

# Norway

## Transfer Pricing Country Profile

Updated February 2018

		SUMMARY	REFERENCE												
<b>The Arm's Length Principle</b>															
1	Does your domestic legislation or regulation make reference to the Arm's Length Principle?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	The Tax Act Section 13-1 <a href="https://lovdata.no/dokument/NL/lov/1999-03-26-14/KAPITTEL_14#KAPITTEL_14">https://lovdata.no/dokument/NL/lov/1999-03-26-14/KAPITTEL_14#KAPITTEL_14</a> (this link contains the full Section 13-1)												
2	What is the role of the OECD Transfer Pricing Guidelines under your domestic legislation?	The Tax Act, which incorporates the Arm's Length Principle, stipulates that the OECD Transfer Pricing Guidelines should be taken into account when applying the Arm's Length Principle as it is stated in Section 13-1 (1).	The Tax Act Section 13-1 (4)												
3	Does your domestic legislation or regulation provide a definition of related parties? If so, please provide the definition contained under your domestic law or regulation.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
<b>Transfer Pricing Methods</b>															
4	Does your domestic legislation provide for transfer pricing methods to be used in respect of transactions between related parties?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If affirmative, please check those provided for in your legislation: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>CUP</th> <th>Resale Price</th> <th>Cost Plus</th> <th>TNMM</th> <th>Profit Split</th> <th>Other (If so, please describe)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>	CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (If so, please describe)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Tax Act Section 13-1 (4)
CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (If so, please describe)										
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>										
		There is no specific reference to any specific transfer pricing method in the legislation. There is a general reference to the OECD TPG in Section 13-1 (4). The most appropriate method should be applied to any given transaction.													

5	<b>Which criterion is used in your jurisdiction for the application of transfer pricing methods?</b>	Please check all that apply: <input type="checkbox"/> Hierarchy of methods <input checked="" type="checkbox"/> Most appropriate method <input type="checkbox"/> Other ( <i>if so, please explain</i> )  There is a general reference to the OECD Transfer Pricing Guidelines in Section 13-1 (4). The most appropriate method should be applied to any given transaction.	The Tax Act Section 13-1 (4)
6	<b>If your domestic legislation or regulations contain specific guidance on commodity transactions, indicate which of the following approaches is followed.</b>	<input type="checkbox"/> For controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG is followed. <input type="checkbox"/> Domestic legislation mandates the use of a specific method for controlled transactions involving commodities ( <i>if so, please explain</i> ) <input checked="" type="checkbox"/> Other ( <i>if so, please explain</i> )  A norm price is applied to pricing of crude oil. This is applied to all transactions and is not restricted to transactions between associated enterprises.	The Petroleum Taxation Act Section 4. <a href="https://lovdata.no/dokument/NL/lov/1975-06-13-35?q=petroleumsskatteloven">https://lovdata.no/dokument/NL/lov/1975-06-13-35?q=petroleumsskatteloven</a>
<b>Comparability Analysis</b>			
7	<b>Does your jurisdiction follow (or largely follow) the guidance on comparability analysis outlined in Chapter III of the TPG?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
8	<b>Is there a preference in your jurisdiction for domestic comparables over foreign comparables?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Pan-European comparables are not automatically rejected. The relevance of foreign comparables will be considered on a case by case basis.	
9	<b>Does your tax administration use secret comparables for transfer pricing assessment purposes?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Norway's legislation allows the Tax Authorities to use all information in their possession for the purposes of the administration and enforcement of the Tax Act. However, from an administrative perspective, the use of secret comparables as the basis for an assessment is an approach of last resort.	

10	Does your legislation allow or require the use of an arm's length range and/or statistical measure for determining arm's length remuneration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
		The concept of arm's length range is recognized in appropriate circumstances. Use of interquartile range is not mandatory, but is commonly used by taxpayers as well as the Norwegian tax authority to improve or narrow down the range.	
11	Are comparability adjustments required under your domestic legislation or regulations?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
		As there is a general reference to the Transfer Pricing Guidelines in the Tax Act Section 13-1 (4) comparability adjustments are required in line with the guidance on comparability adjustments. The tax payer should explain any such adjustments in the transfer pricing documentation. However, it is not a strict requirement under the law or administrative practice to make working capital adjustments when preparing benchmarks based on databases etc.	
<b>Intangible Property</b>			
12	Does your domestic legislation or regulations contain guidance specific to the pricing of controlled transactions involving intangibles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		Norway applies the OECD TPG to transactions involving intangibles.	
13	Does your domestic legislation or regulation provide for transfer pricing rules or special measures regarding hard to value intangibles (HTVI)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
14	Are there any other rules outside transfer pricing rules that are relevant for the tax treatment of transactions involving intangibles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Intra-group Services</b>			
15	Does your domestic legislation or regulations provide guidance specific to	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

	<b>intra-group services transactions?</b>	Norway applies the OECD TPG to intra-group services transactions.	
16	<b>Do you have any simplified approach for low value-adding intra-group services?</b>	<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>	
		The tax payer may apply the simplified approach in the OECD Transfer Pricing Guidelines Chapter 7 Section D. The simplified approach shall not be regarded, however, as restricting the Norwegian Oil Taxation authorities in conducting a thorough transfer pricing analysis with regard to service costs allocated to Norwegian upstream companies subject to the Norwegian special tax on petroleum.	
17	<b>Are there any other rules outside transfer pricing rules that are relevant for the tax treatment of transactions involving services?</b>	<input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b>	
<b>Cost Contribution Agreements</b>			
18	<b>Does your jurisdiction have legislation or regulations on cost contribution agreements?</b>	<input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b>	
<b>Transfer Pricing Documentation</b>			
19	<b>Does your legislation or regulations require the taxpayer to prepare transfer pricing documentation?</b>	<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b> <i>If affirmative, please check all that apply:</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> Master file consistent with Annex I to Chapter V of the TPG</li> <li><input type="checkbox"/> Local file consistent with Annex II to Chapter V of the TPG</li> <li><input checked="" type="checkbox"/> Country-by-country report consistent with Annex III to Chapter V of the TPG</li> <li><input checked="" type="checkbox"/> Specific transfer pricing returns (separate or annexed to the tax return)</li> <li><input type="checkbox"/> Other (specify):</li> </ul>	<p>The relevant provisions in the Tax Assessment Act are Sections 8-11 and 8-12:  <a href="https://lovdata.no/dokument/NL/lov/2016-05-27-14/KAPITTEL_8#KAPITTEL_8">https://lovdata.no/dokument/NL/lov/2016-05-27-14/KAPITTEL_8#KAPITTEL_8</a></p> <p>Further regulations are given in the Tax Assessment Act Regulations Sections 8-11 et seq:  <a href="https://lovdata.no/dokument/SF/forskrift/2016-11-23-1360/KAPITTEL_6#KAPITTEL_6">https://lovdata.no/dokument/SF/forskrift/2016-11-23-1360/KAPITTEL_6#KAPITTEL_6</a></p>

20	<b>Please briefly explain the relevant requirements related to filing of transfer pricing documentation (i.e. timing for preparation or submission, languages, etc.)</b>	The transfer pricing documentation is to be filed upon request from the Tax Authority and within 45 days of such request. The transfer pricing documentation may be filed in Norwegian, Swedish, Danish or English. The Country-by-Country Report must be filed in English.	The relevant provisions in the Tax Assessment Act are Sections 8-11 and 8-12: <a href="https://lovdata.no/dokument/NL/lov/2016-05-27-14/KAPITTEL_8#KAPITTEL_8">https://lovdata.no/dokument/NL/lov/2016-05-27-14/KAPITTEL_8#KAPITTEL_8</a>  Relevant provisions in the Tax Assessment Act Regulations are Sections 8-11 and 8-12: <a href="https://lovdata.no/dokument/SF/forskrift/2016-11-23-1360/KAPITTEL_6#KAPITTEL_6">https://lovdata.no/dokument/SF/forskrift/2016-11-23-1360/KAPITTEL_6#KAPITTEL_6</a>
21	<b>Does your legislation provide for specific transfer pricing penalties and/or compliance incentives regarding transfer pricing documentation?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
22	<b>If your legislation provides for exemption from transfer pricing documentation obligations, please explain.</b>	<p>Enterprises are exempt from the obligation to prepare and file transfer pricing documentation if the group (as defined by law):</p> <ul style="list-style-type: none"> <li>- has less than 250 employees in the accounting year, and</li> <li>- has sales revenues of 400 million Norwegian kroner or less, or</li> <li>- has a balance sheet total of 350 million Norwegian kroner or less</li> </ul> <p>This exemption does not apply, however, to enterprises subject to the special tax on petroleum; cf. Section 5 of the Petroleum Tax Act. Multinational enterprises with a consolidated revenue of 6,5 billion Norwegian kroner or less are exempt from the obligation to file Country-by-Country Report.</p>	The relevant provisions in the Tax Assessment Act is Section 8-11 para.3 and Section 8-12 para. 4 <a href="https://lovdata.no/dokument/NL/lov/2016-05-27-14/KAPITTEL_8#KAPITTEL_8">https://lovdata.no/dokument/NL/lov/2016-05-27-14/KAPITTEL_8#KAPITTEL_8</a>
<b>Administrative Approaches to Avoiding and Resolving Disputes</b>			
23	<b>Which mechanisms are available in your jurisdiction to prevent and/or resolve transfer pricing disputes?</b>	<p>Please check those that apply:</p> <input type="checkbox"/> Rulings <input checked="" type="checkbox"/> Enhanced engagement programs <input checked="" type="checkbox"/> Advance Pricing Agreements (APA) <ul style="list-style-type: none"> <li><input type="checkbox"/> Unilateral APAs</li> <li><input checked="" type="checkbox"/> Bilateral APAs</li> <li><input checked="" type="checkbox"/> Multilateral APAs</li> </ul> <input checked="" type="checkbox"/> Mutual Agreement Procedures <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): <hr/> Unilateral rulings are available with respect to intra group sales of natural gas.	The Petroleum Taxation Act Section 6 paragraph 5. <a href="https://lovdata.no/dokument/NL/lov/1975-06-13-35?q=petroleumsskatteloven">https://lovdata.no/dokument/NL/lov/1975-06-13-35?q=petroleumsskatteloven</a>

### Safe Harbours and Other Simplification Measures

24	Does your jurisdiction have rules on safe harbours in respect of certain industries, types of taxpayers, or types of transactions?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
25	Does your jurisdiction have any other simplification measures not listed in this questionnaire? If so, please provide a brief explanation.	No	

### Other Legislative Aspects or Administrative Procedures

26	Does your jurisdiction allow/require taxpayers to make year-end adjustments?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
		Year-end adjustments are accepted on a case-by-case basis.	
27	Does your jurisdiction make secondary adjustments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		Secondary adjustments are neither mandatory nor prohibited under the law. In administrative practice, secondary adjustments are usually not made.	

### Other Relevant Information

28	Other legislative aspects or administrative procedures regarding transfer pricing		
29	Other relevant information (e.g. whether your jurisdiction is preparing new transfer pricing regulations, or other relevant aspects not addressed in this questionnaire)		