



i-paye



**Guide to Contracting in
Norway**



COUNTRY HIGHLIGHTS (2017)

NORWAY – Individual

Currency	Norwegian Krone (NOK)
Tax Year	Starts 1 January Ends 31 December
Municipal Tax Rate	24%
	Minimum Deduction up to 94,750nok Personal Allowance up to 53,150nok
	The above reduce the Income subject to Municipal Tax, they do not reduce the amount of Income subject to State Tax.
State Tax	First 164,100nok at 0% Next 66,850nok at 0.93% Next 349,700nok at 2.41% Next 353,400nok at 11.52% Balance at 14.52%
Tax Deductions	If you are not regarded as Tax Resident in Norway, the bracket limits and deductions are reduced according to the stay in Norway.
Norwegian Social Security	Employer 14.1% Employee 8.2%

Tax Residency

An individual becomes Tax Resident in Norway after 6 months of residence.

An individual who is Tax Resident in Norway is taxable on their worldwide income.

An individual who is not Tax Resident is still taxable in Norway on Income earned or generated in Norway.

Social Security

Social Security is payable in Norway unless the individual is paying Social Security in the country in which their employer is based and they are habitually resident. A certificate of continuing liability to Social Security is required to exempt the individual from Norwegian Social Security.

Right to Work

EU and EEA Nationals have an unfettered right to work in Norway without the need to hold a VISA or Work Permit. However, all EU and EEA Nationals must register for a Residency Permit after they have been in Norway longer than three months and they expect their stay to exceed six months.

Other Nationals, generally, need to have the relevant approval to work prior to their arrival in Norway.

I-PAYE Service

I-PAYE is registered as an employer in Norway and all individuals are engaged on contracts of employment.

All income is reported to the Norwegian Authorities, with deduction for expenses allowed under Norwegian Law. Any expenses that are reimbursed that are not allowed or are above published rates will be subject to Norwegian Taxation and Social Security at the appropriate rates.

I-PAYE will provide UK and other European Nationals that habitually reside in the UK or outside of Norway. I-PAYE will not normally seek to employ Norwegian Nationals.

As an employee of I-PAYE then you simply would register as working in Norway and the rest is down to us.

Frequently Asked Questions

Q. I currently work on a project in the United Kingdom through a PSC and have an assignment in Norway, is it true that I can operate the same model in Norway?

A. Under Norwegian Domestic Law a UK PSC may be considered as having a Permanent Establishment in Norway, which means that all income derived by the business will be subject to Norwegian Taxation. No matter the taxation position of the company any employment income paid in respect of duties performed in Norway will be subject to Norwegian Taxation and Social Security from day 1.

In addition any dividends payable to shareholders will be subject to Norwegian Dividend Taxation either at resident or non-resident rates.

Q. What happens if I choose to ignore the rules?

A. There is Joint and Several Liability Law in Norway, which means that liabilities can pass up the contractual chain, Norway also uses the Mutual Assistance Recovery Directive (MARD) to request the UK and other Tax Authorities to collect any unpaid moneys due.

From 1 October 2017 new legislation has been enacted in the United Kingdom that means that any entity engaging in or with business that evades taxation in a Foreign Country will be subject to an unlimited fine. Failing to report income to the Norwegian Authorities is Tax Evasion, not avoidance, and under Norwegian Law would generally lead to a criminal conviction.

Q. I want to do it correctly where should I seek advice?

A. Information is available in English and other languages on the Norwegian Tax Authorities website, but it is important that you seek advice on your unique circumstances.

More information is available from I-PAYE on 0151 449 3500



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