



OPENING UP SHOP

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Companies establishing a business activity in Norway are advised to obtain current and detailed information from professionals, as they must comply with the same regulations as Norwegian enterprises. Furthermore, Norwegian employment law is very employee friendly compared to many countries. The employers must comply with the requirements of the Working Environment Act (WEA), and the rules cannot be waived by agreement to the detriment of the employee.

Storeng, Beck & Due Lund (SBDL) was the first employment and labour law boutique firm in Norway when established in 1988. It is the largest employment and labour law boutique firm in the country. The partners and associates have varied experience from different employer's organizations, labor unions, courts, governmental ministries, public administration and larger law firms.

Our team advises national and international businesses, recruitment agencies, labour

unions, governmental organizations, municipalities as well as individuals in all types of labour and employment law related issues.

SBDL is a member of L&E Global. Through our work with L&E Global, we serve international clients and other member firms frequently in all cross-border employment law issues.

I. LABOUR AND EMPLOYMENT REQUIREMENTS

A) EMPLOYER POLICY REQUIREMENTS

In order to be legally compliant, employers are required by legislation to create and implement a number of employment policies. The following are required statutory policies for an organization that is commencing work in Norway:

- procedures for whistleblowing regarding censurable conditions (e.g. work place harassment) and procedures for processing and follow-up of such notifications

- required documentation of the systematic health, environment and safety work (HSE).

- written instructions prescribing how the work is to be done and what safety measures are to be implemented, if your business includes work that may involve particular hazards to life or health

- individualized follow-up plan for return to work following an accident, sickness, fatigue or the like

There are a number of policies that employers should create. These

policies will help an organization manage employee relations and mitigate the risk of legal liability in the future:

- a general policy on accident risks and health hazards that may be connected with the work, and what safety measures employees should make

- code of ethics, including discrimination, harassment, violence, threat or other improper conduct.

- personnel guidelines

This guide is intended as general information only. For legal advice and assistance with your business needs, please contact our Norwegian firm, SBDL.



B) EMPLOYEE TRAINING REQUIREMENTS

Employers are required to complete certain training activities. The following are statutorily mandated trainings that employers must provide:

- HSE training appropriate for the individual enterprise and its nature, activities, risks and size, for all employees
- training and other costs associated with the work of the safety representatives

C) EMPLOYMENT AGREEMENTS

As a rule, an employee shall be hired on a permanent basis. Fixed term contracts are only allowed

when certain requirements are met. All employment relationships shall be subject to a written contract of employment. There are minimum requirements regarding the content of the written contract, as it shall state factors of major significance for the employment relationship, including (at a minimum) the following elements:

- The identity of the parties
- The place of work
- The Employee's title, post or category of work
- date of commencement of the employment
- If the employment is of a temporary nature, its expected duration and the basis for the appointment

- Trial period clause
- The employee's right to holiday and holiday pay
- The periods of notice applicable to the employer & employee
- The pay agreed on commencement of the employment, any supplements and remunerations not included in the pay, as well as method of payment
- Duration and disposition of the agreed daily and weekly working hours
- Length of breaks
- Agreements concerning special working hours, if any
- Applicable collective agreements, if any



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II. CORPORATE LAW REQUIREMENTS

A) COMPLIANCE FOR INCORPORATION

Which form of corporation you choose is of great importance in relation to liability, risk, tax, rights and duties. For the purpose of this proposal, we have assumed that you would like to establish a presence in Norway through either a private limited company (AS) or a Norwegian branch of a foreign company (NUF). However, we can assist in devising the best possible option for your business and/or establish those structures already elected for you.

Some preparatory steps to ensure legal compliance for incorporation have been roughly outlined below. We emphasize that the list is not exhaustive and is only meant to give you a general idea of the work at hand.

Registering a private limited company (AS):

- A private limited company must have a Norwegian physical business address (not postbox)
- The name of the company must include the form of incorporation 'aksjeselskap' or the abbreviation 'AS'.
- To found the company, prepare, date and sign a memorandum of association and articles of association.
- Ask the bank to set up a share capital account. Obtain minimum share capital of NOK 30 000. Pay in the share capital and ask for confirmation of receipt from the bank.

- Fill out applications for D numbers for each person who is to have a role in the business, and who does not already have a Norwegian D number.

- Register your company in the Register of Business Enterprises not later than three months after the company is founded. Companies cannot normally take on obligations until they have been registered.

Registering a Norwegian branch of a foreign company (NUF):

- Register the Norwegian branch of the foreign company by completing and signing 'Paper form for Norwegian-registered foreign company (NUF)'. NUFs cannot be registered electronically.
- Enclose the certificate of registration from the official registration authority in the home country and other obligatory enclosures.
- Anyone who is to perform a role in an NUF who does not already have a Norwegian national ID number or D number must also complete an application for a D number.
- Send the forms and enclosures (English will be accepted) to the postal address stated on the form.
- You will be notified once the registration process is complete. Upon registration, the branch (NUF) will be assigned an organization number.

B) POST INCORPORATION REGISTRATIONS

Once the company is incorporated, certain registrations are required. Listed below are the most common post-incorporation registrations

required. Depending on the form of corporation, there could be variations and/or more required registrations.

- The Register of Business Enterprises, a register responsible for registering Norwegian and foreign enterprises which operate commercially in Norway or on the Norwegian continental shelf. Registration in the Register of Business Enterprises affords protection for the enterprise's name.

- The Register of Legal Entities, which allocates organisation numbers.

- NAV AA-register, the Register of Employers and Employees, in respect of reporting who is employed.

- The Value Added Tax Register (VAT), if you carry out an assignment where the turnover in Norway exceeds NOK 50,000 over a twelve-month period.

- All private limited companies must submit a shareholder register statement to the Norwegian Tax Administration's Shareholder Register.

Depending on the exact nature of the business, more registrations may be required, e.g. enterprises whose object is to hire out labour, or if you provide cleaning services. Furthermore, in certain industries, you must have a permit to run your own business, e.g. the catering/restaurant sector.



III. PAYROLL AND BENEFITS PROVIDERS

The regulations relating to appointments and salary payments are extensive, and keeping payroll accounts can soon become complicated. If you do decide to do it yourself, a payroll system will be a big help. However, many people decide to outsource their accounts to an accountant or ask an accountant to take responsibility for payroll runs.

We are pleased to offer our services for all of the required work identified above and assist your organization to open in

Norway. Any portion of the work can be conducted on the basis of a blended rate of NOK 2 600 per hour in addition to any required disbursements and tax.

If you have any questions, please contact

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We look forward to working with you.



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