

ONE MINUTE GUIDE TO NORWEGIAN LAW

Norwegian Law

Norwegian law is a civil law system based on written laws supplemented by case law. Norway is not an EU member, however, due to the EEA agreement many EU-directives have been implemented into the Norwegian legislation.

Entities and setting up a business

The Limited Companies Acts, the Joint Stock Public Companies Act and the Partnerships Act all regulate with detailed provisions on how to run a business in Norway. It is common for shareholders to enter into a shareholder's agreement.

It is fairly straightforward to set up a business in Norway. The most time-consuming part is often opening a bank account, due to strict money laundering legislation.

Contracts

The Norwegian legal system is based on freedom of contract. Few types of contracts require a specific form. However, some legislation limits the contractual freedom, e.g. the Consumer Purchase Act and the Commercial Agent Act. When it comes to international sales Norway is a party of the UN Convention on Contracts for the International Sales of Goods ("1980 CIGS").

A Norwegian contracting party and the Norwegian courts will often use a pragmatic overall assessment when interpreting contracts.

Employment

Norwegian employees benefit from a high level of employment protection rights. In the employer's decision making the employees are often involved. When entering into an employment contract, terminating an employee, etc., specific formal requirements and procedures must be followed carefully.

Public Procurement

The Norwegian authorities is a huge purchaser of products and services, approx. €55 billion annually. The legislation is based on EU-directives. A large proportion of the purchases are below the EU thresholds.

Real Estate

The Real estate market will change, due to new legislation and the recent year's increased prices. In principle, there are no legal requirements in order to own, lease or in any other way invest in real estate in Norway. However, some real estate purchases are subject to public approval. When purchasing a property in Norway, the change of ownership is normally registered. This is regulated with different laws depending on the type of property. Consumers have a high level of protection. The sale of properties to consumers is regulated in the Sale of Property Act.

IPR

The Norwegian IP regulations are mostly based on EU regulations and international conventions. Norway is not a part of the EU, and therefore trademark protection in Norway is not included in an EU registration. You will have to file a separate registration in Norway for your intellectual property to be enforced here. The governmental institution handling patent, trademark and design registration is the Norwegian Industrial Property Office (NIPO).

Marketing

In Norway, there are limitations on marketing towards children and consumers. In general, it is prohibited to advertise alcohol and tobacco products. Norway has specialized marketing regulations e.g. on TV-commercials and advertising pharmaceuticals, gambling and financial products.

Oil and Gas

The oil and gas industry has developed several standard contracts. Most contracts in the industry are therefore either standard contracts or based on them. Petroleum exploration and –production must also be carried out in accordance with the Norwegian Petroleum Act.

Energy

Norway has easy access to renewable energy in, among other things, hydropower. The Norwegian retail market for electricity is a well-functioning one. There are several retailers, a wide selection of contracts and moderate energy supplier swapping activity. The distribution of power itself is however organised as a monopoly supervised by the NVE (Norwegian Energy Regulatory Authority)

The retail market is, and will be, affected by major developments in the period 2015-2021, as a result of new regulations from the NVE. The general theme for these changes is the digitalisation and the Nordic regionalisation of the retail market.

Dispute Resolution

We have a three-instance court system in Norway consisting of: The Supreme Court, The Courts of Appeal, and the District Courts. All of these can rule on both civil and criminal cases. In addition, there are certain courts of law restricted to limited areas of competence. Norway also uses a Conciliation board for minor civil disputes before the case can be submitted to court. Arbitration is common in the event of larger disputes between professional parties.

Tax

There are different regimes depending on whether your company is established and ran in Norway, only operates in Norway, if you are self-employed or employed in a company. The Central Tax Office - Foreign Tax Affairs (SFU) oversees most international tax issues.

Norwegian Culture

When doing business with Norwegians you may find them to be pragmatic and solution oriented. Decision-making can be speedy and non-bureaucratic. Key elements in Norwegian business culture is lack of hierarchy, focus on cooperation and trust, empowered employees, work-life balance, gender equality and risk willingness.

If you have any queries regarding Norwegian law you are welcome to contact us on oslo@nordialaw.com or via www.nordialaw.com

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The purpose of the “one minute guide” is to give you a brief introduction to Norwegian law based on the legislation as of 1 January 2020. The “one minute guide” cannot substitute legal advice. If you/your company are doing business in Norway, we recommend to obtain local legal advice.