and reduced rates

- (1) VAT shall be payable at the standard rate unless a supply or withdrawal is exempt from VAT or no VAT is payable upon import.
- (2) Sections 5-2 to 5-11 of the Act shall apply insofar as it follows from a decision concerning VAT by the Storting that VAT shall be payable at a reduced rate.

Section 5-2. Foodstuffs

- (1) VAT shall be payable at a reduced rate on the supply, withdrawal or import of foodstuffs. VAT shall nonetheless be payable at the standard rate for foodstuffs that are supplied as part of a catering service.
- (2) 'Foodstuffs' means all food products and beverages and all other goods intended for human consumption.
- (3) Medicines, tobacco products, alcoholic beverages and water from waterworks are not deemed to be foodstuffs.
- (4) The Ministry may issue regulations stipulating what is meant by "foodstuffs", "catering services" and "supply of foodstuffs".

Section 5-3. *Passenger transport, etc.*

VAT shall be payable at a reduced rate on the supply or withdrawal of services relating to passenger transport and on the mediation of services relating to passenger transport.

Section 5-4. *Transportation of vehicles on vessels*

(1) VAT shall be payable at a reduced rate on the supply or withdrawal of services relating to the transportation of vehicles on ferries or other vessels on the domestic road network. A condition is that a vehicle is in use as a vehicle when it embarks and disembarks a ferry. The reduced rate shall also include goods in transit in the vehicle.

(2) Transportation on the domestic road network shall be deemed to take place when a ferry connection has been established to link parts of the domestic road network system.

(3) The Ministry may issue regulations stipulating what is meant by "vehicle" in this section.

Section 5-5. *Letting of rooms in a hotel business, etc.*

(1) VAT shall be payable at a reduced rate on the supply or withdrawal of services relating to the letting of:

- a) rooms in a hotel or similar enterprise,
- b) real property for camping activities,
- c) cabins, holiday apartments and other holiday properties.

(2) VAT shall be payable at a reduced rate on the letting of function rooms for conferences and meetings, etc. by enterprises as specified in the first paragraph.

(3) VAT shall be payable at a reduced rate on the supply or withdrawal of goods and services which, by virtue of their nature, are not covered by the VAT Act and which form a natural part of letting as specified in the first paragraph, provided that no separate payment is claimed for the goods or services.

(4) VAT shall be payable at a reduced rate on the mediation of services as specified in the first and second paragraphs.

(5) The Ministry may issue regulations concerning the apportionment of the consideration between the standard rate and the reduced rate in enterprises as specified in this section.

Section 5-6. *Cinema screenings*

VAT shall be payable at a reduced rate on the supply or withdrawal of services in the form of the right to attend cinema screenings.

Section 5-7. *Public broadcasting*

VAT shall be payable at a reduced rate on State grants for the funding of public broadcasting services; see Section 6-4 of the Broadcasting Act. The same shall apply upon the withdrawal of such services.

Section 5-8. *Wild marine resources*

VAT shall be payable at a reduced rate on fishermen's supplies to or through fishermen's sales organisations established pursuant to the Act relating to Fishermen's Sales Organisations. VAT shall be payable at a reduced rate on the mediation or approval of such supplies by fishermen's sales organisations.

Section 5-9. *Museums, etc.*

VAT shall be payable at a reduced rate on the supply, withdrawal or mediation of services in the form of

admission to exhibitions in museums or galleries.

Section 5-10. Amusement parks, etc.

VAT shall be payable at a reduced rate on the supply, withdrawal or mediation of services in the form of admission to amusement parks and experience centres.

Section 5-11. Sports events, etc.

(1) VAT shall be payable at a reduced rate on the supply, withdrawal or mediation of services in the form of the right to attend sporting events.

(2) VAT shall be payable at a reduced rate on the rental of function rooms in sports complexes for the purposes of conferences or meetings, etc. by tax subjects which are obliged to register pursuant to Section 2-1 second paragraph. The same shall apply to the mediation of such rental services.

Chapter 6. Exemption from VAT

I Domestic supplies

Section 6-1. Newspapers

The supply of newspapers that are printed on paper and published regularly and at least once a week shall be exempt from VAT.

Section 6-2. Electronic news services

(1) The supply of electronic news services shall be exempt from VAT.

(2) The Ministry may issue regulations stipulating what is meant by "electronic news services".

Section 6-3. Periodicals

(1) The supply of periodicals, including electronic periodicals, which are mainly either supplied to regular subscribers or distributed to members of associations shall be exempt from VAT in the final link of the supply chain.

(2) The supply of periodicals, including electronic periodicals, with a predominantly political, literary or religious content shall be exempt from VAT in the final link of the supply chain.

(3) The Ministry may issue regulations stipulating how this section is to be supplemented and practised, including what is meant by "periodical" and the conditions for exemption. The Ministry may also issue regulations stipulating that the printing of periodicals and the production of electronic periodicals shall be exempt from VAT.

Section 6-4. Books

(1) The supply of books, including electronic books, shall be exempt from VAT in the final link of the supply chain. This exemption shall apply correspondingly to audio books that are parallel editions of books and electronic books.

(2) This exemption shall not apply to publications which are sold together with goods of a different kind and which form part of a packaged item.

(3) The printing of books shall be exempt from VAT if the client intends to distribute the print run free of charge or the volume of the client's resales is so small that the client is not liable to register pursuant to Section 2-1 first paragraph. This exemption shall apply correspondingly to the production of parallel editions of books and electronic books.

(4) The Ministry may issue regulations stipulating what is meant by books and electronic books, and concerning the conditions for exemption. The Ministry may also issue regulations stipulating that the production of electronic books shall be exempt from VAT.

Section 6-5. *Other publications*

(1) The printing of parish magazines, school newspapers and street magazines shall be exempt from VAT if the client is not a tax subject. "Street magazine" means a magazine sold by disadvantaged people.

(2) The supply of street magazines by publishers to the disadvantaged shall be exempt from VAT.

Section 6-6. *Electrical power, etc. for household use in Northern Norway*

(1) The supply of electrical power and energy supplied from alternative energy sources for household use in the counties of Finnmark, Troms and Nordland shall be exempt from VAT.

(2) When electric power and energy delivered by alternative energy sources is supplied partly for household use and partly for use in a commercial activity that is entirely covered by the Act, the exemption shall also apply to the proportion of the power that is used in the commercial activity. It is a condition for the exemption that the supply takes place according to the same rate and via the same meter.

(3) The Ministry may issue regulations stipulating what is meant by "household use" and which energy sources are to be covered by the exemption.

Section 6-7. *Vehicles, etc.*

(1) The supply and leasing of vehicles that are powered exclusively by electricity shall be exempt from VAT. This exemption shall only apply to vehicles which are covered by Section 5 first paragraph (i) of the Storting's resolution concerning one-off motor vehicle registration tax and which must be registered pursuant to the Road Traffic Act.

(2) The supply of batteries for use in vehicles as referred to in the first paragraph shall be exempt from VAT.

(3) The supply of vehicles covered by the Storting's resolution on re-registration tax shall be exempt from VAT if the vehicle has been registered in Norway. The exemption also covers vehicles referred to in Section 1 tax group C of the resolution and which have a maximum permissible gross weight of 7,500 kg or more. The Ministry may issue regulations stipulating that the exemption in this paragraph shall include goods other than the vehicle itself and work that is performed on the vehicle.

(4) The Ministry may issue regulations stipulating what is meant by "leasing of vehicles" pursuant to the first paragraph and "batteries for use in vehicles" pursuant to the second paragraph.

Section 6-8. (Repealed through the Act of 7 December 2012 No. 78.)

Section 6-9. *Vessels, etc.*

(1) The supply of the following vessels shall be exempt from VAT:

- a) vessels of at least 15 metres in length for use in passenger transport in return for a consideration, goods transport, towing, ice-breaking or hunting, etc.
- b) purpose-built vessels for use in offshore petroleum operations,
- c) training vessels,
- d) vessels of at least 10 metres in length procured for use by the Norwegian Armed Forces,
- e) vessels for use for research and meteorological purposes,
- f) vessels of at least 6 metres in length for use in commercial fishing,
- g) vessels for use in salvaging or rescue.

This exemption shall also cover operating equipment that is supplied with such vessels.

(2) The supply of services directly linked to the construction, alteration, repair or maintenance of vessels as

specified in the first paragraph or operating equipment for such vessels shall be exempt from VAT in the final link of the supply chain. This exemption shall also include goods supplied in connection with such services.

(3) The supply of services by vessels in the form of the salvaging of vessels shall be exempt from VAT.

(4) Leasing of the following vessels shall be exempt from VAT:

- a) vessels of at least 15 metres in length for use in international shipping,
- b) vessels of at least 15 metres in length for use in domestic shipping if such vessels are intended for use in passenger transport in return for a consideration,
- c) purpose-built vessels for use in offshore petroleum operations,
- d) vessels of at least 10 metres in length procured for use by the Norwegian Armed Forces,

(5) The Ministry may issue regulations stipulating what is meant by "vessels for use in commercial fishing" pursuant to the first paragraph (f).

Section 6-10. Aircraft, etc.

(1) The supply and leasing out of aircraft for the purpose of commercial aviation and of military aircraft shall be exempt from VAT. This exemption shall also include operating equipment supplied with such aircraft.

(2) The supply of services directly linked to the construction, alteration, repair or maintenance of aircraft as specified in the first paragraph or operating equipment for such aircraft shall be exempt from VAT in the final link of the supply chain. This exemption shall also include goods supplied in connection with such services.

(3) The supply of services from vessels in the form of the salvaging of aircraft shall be exempt from VAT.

(4) The supply of flight simulators or parts or components for such simulators for use in civil aviation shall be exempt from VAT.

Section 6-11. Platforms, pipelines, etc.

(1) The supply or hiring out of oil drilling platforms and other mobile platforms for use in petroleum operations shall be exempt from VAT. This exemption shall also include operating equipment supplied together with such platforms.

(2) The supply of services that are directly connected to the building, alteration, repair or maintenance of platforms as specified in the first paragraph or operating equipment for such platforms shall be exempt from VAT in the final link of the supply chain. This exemption shall also include goods supplied in connection with such services.

(3) The supply of services from vessels in the form of the salvaging of platforms as specified in the first paragraph shall be exempt from VAT.

(4) The supply of services for use in connection with the construction, alteration, repair or maintenance of pipelines between marine areas outside the VAT area and land shall be exempt from VAT in the final link of the supply chain. The Ministry may reach individual decisions stipulating that this exemption shall apply correspondingly to associated onshore facilities which are used directly in connection with the throughflow of gas.

Section 6-12. Construction of embassy buildings

(1) The supply of services that are directly linked to the construction of embassy buildings shall be exempt from VAT in the final link of the supply chain. This exemption shall also include goods supplied in connection with such services.

(2) "Embassy buildings" means buildings owned by the sending state for official use as a chancellery.

Section 6-13. *International military forces and command units*

On the basis of treaties and other international agreements, the Ministry may issue regulations stipulating that the supply of goods and services to specific international military forces and command units shall be exempt from VAT. The Ministry may also issue regulations stipulating that the supply of goods and services by international command units to their personnel shall be exempt from VAT.

Section 6-14. *Transfer of enterprises*

The supply of goods and services as part of a transfer of an enterprise or part thereof to a new owner shall be exempt from VAT.

Section 6-15. *Biological material*

The supply of human organs, blood and the like to hospitals or medical laboratories for use, examination or testing shall be exempt from VAT.

Section 6-16. *Funeral services*

- (1) The supply by funeral directors of services relating to the transportation of deceased persons shall be exempt from VAT.
- (2) The supply by funeral directors of services relating to the packing and shipment of urns in connection with cremations shall be exempt from VAT.

II Withdrawals

Section 6-17. *Exemptions corresponding to those for supplies*

The withdrawal of goods and services shall be exempt from VAT if corresponding supplies would be exempt pursuant to this chapter.

Section 6-18. *Workplace canteens, etc.*

The withdrawal of goods and services for the construction or maintenance of canteens for use in an enterprise's own activities shall be exempt from VAT. This exemption shall also include movable furnishings for such canteens.

Section 6-19. *Charitable causes, etc.*

- (1) Services that are provided free of charge for a charitable cause shall be exempt from VAT.
- (2) Food products that are supplied free of charge to the recipient for distribution on a charitable basis shall be exempt from VAT. The recipient must be registered in the Register of Legal Entities. In a Regulation, the Ministry may issue rules concerning the recipients to which VAT-free deliveries may be made, and what is to be deemed 'distribution on a charitable basis'.
- (3) Goods and services provided free of charge to voluntary organisations as part of emergency aid in connection with a natural disaster shall be exempt from VAT.

Section 6-20. *Primary industries*

(1) The withdrawal of products from own fishing, forestry or agriculture operations with secondary industries shall be exempt from VAT if such products are to be used privately or for a purpose within the scope of these businesses.

(2) The Ministry may issue regulations stipulating how the first paragraph is to be supplemented and practised. The Ministry may also issue regulations stipulating that the withdrawal of goods and services for use in the construction or maintenance of real property in connection with primary industries shall be exempt from VAT.

III Exports and supply with affiliation outside the VAT area

Section 6-21. *Export of goods*

The supply of goods to locations outside the VAT area shall be exempt from VAT. This exemption shall not apply, however, to goods that are included in the total settlement for a VAT period pursuant to Section 4-6.

Section 6-22. *Export of services*

(1) The supply of services that are entirely for use outside the VAT area shall be exempt from VAT.

(2) The supply of services capable of provision from a remote location shall be exempt from VAT if the recipient is a business or public enterprise domiciled outside the VAT area. The supply of services capable of provision from a remote location to other recipients which are domiciled outside the VAT area shall be subject to the first paragraph.

(3) The supply of services capable of provision from a remote location in the form of electronic services, including electronic communication services, shall also be exempt from VAT if such services are supplied to recipients domiciled outside the VAT area other than those specified in the second paragraph. The first sentence shall not apply, however, if the electronic communication services are provided via a fixed terminal inside the VAT area. The supply shall be exempt from VAT if such services are supplied via a fixed terminal outside the VAT area. The first paragraph shall not apply to electronic communication services.

Section 6-23. *Goods placed in a bonded warehouse*

The supply of goods which, pursuant to Section 4-30 of the Customs Act, are placed in a purchaser's bonded warehouse for export shall be exempt from VAT.

Section 6-24. *Goods that are resold outside the VAT area*

The supply of goods to a registered tax subject shall be exempt from VAT if the purchaser resells the goods to a purchaser outside the VAT area before the goods have been delivered. A condition for this exemption is that the purchaser immediately clears the goods through customs for export.

Section 6-25. *Goods for tourists*

(1) The supply of goods to persons resident outside the VAT area shall be exempt from VAT if the goods are exported from the VAT area as baggage. This exemption is effected by the seller charging VAT on the sale but refunding the tax once the goods have been exported.

(2) Persons resident in countries other than Denmark, Finland or Sweden and persons staying on Svalbard or Jan Mayen must export the goods within one month of delivery. Persons resident in Denmark, Finland or Sweden must import the goods to their home countries directly after purchase, and VAT or corresponding sales tax must be payable upon import.

(3) The Ministry may issue regulations stipulating de minimis amounts for exemption.

Section 6-26. Retail outlets at airports upon departure

(1) The supply of alcoholic beverages, tobacco products, chocolate and confectionery products, perfumes, cosmetics and toiletries from tax-free retail outlets at airports (bonded warehouse C) upon departure from the VAT area shall be exempt from VAT.

(2) The supply of other goods in transit halls at airports on departure from the VAT area shall be exempt from VAT if the goods are sold to persons who are not resident in Denmark, Finland, Norway or Sweden.

Section 6-27. Retail outlets at airports upon arrival

(1) The supply of alcoholic beverages, tobacco products, chocolate and confectionery products, perfumes, cosmetics and toiletries from tax-free retail outlets at airports (bonded warehouse C) upon arrival from other countries shall be exempt from VAT.

(2) The Ministry may issue regulations stipulating the types and quantities of goods that individual passengers are permitted to take with them.

Section 6-28. Transport services

(1) The provision of transport services within the VAT area shall be exempt from VAT provided the service involves direct transport to or from destinations outside the VAT area. Such transport shall be deemed to be directly to or from destinations outside the VAT area if an agreement has been entered into for continuous transport from a location within the VAT area to a location outside the VAT area, or vice versa.

(2) This exemption shall also apply to connecting transport.

(3) This exemption shall also apply to services generally provided in conjunction with transport services.

(4) This exemption shall not apply to any part of a round trip within the VAT area in excess of 24 hours.

(5) For goods transport, this exemption shall only apply to services provided before the goods are placed at the recipient's disposal at an agreed destination.

(6) This exemption shall not apply to Posten Norge AS's transportation of letters from the VAT area unless it involves bulk consignments of such letters.

(7) The Ministry may issue regulations stipulating the conditions for exemption.

Section 6-29. Mediation services

(1) The mediation of passenger transport shall be exempt from VAT if such transport is performed outside the VAT area or directly to or from locations outside the VAT area.

(2) Mediation of the following services shall be exempt from VAT if the services are supplied outside the VAT area:

- a) services as specified in Section 3-11 second paragraph (a),
- b) catering services,
- c) the hiring out of means of transport,
- d) admission to exhibitions in museums and galleries,
- e) admission to amusement parks and experience centres,
- f) the right to attend sporting events.

(3) The supply of mediation services to Norwegian shipping companies or clients associated with vessels to be used directly in international shipping or in offshore petroleum operations shall be exempt from VAT. The same shall apply to such services provided in connection with platforms as specified in Section 6-11.

Section 6-30. Goods and services for vessels

(1) The supply of specific goods and services for use by foreign vessels as specified in Section 6-9 first paragraph shall be exempt from VAT.

(2) The supply of specific goods and services for use for vessels at least 15 metres long shall be exempt from VAT if the vessel is engaged in international shipping carrying goods or in passenger transport in return for a consideration.

(3) The supply of specific goods and services to purpose-built vessels for use in offshore petroleum operations shall be exempt from VAT.

(4) The supply of specified goods for use on vessels shall be exempt from VAT if such goods are intended for use outside the VAT area but are supplied inside the VAT area.

(5) The Ministry may issue regulations stipulating which goods and services are covered by the exemptions in this section and the conditions for exemption. The Ministry may issue regulations stipulating that the supply of goods and services for use by other vessels during periods spent outside the VAT area shall also be exempt from VAT.

Section 6-31. Goods and services for aircraft

(1) The supply of specific goods and services for use by aircraft in commercial aviation shall be exempt from VAT if the aircraft is engaged in international aviation.

(2) The Ministry may issue regulations stipulating the goods and services that are covered by the exemption and the conditions for exemption. The Ministry may issue regulations stipulating that the supply of goods and services to aircraft other than aircraft engaged in international aviation shall also be exempt from VAT if the aircraft's destination on a specific flight is outside the VAT area.

Section 6-32. Goods and services for the petroleum sector

(1) The supply of specific goods and services for use in marine areas outside the VAT area in connection with the exploration and exploitation of subsea natural resources shall be exempt from VAT in the case of supplies to concession-holding companies, drilling companies and owners and lessees of platforms. The same shall apply to supplies to other parties that are not tax subjects which provide services outside the VAT area relating to facilities and installations used for the exploration or exploitation of subsea natural resources.

(2) The provision of specific services by a base company in the base area which is obliged to register, to persons referred to in the first paragraph and to owners or lessees of purpose-built vessels for use in offshore petroleum operations shall be exempt from VAT.

(3) The Ministry may issue regulations stipulating the goods and services that are covered by the exemptions in this section.

Section 6-33. Advertising publications in foreign languages, etc.

The supply of advertising publications and advertising films in foreign languages to a client in the VAT area shall be exempt from VAT in the final link of the supply chain if such publications and films are intended for use outside the VAT area. This exemption shall correspondingly apply to the provision of services in the form of the printing and production of such publications and films.

Section 6-34. *Warranty repairs*

The supply of warranty repairs for businesses domiciled outside the VAT area shall be exempt from VAT. The exemption shall apply to repairs of goods or facilities supplied by such businesses to purchasers within the VAT area. The exemption is conditional upon the business domiciled outside the VAT area not being registered in the VAT Register.

IV Regulatory authority

Section 6-35. *Regulatory authority*

The Ministry may issue regulations concerning the registration and documentation obligation, etc. relating to accounting information.

V Dispensation

Section 6-36. *Dispensation*

If special circumstances apply, the Ministry may pass individual resolutions concerning full or partial exemption from VAT.

Section 6-37. *The F-35 weapons system*

The Ministry may pass individual resolutions concerning exemption from VAT in connection with the supply of goods and services for the maintenance of the F-35 weapons system. The Ministry may issue regulations stipulating how this section is to be supplemented and practised, including the conditions for exemption.

Chapter 7. Goods that are not to be subject to VAT upon import

Section 7-1. *Goods that are exempted or excepted upon supply within the VAT area*

VAT shall not be payable on the import of goods as specified in Section 3-6(d), Section 3-7 fourth paragraph, Section 3-18, Section 6-1, Sections 6-3 and 6-4, Section 6-7 first and second paragraphs and Section 6-15.

Section 7-2. *Goods on which customs duty shall not be payable upon import*

(1) VAT shall not be payable in connection with the import of goods referred to in Section 5-1, Section 5-2 first paragraph (b) and (c), Section 5-3, Section 5-4 first paragraph (a), (c), (d), (f) and (g), Section 5-5, Section 5-6 and Section 5-7 first paragraph (e) of the Act on Customs Duties and Movement of Goods (the Customs Act). The same shall apply to the import of low-value goods where the supplier calculates and pays VAT in accordance with the simplified registration and reporting scheme; see Section 14-4 first paragraph. VAT shall also not be payable upon the re-import of goods referred to in Section 5-4 first paragraph (e) of the Customs Act if the exporter and importer of the goods are the same person. The condition that the importer and exporter of the goods must be the same person shall however not apply if the goods were previously subject to VAT with final effect.

(2) VAT shall not be payable on the temporary import of goods as specified in Sections 6-1 to 6-4 of the Customs Act. The customs region may require collateral to be pledged for VAT on goods that are imported temporarily pursuant to Sections 6-2 to 6-4 of the Customs Act.

Section 7-3. *Vessels and goods for vessels, etc.*

(1) VAT shall not be payable upon the import of vessels or operating equipment as specified in Section 6-9 first paragraph or on the re-import of such goods following alteration, repair or maintenance outside the VAT area.

(2) VAT shall not be payable upon the import of goods as specified in Section 5-2 first paragraph (a), (d) and (e) of the Customs Act.

(3) VAT shall not be payable upon the temporary import of spare parts or operating equipment for use on foreign vessels as specified in Section 6-9 first paragraph. A condition is that the goods are delivered to the foreign vessel and re-exported with it.

Section 7-4. *Aircraft and goods for aircraft, etc.*

(1) VAT shall not be payable upon the import of aircraft or operating equipment as specified in section 6-10 first paragraph or on the re-import of such goods following alteration, repair or maintenance outside the VAT area.

(2) VAT shall not be payable upon the import of goods as specified in Section 6-10 fourth paragraph.

(3) VAT shall not be payable upon the import of goods as specified in Section 5-2 first paragraph (a), (d) and (e) of the Customs Act.

(4) VAT shall not be payable upon the import of specified goods for use on aircraft as specified in Section 6-10 first paragraph if an aircraft is engaged in international aviation or if the aircraft's destination on a specific flight is outside the VAT area. The Ministry may issue regulations stipulating the goods that are covered and the conditions that must be met in order for VAT not to be payable.

Section 7-5. *Platforms, etc.*

(1) VAT shall not be payable upon the import of platforms or operating equipment as specified in Section 6-11 first paragraph or on the re-import of such goods following alteration, repair or maintenance outside the VAT area.

(2) VAT shall not be payable when an owner company imports goods for use in connection with the construction, alteration, repair or maintenance of pipelines in petroleum operations. Section 6-11 fourth paragraph shall apply correspondingly.

(3) VAT shall not be payable upon the import of components of platforms as specified in the first paragraph if such components are imported for destruction or for educational purposes in schools and institutions.

Section 7-6. *Goods received free of charge*

The Ministry may issue regulations stipulating that VAT shall not be payable upon the import of goods that are received free of charge.

Section 7-7. *Electrical power*

VAT shall not be payable upon the import of electrical power.

Section 7-8. *Goods of an educational, scientific or cultural nature*

The Ministry may issue regulations stipulating that VAT shall not be payable upon the import of goods of an educational, scientific or cultural nature.

Section 7-9. *Dispensation*

If special circumstances apply, the Ministry may pass individual resolutions according to which VAT is not to be paid on imports in full or in part.

Section 7-10. *The F-35 weapons system*

The Ministry may pass individual resolutions concerning exemption from the obligation to pay VAT on imports of goods for maintenance of the F-35 weapons system. The Ministry may issue regulations stipulating how this section is to be supplemented and practised, including the conditions for exemption.

Chapter 8. Deductions for input VAT

Section 8-1. General rule

A registered tax subject shall be entitled to deduct input VAT on purchases of goods and services that are intended for use within the registered enterprise.

Section 8-2. Right to deduct VAT on procurements intended for partial use by a registered enterprise

(1) A registered tax subject which purchases goods or services for use both within a registered enterprise and for other purposes shall only be entitled to a deduction for input VAT on the part of the goods or services that is intended for use within the registered enterprise. If the use which does not permit the deduction of VAT takes place as within the tax subject's collective activity, Section 8-5 shall only apply to services specified in Section 3-23 and Section 3-26.

(2) A public enterprise which, pursuant to Section 3-28, is not required to pay VAT on withdrawals shall only be entitled to deduct input VAT for purchases of goods or services that are supplied to others.

(3) For goods and services which are to be used both within the registered enterprise and for other purposes, input VAT shall not be deductible if the supplies made by the registered enterprise do not normally exceed five percent of the enterprise's total supplies during the financial year. This shall not apply, however, to enterprises which mainly supply services that are exempt pursuant to Section 3-6.

(4) For goods and services which are to be used both within the registered enterprise and for other purposes, input VAT shall be deductible in full if the part of the enterprise's supplies that is exempt from the Act does not normally exceed five percent of the enterprise's total supplies during the financial year.

(5) The Ministry may issue regulations stipulating the allocation of input VAT. The Ministry may also make exceptions to the first paragraph in the case of snowscooters used in the reindeer husbandry industry.

Section 8-3. Other restrictions on the right to deduct VAT

(1) Right to deduct VAT shall not include input VAT on:

- a) catering,
- b) costs relating to the hiring of function rooms in connection with catering,
- c) works of art or antiques, unless the purchaser supplies goods of the same kind in its enterprise or the goods are to be used in an enterprise as specified in Section 5-9,
- d) board for and payment in kind to the enterprise's owner, management, employees or pensioners,
- e) corporate hospitality,
- f) gifts, goods and services for distribution for advertising purposes when the value is not insignificant. VAT may, however, be deducted if the goods are exported for use outside the VAT area,
- g) the construction, maintenance, rental or operation of real property to meet a housing or welfare need, including movable property and equipment for such property. The right to deduct input VAT shall nonetheless apply to the construction or maintenance of workplace canteens, including movable furnishings for such canteens.

(2) The right to deduct VAT shall nonetheless apply for goods as specified in the first paragraph for use on aircraft engaged in international aviation or vessels of at least 15 metres in length engaged in international shipping if they carry goods or passengers in return for a consideration.

(3) The Ministry may issue regulations stipulating that deductions shall be allowable for purchases for use in the construction or maintenance of real property in connection with primary industries. The Ministry

may issue regulations concerning the registration and documentation obligation, etc. relating to accounting information.

Section 8-4. *Passenger vehicles*

(1) The right to deduct VAT shall not include input VAT on the purchase, operation or maintenance of passenger vehicles. The right to deduct input VAT shall nonetheless apply for passenger vehicles used as:

- a) sales commodities,
- b) rental vehicles as part of commercial rental activity,
- c) a means of passenger transport in return for a consideration in a passenger transport enterprise.

(2) The Ministry may issue regulations supplementing this section and stipulating how it is to be practised.

Section 8-5. *Goods and services of the same kind as those supplied by the enterprise*

Although the right to deduct VAT is limited by Sections 8-2 to 8-4, a registered tax subject shall be entitled to deduct input VAT in full on goods and services that are of the same type as those supplied by the registered enterprise.

Section 8-6. *Purchases made prior to registration*

(1) Registered tax subjects shall be entitled to deduct input VAT on goods and services that were purchased up to three years prior to registration in the VAT Register (retrospective tax settlement), provided that such purchases are directly linked to the supply in the registered enterprise. This shall not apply, however, to goods or services that were supplied prior to registration. Claims for deductions must be submitted no later than three years after registration. Claims for the deduction of input VAT on purchases which are included in capital goods as specified in Section 9-1 second paragraph (b) must be submitted within three years after the right to a retrospective VAT refund arose. The time limit in the first sentence shall not apply to purchases which are included in capital goods referred to in Section 9-1 second paragraph (b).

(2) The Ministry may issue regulations supplementing this section and stipulating how it is to be practised.

Section 8-7. *Right to deduct VAT in the event of bankruptcy or division of an insolvent decedent's estate*

(1) An insolvent debtor shall be entitled to deduct input VAT on deliveries of goods and services up until the opening of liquidation proceedings. After that date, the bankruptcy estate shall be entitled to deduct VAT.

(2) Upon division of an insolvent decedent's estate, the estate shall be entitled to deduct input VAT on goods and services that are supplied after administration proceedings concerning the estate were opened.

Section 8-8. *Payment via a bank as a condition for deducting input VAT*

(1) The right to deduct input tax on goods and services shall only apply if payment is made via a bank or enterprise that is permitted to mediate payments, unless the total payment amounts to less than NOK 10,000. Multiple payments that concern the same goods, service, contract or similar shall be deemed as a single payment when applying the threshold amount stated in the preceding sentence. In the case of multiple payments covering continuous or periodic supplies, costs to be deducted in the same year shall be viewed collectively.

(2) If VAT is deducted in a VAT period before payment is made and the payment is subsequently made in such a way that deduction is not permitted under this section, previous deductions shall be reversed in the VAT period in which payment is made.

(3) In the event of compelling societal considerations, the Ministry may decide that the first subsection shall not be applied.

(4) The Ministry may issue regulations supplementing and stipulating how this section is to be practised, including further provisions stipulating that other methods of payment shall be treated as equivalent to payments executed via a bank, exceptions to the requirement to pay via a bank in special circumstances, application of the threshold amount and documentation requirements.

Chapter 9. Adjustment and reversal of input VAT

I Adjustment or reversal, etc.

Section 9-1. Adjustment or reversal of input VAT

(1) Input VAT on capital goods that are purchased, manufactured or finished after 31 December 2007 shall, in the event of change of use, etc. be adjusted pursuant to Sections 9-2 to 9-5 or reversed pursuant to Section 9-7.

(2) "Capital goods" means:

- a) machinery, fixtures and other fixed assets for which the input VAT on the cost price amounts to at least NOK 50,000; this shall not, however, apply to vehicles exempt from VAT pursuant to Section 6-7 third paragraph,
- b) real property that has been subject to new-build, extension or alteration for which the input VAT on the costs amounts to at least NOK 100,000,

(3) ---.

(4) The Ministry may issue regulations stipulating what is to be deemed as input VAT accrued in connection with construction work as specified in the second paragraph (b).

II Adjustment of input VAT

Section 9-2. When input VAT must be adjusted

(1) Registered tax subjects shall adjust input VAT if the use of capital goods changes from a deductible use to a non-deductible use following purchase, manufacture or finishing, or vice versa. If a tax subject becomes entitled to deduct input VAT as a result of legislative changes, the tax subject shall nonetheless not be entitled to adjust input VAT for purchases, etc. made prior to the entry into force of the new legislation.

(2) Registered tax subjects shall adjust input VAT if capital goods as specified in Section 9-1 second paragraph (a) are supplied, provided the supply is vatable and the full deduction of input VAT was not permitted at the time of purchase, etc. The adjustment amount may not exceed 25 percent of the consideration, excluding VAT.

(3) Registered tax subjects shall adjust input VAT if capital goods as specified in Section 9-1 second paragraph (b) are transferred.

(4) Registered tax subjects shall adjust input VAT if capital goods are transferred as part of the transfer of an enterprise, or part thereof, and the transfer is exempt from VAT pursuant to Section 6-14.

(5) Input VAT shall not be adjusted, however, if VAT is payable pursuant to Section 3-21 first and second paragraphs.

(6) Input VAT shall not be adjusted when municipal water and wastewater treatment plants are transferred as a result of a decision concerning merger or division pursuant to the Act of 15 June 2001 No. 70 on the determination and amendment of municipal and county boundaries, Sections 4 and 5. The transferrer's right and obligation to make adjustments shall be taken over unaltered by the transferee tax subject.

Section 9-3. Transfer of the right and obligation to adjust input VAT

(1) Adjustment pursuant to Section 9-2 third and fourth paragraphs may be omitted to the extent to which the party taking over the capital goods also takes over the obligation to make adjustments.

(2) The transferrer of the capital goods shall undertake a collective adjustment of input VAT for changes as

specified in Section 9-2 first paragraph which occurred during the transferrer's period of ownership. The party taking over the capital goods shall be entitled and obliged to make adjustments in the event of subsequent changes.

(3) The Ministry may issue regulations supplementing this section and stipulating how it is to be practised.

Section 9-4. Adjustment period

(1) In the case of capital goods as specified in Section 9-1 second paragraph (a), adjustments shall be made for changes that arise during the first five financial years following purchase or manufacture. The financial year in which the capital goods were purchased or manufactured shall be included in the adjustment period.

(2) In the case of capital goods as specified in Section 9-1 second paragraph (b), the adjustment period shall be ten years after finishing. Such capital goods shall be deemed to be finished when a certificate of completion or provisional permission for use has been issued or, if no such certificate or permission is required, when the capital goods are taken into use. The financial year in which the capital goods were finished shall be included in the adjustment period.

(3) A tax subject which has adjusted input VAT collectively as a result of the cessation of vatable activity and which has retained the capital goods in the enterprise may, if it registers in the VAT Register later in the adjustment period, continue to make adjustments from the date of registration.

Section 9-5. Calculation of the adjustment amount, etc.

(1) One fifth of the input VAT accrued on the purchase or manufacture of capital goods as specified in Section 9-1 second paragraph (a) shall be adjusted in each individual financial year. In the case of capital goods as specified in Section 9-1 second paragraph (b), one tenth of the input VAT accrued in connection with construction, extension or alteration shall be adjusted in each individual financial year.

(2) Such adjustment shall be based on the change in the deduction percentage that is made in the individual financial year compared to the deduction percentage at the start of the adjustment period. In the case of adjustment due to the winding-up of an enterprise or the transfer of capital goods, a collective adjustment for the remainder of the adjustment period shall be made. The remainder of the adjustment period shall also include the financial year in which the use of the capital goods changes or in which the capital goods are transferred.

(3) No adjustment shall be made if a change in the deduction percentage is less than ten percentage points compared to the deduction percentage at the start of the adjustment period.

(4) If the change in use only applies to a proportion of capital goods as referred to in Section 9-1 second paragraph (b), adjustment shall be made for the input VAT that relates to that proportion of the capital goods. The same shall apply upon transfer of such a proportion.

(5) The adjustment amount shall be declared in the VAT return as an increase or reduction in input VAT.

(6) The Ministry may issue regulations supplementing this section and stipulating how it is to be practised.

III Reversal of input VAT

Section 9-6. Sale, etc. of passenger vehicles

(1) This section applies to passenger vehicles used as hire vehicles in a commercial rental activity or as a means of transporting passengers in return for a consideration in a passenger transport enterprise. Input VAT that has been deducted for such passenger vehicles shall be reversed if a vehicle is sold or reallocated to a non-deductible use during the first three years following registration. The same shall apply if an

enterprise is subsequently exempted from the Act.

(2) The amount to be reversed shall be reduced by 1/30th for each whole month during the first year and thereafter by 1/60th for each whole month for the following three years from the date of registration.

(3) Input VAT shall not be reversed if the sale or reallocation is due to:

- a) the vehicle being scrapped,
- b) the owner's estate being made subject to liquidation proceedings or public debt settlement proceedings,
- c) the death of the owner.

(4) The tax office pass individual resolutions to waive the requirement for reversal if the sale or reallocation is due to circumstances beyond the control of the tax subject or if for other reasons reversal would be deemed to have an unreasonable effect on the tax subject. Decisions to waive the reversal requirement shall be made effective from the date on which a passenger vehicle is sold or otherwise reallocated to a non-deductible use.

Section 9-7. Sale, etc of real property prior to completion

(1) Deducted input VAT shall be reversed if capital goods as specified in Section 9-1 second paragraph (b) are sold or reallocated to a non-deductible use prior to completion.

(2) Reversal may be omitted to the extent to which the party taking over the capital goods also takes over the obligation to reverse the deducted input VAT.

(3) The Ministry may issue regulations stipulating the conditions for transfer of the reversal requirement.

Section 9-8.

IV Regulatory authority

Section 9-9. Regulatory authority

The Ministry may issue regulations concerning the registration and documentation obligation, etc. relating to accounting information.

Chapter 10. VAT refunds

I VAT accrued on domestic supplies

Section 10-1. Businesses with no place of business or domicile in the VAT area

(1) Foreign businesses which have made no taxable supplies in the VAT area during the previous twelve months shall be entitled to a refund of input VAT provided that:

- a) the VAT relates to purchases of goods or services in the VAT area or the import of goods into the VAT area, and the goods or services are intended for use within the enterprise,
- b) the supply outside the VAT area would have entailed an obligation to register or an entitlement to voluntary registration if it had taken place inside the VAT area, and
- c) the VAT would have been deductible if the enterprise had been registered in the VAT area.

(2) A business outside Norway that is registered under the simplified registration scheme in accordance with Sections 14-4 to 14-7 shall be entitled to a refund of input VAT provided that:

- a) the VAT relates to purchases of goods or services in the VAT area or to the import of goods into the VAT area, and the goods or services are intended for use within the enterprise, and
- b) the VAT would have been deductible if the enterprise had been a registered tax subject in the VAT area.

(3) Foreign businesses that are only involved in the provision of services as referred to in Section 6-

28 shall be entitled to a refund of input VAT provided that:

- a) they are not registered in the VAT Register pursuant to Section 2-1 seventh paragraph,
- b) the VAT relates to purchases of goods or services in the VAT area or the import of goods into the VAT area, and the goods or services are intended for use within the enterprise, and
- c) the VAT would have been deductible if the enterprise had been a registered tax subject in the VAT area.

(4) Input VAT shall not be refunded for goods purchased in or imported into the VAT area and subsequently supplied here. The same shall apply to goods imported for supply to purchasers in the VAT area.

(5) The Ministry may issue regulations supplementing and stipulating how this section is to be practised, including the conditions for refunds. The Ministry may also issue regulations making refunds contingent on the applicant's home country granting an equivalent refund of VAT or other sales taxes to enterprises with a place of business or domicile in the VAT area. The same shall apply to refunds of VAT on goods and services for use in connection with a heavy goods vehicle registered or domiciled outside the VAT area when the heavy goods vehicle is used for transport to or from the VAT area.

Section 10-2. *Foreign embassies and consulates*

(1) Foreign embassies and consulates with diplomatic representatives shall be entitled to refunds of input VAT incurred on purchases of specific goods and services for:

- a) State-owned property,
- b) official use by diplomatic missions and consulates,
- c) personal use by diplomatic representatives and consular officials.

(2) The Ministry may issue regulations supplementing and stipulating how this section is to be practised, including the goods and services that are covered by the refund scheme and the conditions for refunds.

Section 10-3. *International organisations and collaborative projects*

The Ministry may, on the basis of treaties and other international agreements, issue regulations and pass individual resolutions concerning the refund of VAT to certain international organisations and collaborative projects and the conditions for such refunds.

Section 10-4. *Emergency aid*

(1) Refunds shall be granted on input VAT accrued on purchases of goods that are exported out of the VAT area within two months of supply in connection with emergency aid actions.

(2) The Ministry may issue regulations supplementing and stipulating how this section is to be practised, including the conditions for refunds.

Section 10-5. (Repealed through the Act of 11 December 2009 No. 129.)

Section 10-6. *Share fishermen*

(1) Share fishermen who provide their own equipment in a given fishing activity shall be entitled to a refund of input VAT paid on purchases of the equipment they use in order to participate in the activity.

(2) The Ministry may issue regulations supplementing and stipulating how this section is to be practised, including the conditions for refunds.

II VAT paid on imports

Section 10-7. Goods that are re-exported or erroneously declared

- (1) Non-tax subjects shall be entitled to a refund of VAT paid on imports if:
- a) the goods were re-exported in an unaltered state because they were erroneously dispatched, erroneously ordered or not delivered as agreed,
 - b) the goods were re-exported for reasons other than those stated under (a) and the customs duty will be, or could have been, refunded pursuant to Section 11-2 first and second paragraphs and Section 11-4 first paragraph of the Customs Act,
 - c) the goods were re-exported and VAT should not have been payable on import pursuant to Section 7-2 second paragraph,
 - d) an error was made when the goods were cleared through customs.

(2) In the case of goods that are re-exported (see the first paragraph (a) to (c)), refund shall be conditional on re-export taking place within one year after import. The customs region may extend this time limit in special circumstances. The requirement for re-export may be waived if the goods are destroyed under the supervision of or by agreement with the customs region in return for the cost of destruction being borne by the tax subject pursuant to Section 11-1 first paragraph.

Section 10-8. Goods imported temporarily - partial refunds

- (1) After goods have been re-exported, non-tax subjects shall be entitled to a refund of the VAT paid on the import of:
- a) goods that were rented or borrowed from a location outside the VAT area,
 - b) construction machinery or construction or transport materials imported by a business with a place of business or domicile outside the VAT area for use in assignments here.

(2) The refund shall be reduced by five percent per month or part thereof, determined from the date on which the goods were imported.

Section 10-9. (Repealed through the Act of 18 December 2015 No. 118.)

Chapter 11. Calculation and payment of VAT

I Liability for calculation and payment

Section 11-1. Supplies, withdrawals and imports of goods

(1) The tax subject shall calculate and pay VAT on taxable supplies, withdrawals and imports of goods; see Sections 9-1 and 9-2 of the Tax Administration Act. When a party other than the tax subject imports goods, the party which is liable for customs duties pursuant to the Customs Act shall calculate and pay VAT.

(2) VAT payable on a supply of emissions allowances to a business or public enterprise shall be calculated and paid for by the recipient. Recipients which are a business or public enterprise but not a tax subject will not be required to calculate and pay VAT until the total of the purchases made during a VAT period exceeds NOK 2,000, excluding VAT.

(3) VAT payable on supplies of gold with a fineness of at least 325 to a business or public enterprise shall be calculated and paid for by the recipient of the goods or services. Second paragraph, second sentence shall apply correspondingly.

(4) If a tax subject is registered through a representative, the representative and tax subject shall be jointly and severally liable for calculating and paying the VAT. Nonetheless, the representative shall not be liable to pay VAT if the business is domiciled in an EEA State which, under a tax treaty or other agreement under international law with Norway, is required to exchange information and provide assistance in connection with the collection of VAT claims.

(5) The Ministry may issue regulations stipulating that VAT may be calculated and paid in a manner other than through a representative.

(6) The Ministry may issue regulations stipulating the objects that are covered by the third paragraph, first sentence.

Section 11-2. *Low-value goods*

- (1) In connection with the purchase of goods covered by Section 3-1 second paragraph, the supplier referred to in Section 2-1 third paragraph shall calculate and pay VAT.
- (2) The Ministry may issue regulations concerning the suppliers liabilities pursuant to this provision.

Section 11-3. *Import of services*

(1) In connection with the purchase of services capable of provision from a remote location covered by Section 3-30 first to third paragraphs, the recipient of such services shall calculate and pay VAT. If a recipient is not registered in the VAT Register, VAT shall only be calculated and become payable once the total of the purchases made during a VAT period exceeds NOK 2,000, excluding VAT.

(2) In connection with the purchase of electronic services, including electronic communication services, which are covered by Section 3-30 fourth and fifth paragraphs, suppliers as specified in Section 2-1 third paragraphs shall calculate and pay VAT.

Section 11-4. *Erroneously specified VAT*

(1) Tax subjects shall pay any VAT amounts that are erroneously specified in sales documents. This shall apply both to VAT that has been overcharged and to VAT that has been charged on supplies that are exempt from the Act or exempt from VAT. This shall also apply to VAT charged when the recipient is liable to calculate and pay VAT pursuant to Section 11-1 second or third paragraph.

(2) Non-tax subjects which, in breach of Section 15-11 first paragraph, have specified amounts that are erroneously designated as VAT in sales documents shall pay the amounts concerned.

(3) Payment may be omitted if the error is corrected with respect to the purchaser.

II Refund of input VAT

Section 11-5. *Refund of input VAT*

(1) If the amount of input VAT exceeds the amount of output VAT in any given period, the excess amount of input VAT shall be refunded. VAT returns for previous VAT periods must have been filed.

(2) Even if an amount is not refunded during the subsequent VAT period, a tax subject shall not be entitled to claim a deduction for the amount in subsequent VAT returns.

Section 11-6. *Refunds in the event of loss, etc.*

(1) Fishermen who are obliged to submit a tax return annually in accordance with provisions stipulated pursuant to Section 8-14 of the Tax Administration Act (see Section 8-3), may following the loss of a vessel or important equipment or substantial damage to a vessel, fishing gear or the vessel's fixed operating equipment be refunded excess input VAT in accordance with a specific settlement before the end of the calendar year concerned.

(2) The Ministry may issue regulations supplementing and stipulating how this section is to be practised, including the conditions for payment.

Chapter 12 Circumvention

Section 12-1. *Circumvention*

Section 13-2 of the Tax Act shall apply correspondingly to VAT.

Chapter 13. (Repealed through the Act of 27 May 2016 No. 14)

Section 13-1. (Repealed through the Act of 27 May 2016 No. 14.)

Section 13-2. (Repealed through the Act of 27 May 2016 No. 14.)

Section 13-2 a. (Added through the Act of 10 June 2016 No. 24, repealed through the Act of 27 May 2016 No. 14.)

Section 13-3. (Repealed through the Act of 27 May 2016 No. 14.)

Section 13-4. (Added through the Act of 26 April 2013 No. 16, repealed through the Act of 27 May 2016 No. 14.)

Chapter 14. Registration in the VAT Register, etc. and the simplified registration scheme

I. Registration in the VAT Register

Section 14-1. *Conditions for registration*

(1) Parties that are liable to register pursuant to the Business Enterprise Registration Act must be registered in the Register of Business Enterprises before they may register in the VAT Register. In special circumstances, the tax office may consent to an enterprise registering in the VAT Register prior to registration in the Register of Business Enterprises.

(2) Joint registration and voluntary registration pursuant to Section 2-3 fourth to sixth paragraphs may take place no earlier than with effect from the VAT period in which approval of the electronic application for registration has been logged by the receiving centre. Approval shall be confirmed by electronic receipt. In the case of paper-based applications, registration may take effect no earlier than from and including the VAT period in which the application was posted.

(3) Voluntary registration pursuant to Section 2-3, first and second paragraphs may take place no earlier than with effect from a statement period which expired during the last six months before the electronic application for registration was logged by the receiving centre. Approval shall be confirmed by electronic receipt. In the case of paper-based applications, registration may take effect no earlier than from a statement period which expired in the last six months before the application was posted.

(4) Voluntary registration pursuant to Section 2-3 third paragraph may take place no earlier than with effect from a statement period which expired during the last six months before tax treatment of the leasing relationship was acknowledged.

Section 14-2. *Registration of bankruptcy estates and decedents' estates*

Bankruptcy estates shall be registered under a separate number with effect from the date on which administration of the estate commences. A decedent's estate shall remain registered under the registration number of the deceased.

Section 14-3. *Deregistration and continued registration*

(1) A registered enterprise shall be deregistered from the VAT Register if the enterprise is dissolved or if the tax office considers that there are special grounds for deregistration.

(2) If the volume of a tax subject's taxable supplies and withdrawals have fallen below the currently applicable minimum amounts stipulated in Section 2-1 first to third paragraphs without the enterprise having been deregistered pursuant to this section, the tax subject shall remain registered for at least two full calendar years. The same shall apply if a tax subject is relegated to a division lower than that stipulated in Section 2-1 second paragraph, second sentence and supplies of services that give entitlement to attend

sporting events account for less than NOK 3 million.

(3) Joint and several liability pursuant to Section 2-2 third paragraph shall continue to apply until notification of deregistration has been given.

II.Simplified registration and reporting scheme for suppliers of low-value goods and electronic services (simplified registration scheme)

Section 14-4. *Scope of the scheme, etc.*

(1) A tax subject that does not have a place of business or domicile in the VAT area may opt to use the simplified registration scheme if it is only required to calculate and pay VAT on:

- a) goods covered by Section 3-1 second paragraph
- b) services covered by Section 3-30 fourth and fifth paragraphs.

(2) Simplified registration shall be permitted without the threshold amount in Section 2-1 first paragraph being exceeded.

(3) Suppliers which are registered pursuant to the first paragraph shall not be simultaneously registered in the VAT Register.

(4) All communication between the tax office and suppliers under the simplified registration scheme shall take place electronically.

(5) The Ministry may issue regulations concerning the organisation of the simplified registration scheme.

Section 14-5. *Identification number*

When a supplier has opted to join the simplified registration scheme, the tax office shall allocate the supplier an identification number.

Section 14-6. *Refunding of VAT*

Suppliers which are registered in the simplified registration scheme shall not be entitled to refunds of input VAT pursuant to Chapter 8, but shall be entitled to refunds of input VAT pursuant to Section 10-1 second paragraph.

Section 14-7. *Deregistration*

(1) A supplier shall be deregistered from the register when:

- a) the enterprise ceases trading,
- b) the conditions for using the simplified registration scheme are no longer met, or
- c) the supplier repeatedly breaches the obligations that follow from the VAT Act.

(2) If taxable imports drop below the currently applicable limit stipulated in Section 2-1 third paragraph without the enterprise having been deregistered pursuant to this section, the supplier shall remain registered for at least two full calendar years.

(3) A supplier which has been deregistered pursuant to the first paragraph (c) and which continues to carry on taxable activity shall be registered through a representative pursuant to Section 2-1 sixth paragraph.

(4) A supplier which has been deregistered pursuant to first paragraph (c) may re-register when:

- a) the supplier has, subsequent to the decision to deregister it from the register, met the obligations that follow from the VAT Act,
- b) it must be assumed that the supplier will comply with the obligations that follow from the VAT Act upon re-registration, and
- c) the supplier has fulfilled previous payment obligations.

(5) In a Regulation, the Ministry may stipulate supplementary regulations concerning the conditions for deregistration and re-registration of suppliers which have been deregistered.

Chapter 15. Documentation, etc.

Section 15-1. VAT returns

(1) VAT returns submitted by enterprises in the primary industries may include supplies from another commercial activity provided the vatable supplies and withdrawals in such commercial activity do not exceed NOK 30,000, excluding VAT.

(2) VAT that is payable on purchases of services capable of provision from a remote location shall be declared as output VAT.

(3) The amount declared as output VAT shall also include amounts erroneously specified as VAT as stipulated in Section 11-4 first paragraph. This may be omitted in the case of errors that are corrected with respect to the purchaser.

(4) The Ministry may pass individual resolutions which stipulate that VAT that is paid on the supply of electronic communication services in connection with humanitarian fundraising campaigns is not to be declared in VAT returns, or that VAT that has been paid may be reversed.

Section 15-2. (Repealed through the Act of 27 May 2016 No. 14.)

Section 15-3. (Repealed through the Act of 27 May 2016 No. 14.)

Section 15-4. (Repealed through the Act of 27 May 2016 No. 14.)

Section 15-5. (Repealed through the Act of 27 May 2016 No. 14.)

Section 15-6. (Repealed through the Act of 27 May 2016 No. 14.)

Section 15-7. (Repealed through the Act of 27 May 2016 No. 14.)

Section 15-8. (Repealed through the Act of 27 May 2016 No. 14.)

Section 15-9. Timing

(1) Amounts referred to in Section 8-3 first paragraph (a) to (d) of the Tax Administration Act shall be declared in the VAT return for the period in which the documentation was issued. The amounts specified in Section 8-3 of the Tax Administration Act shall be declared under the VAT period in which payment took place.

(2) In special circumstances, the Ministry may pass individual resolutions allowing the date of payment to serve as the basis for allocating supplies and VAT between VAT periods.

(3) The Ministry may issue regulations concerning exemptions from the first paragraph.

Section 15-10. Documentation obligation

(1) In order to be deductible, payments of input VAT must be supported by vouchers.

(2) Tax subjects shall charge output VAT unless it can be substantiated through accounting records or other means that are accepted by the tax authorities that no VAT should be payable on a supply or

withdrawal.

(3) Sales documentation for vatable supplies may not be issued before the goods or services are delivered.

(4) Suppliers covered by the simplified registration scheme shall maintain a record of transactions that are covered by Section 3-30 fourth and fifth paragraphs. Transaction records shall be sufficiently detailed to enable the tax office to establish that the calculation of VAT declared in the VAT returns is correct. Transaction records shall be made electronically available to the tax office within three weeks of a request for such access. Transactions records shall be retained for a period of ten years from the end of the year in which the transactions were executed.

(5) The Ministry may issue regulations stipulating the obligation to register and provide documentation of accounting information. The Ministry may also issue regulations stipulating when documentation of supplies or withdrawals is to be issued and concerning exceptions from the third paragraph. The Ministry may issue additional regulations concerning what the transaction records referred to in the fourth paragraph must contain.

Section 15-11. *Right to add VAT in sales documents, etc.*

(1) Only a registered tax subject or a supplier registered in the simplified registration scheme may specify the VAT amount in sales documentation and state in the price specification that the consideration includes VAT.

(2) Anyone who, in breach of the first paragraph, has specified an amount as VAT in sales documentation shall notify the tax office of this in writing within ten days after the end of the month in which the sales documentation was issued. Notification may be omitted if the error is corrected with respect to the purchaser.

(3) The Ministry may issue regulations stipulating that associations and cooperative enterprises which primarily supply products from their members' fishing, forestry or agricultural activities with secondary industries may specify VAT in their account settlements with suppliers which are not registered in the VAT register. The Ministry may stipulate more detailed conditions for implementation of this scheme and may decide that the scheme shall apply correspondingly to other purchasers and producers. The Ministry may issue regulations stipulating that the scheme in accordance with the first sentence shall also apply to dealers in goods from home producers of handicrafts and home crafts, even if most of their supplies do not comprise such goods.

Chapter 16. (Repealed through the Act of 27 May 2016 No. 14)

Section 16-1. (Repealed through the Act of 27 May 2016 No. 14.)

Section 16-2. (Repealed through the Act of 27 May 2016 No. 14.)

Section 16-3. (Repealed through the Act of 27 May 2016 No. 14.)

Section 16-4. (Repealed through the Act of 27 May 2016 No. 14.)

Section 16-5. (Repealed through the Act of 27 May 2016 No. 14.)

Section 16-6. (Repealed through the Act of 27 May 2016 No. 14.)

Section 16-7. (Added through the Act of 10 December 2010 No. 71, repealed through the Act of 27 May 2016 No. 14.)

Section 16-8. (Added through the Act of 7 December 2012 No. 78, repealed through the Act of 27 May 2016 No. 14.)

Section 16-8a. (Added through the Act of 19 December 2014 No. 84, repealed through the Act of 27 May 2016 No. 14.)

Section 16-9. (Added through the Act of 26 April 2013 No. 16, repealed through the Act of 27 May 2016 No. 14.)

Section 16-10. (Added through the Act of 26 April 2013 No. 16, repealed through the Act of 27 May 2016 No. 14.)

Section 16-11. (Added through the Act of 26 April 2014 No. 16, repealed through the Act of 27 May 2016 No. 14.)

Chapter 17. (Repealed through the Act of 27 May 2016 No. 14)

Section 17-1. (Repealed through the Act of 27 May 2016 No. 14.)

Section 17-2. (Repealed through the Act of 27 May 2016 No. 14.)

Section 17-3. (Repealed through the Act of 27 May 2016 No. 14.)

Section 17-4. (Repealed through the Act of 27 May 2016 No. 14.)

Chapter 18. (Repealed through the Act of 27 May 2016 No. 14)

Section 18-1. (Repealed through the Act of 27 May 2016 No. 14.)

Section 18-2. (Repealed through the Act of 27 May 2016 No. 14.)

Section 18-3. (Added through the Act of 10 December 2010 No. 71, repealed through the Act of 27 May 2016 No. 14.)

Section 18-4. (Repealed through the Act of 27 May 2016 No. 14.)

Chapter 19. (Repealed through the Act of 27 May 2016 No. 14)

Section 19-1. (Repealed through the Act of 27 May 2016 No. 14.)

Section 19-2. (Repealed through the Act of 27 May 2016 No. 14.)

Section 19-3. (Repealed through the Act of 27 May 2016 No. 14.)

Chapter 20. (Repealed through the Act of 27 May 2016 No. 14)

Section 20-1. (Repealed through the Act of 27 May 2016 No. 14.) 27 May 2016 no. 531.)

Section 20-2. (Repealed through the Act of 27 May 2016 No. 14.)

Chapter 21. (Repealed through the Act of 27 May 2016 No. 14)

Section 21-1. (Repealed through the Act of 27 May 2016 No. 14.)

Section 21-1 a. (Repealed through the Act of 21 June 2019 No. 37.)

Section 21-2. (Repealed through the Act of 27 May 2016 No. 14.)

Section 21-3. (Repealed through the Act of 27 May 2016 No. 14.)

Section 21-4. (Repealed through the Act of 27 May 2016 No. 14.)

Chapter 22. Concluding provisions

Section 22-1. *Amendments to the VAT regulations*

(1) VAT shall be payable on supplies and withdrawals in accordance with the rules and rates that apply as of the date of supply or withdrawal. VAT shall be payable on imports of goods in accordance with the rules that apply as of the date of customs clearance.

(2) If a contract for supply was signed before a supply became liable to VAT or before an increase in the VAT rate became applicable, the recipient shall be liable to pay an additional charge corresponding to the VAT or the increased rate. This provision shall not apply if it can be demonstrated that VAT had been taken into account when the price was calculated.

(3) The Ministry may issue regulations stipulating transitional provisions in connection with the entry into force of this Act or the VAT resolution.

Section 22-2. *Entry into force. Transitional provisions*

(1) The Act enters into force from the date determined by the King.¹

(2) From the same date, the Act of 19 June 1969 No. 66 on value added tax is repealed.

(3) Section 3-3, first paragraph, second sentence, Section 9-1 third paragraph and Section 9-8 of this Act are repealed with effect from 1 January 2011.

Section 22-3. *Amendments to other Acts*

With effect from the date on which the Act enters into force, the following amendments are made to other Acts: ---