

COUNTRY PROFILE



Norway

Tax overview

Corporate Income Tax	22%
Personal Income Tax	38.2%, progr.
Gift Tax	None
Inheritance Tax	None
Wealth Tax	0.85%

Legal System

Norway is a parliamentary democracy and constitutional monarchy. The legal system is based on civil law.

Political Status

Norway is not a member of the EU, but is a member of the European Economic Area (EEA), which includes Norway, Iceland, Liechtenstein, and all current EU member countries.

Corporate Income Taxation

Companies resident in Norway, and foreign companies managed and controlled from Norway, are subject to tax on worldwide income at a rate of 22%, and 25% for companies in the financial sector.

Individual Taxation

Norway imposes income tax on residents based on world-wide income at a combined maximum progressive rate of 38.2% (national and municipal). Capital gains on shares are generally taxable as ordinary income at 22%. Norway abolished gift and inheritance tax in 2014, but levies wealth tax of 0.85% on capital over NOK 1.5 million.

Anti-Avoidance Rules

Norway has General Anti-Avoidance Rules (GAARs), as well as Transfer Pricing and Thin Capitalization rules, and Controlled Foreign Corporation rules.

Controlled Foreign Corporations (CFCs)

CFC rules apply if Norwegian residents own more than 50% of the shares of corporations resident in low-tax jurisdictions, defined as jurisdictions where the tax on corporate profits is less than 2/3 of the

Norwegian rate, unless there is a DTT with the jurisdiction of the CFC, and the income of the CFC is not mainly passive. If the CFC is resident in an EEA country, CFC rules are not applicable if the company carries out genuine economic activities.

Foreign Trusts

Norway has not ratified the Hague Convention on the Recognition of Trusts. Notwithstanding, Norway has an established practice for the taxation of foreign trusts, and applies CFC rules. Depending on the nature and jurisdiction of the trust, the application of CFC rules may result in imputation of undistributed income of the trust, as well as wealth tax, to Norwegian resident beneficiaries.

Double Tax Treaties (DTTs)

Norway has a broad network of DTTs, which provide relief from double taxation, and clarity on the taxation of foreign investment, including with Australia, Austria, Barbados, Belgium, Brazil, Canada, Chile, China, Curacao, Cyprus, Denmark, France, Hungary, India, Ireland, Luxembourg, Malta, Netherlands, New Zealand, Russia, Singapore, Spain, Sweden, Switzerland, UK, and the States.

OECD Multilateral Convention

Norway is party to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, which requires exchange "on request," and authorizes spontaneous and automatic exchange.

Common Reporting Standard (CRS)

Norway adopted CRS for the automatic exchange of account information, is a party to the Multilateral Competent Authority Agreement (MCAA), and has a number of activated exchange relationships.

FATCA

Norway has a FATCA Model 1 IGA with the US for the automatic exchange of account information.

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