



VAT HANDLING IN NORWAY

Doing business in Norway triggers many obligations. VAT is one of them. Here is a quick look at how the VAT system in Norway works

Entering the market

- Are you starting up a business in Norway?
- Or maybe you have entered into a contract and will deliver goods or services to a Norwegian entity?

The type of corporation you choose is of great importance in relation to liability, risk, tax, rights and duties. You should weigh the risks and income opportunities related to the different types of entities against each other.

Register for VAT (2)

Alternatively you could apply for VAT registration once your turnover exceeds NOK 50, 000 within a 12-month period.

You may need to register via a VAT representative, depending on where your enterprise is domiciled. A number of EU/EEA countries are exempt from this requirement.

Check the accrued VAT costs

This is important. As a main rule all VAT incurred is deductible, but some costs are non-deductible. Errors in the VAT return will typically be levied with a 20% penalty on the wrongfully deducted VAT.

Submit your VAT returns

VAT returns are submitted bi-monthly. The return must be submitted and VAT must be paid within one month and ten days after the end of each period, even if there is no turnover. Missing the deadline will result in penalties and interest is charged on the late amount.

Obtain a Norwegian organization number

- First of all you need to register with the Register for Legal Entities.
- Consider whether you should register a branch or set up a separate Norwegian company.

Register for VAT (1)

Once you have obtained a Norwegian organization number, you may apply for an advanced VAT registration before starting up.

This is particularly useful if you expect to incur significant VAT costs at an early stage, typically if goods will be imported.

Check the VAT rates

The normal VAT rate is 25%. Some goods and services have a lower rate of 15% and 12%, and some are VAT exempt.

Importing goods?

As an importer you are responsible for clearing and reporting the goods correctly.

VAT on imported goods are deferred to your VAT return. Make sure you report the correct transactional value of the goods.

We are here to help you

Magnus Legal's core team comprises experienced lawyers within VAT. We are prepared to give you first class advice. Our lawyers focus on the practical implications for our clients of VAT legislation.

Magnus Legal is a Norwegian business law firm. We specialize in helping foreign companies succeed when doing business in Norway.

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