GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

Peer Review Report on the Exchange of Information on Request

NORWAY

2017 (Second Round)

OECD

Global Forum on Transparency and Exchange of Information for Tax Purposes: Norway 2017 (Second Round)

PEER REVIEW REPORT ON THE EXCHANGE OF INFORMATION ON REQUEST

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About the Global Forum

The Global Forum on Transparency and Exchange of Information for Tax Purposes is a multilateral framework for tax transparency and information sharing, within which over 140 jurisdictions participate on an equal footing.

The Global Forum monitors and peer reviews the implementation of international standard of exchange of information on request (EOIR) and automatic exchange of information. The EOIR provides for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. All Global Forum members have agreed to have their implementation of the EOIR standard be assessed by peer review. In addition, non-members that are relevant to the Global Forum's work are also subject to review. The legal and regulatory framework of each jurisdiction is assessed as is the implementation of the EOIR framework in practice. The final result is a rating for each of the essential elements and an overall rating.

The first round of reviews was conducted from 2010 to 2016. The Global Forum has agreed that all members and relevant non-members should be subject to a second round of review starting in 2016, to ensure continued compliance with and implementation of the EOIR standard. Whereas the first round of reviews was generally conducted as separate reviews for Phase 1 (review of the legal framework) and Phase 2 (review of EOIR in practice), the EOIR reviews commencing in 2016 combine both Phase 1 and Phase 2 aspects into one review. Final review reports are published and reviewed jurisdictions are expected to follow up on any recommendations made. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, please visit www.oecd.org/tax/transparency.

Abbrevations and acronyms

AML	Anti-Money Laundering
AML/CFT	Anti-Money Laundering/Countering the Financing of Terrorism
COFTA	Central Office of Foreign Tax Affairs
CDD	Customer Due Diligence
CRS	Common Reporting Standard
DNFBP	Designated Non-Financial Businesses and Profession as defined in the Glossary to the FATF Recommendations
DTC	Double Tax Convention
EOIR	Exchange of information on request
2011 Report	First Round Peer Review Report Combined: Phase 1 + Phase 2 on Norway adopted in January 2011
FSA	Financial Supervisory Authority
Global Forum	Global Forum on Transparency and Exchange of Information for Tax Purposes
IOTA	Intra-European Organisation of Tax Administrations
ISMS	Information Security Management System
LLC	Limited Liability Company
Multilateral Convention (MAC)	The multilateral Convention on Mutual Administrative Assistance in Tax Matters
MVTS	Money and Value Transfer Services sector
NAIS	Nordic Working Group on International Tax Evasion
Nordic Convention	The Nordic Multilateral Convention on Mutual Administrative Assistance in Tax Matters

NPO	Non-profit organisation
PRG	Peer Review Group of the Global Forum
TAA	Tax Administration Act
TIEA	Tax Information Exchange Agreement
TIN	Tax Identification Number
the Fourth EU AML Directive	Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing
VAT	Value Added Tax
2016 Assessment Criteria Note	Assessment Criteria Note, as approved by the Global Forum on 29-30 October 2015.
2016 Methodology	2016 Methodology for peer reviews and non-member reviews, as approved by the Global Forum on 29-30 October 2015.
2016 Terms of Reference (ToR)	Terms of Reference related to Exchange of Information on Request (EOIR), as approved by the Global Forum on 29-30 October 2015.

Executive summary

1. In 2011, the Global Forum evaluated Norway for its implementation of the standard against the 2010 Terms of Reference, for both the legal implementation of the standard as well as its operation in practice and concluded that Norway was overall rated Compliant. This second round report analyses Norway's legal framework as of 30 May 2017, its implementation in practice over the last three years and Norway's EOIR practice during the period of 1 April 2013 to 31 March 2016. The second round assessment is made against the 2016 Terms of Reference which contain more rigorous rules than the 2010 Terms of Reference and in particular require availability of beneficial ownership information. This second round report assigns Norway an overall rating of Compliant.

2. The following table shows the comparison of ratings from the first and the second round review of Norway's implementation of the EOIR standard:

Element		First Round Report (2011)	Second Round Report (2017)
A.1	Availability of ownership and identity information	C	LC
A.2	Availability of accounting information	C	C
A.3	Availability of banking information	C	C
B.1	Access to information	C	C
B.2	Rights and Safeguards	C	C
C.1	EOIR Mechanisms	C	C
C.2	Network of EOIR Mechanisms	C	C
C.3	Confidentiality	C	C
C.4	Rights and Safeguards	C	C
C.5	Quality and timeliness of responses	C	C
	OVERALL RATING	C	C

C = Compliant; **LC** = Largely Compliant; **PC** = Partially Compliant; **NC** = Non-Compliant

Progress made since previous review

3. The 2011 Report did not identify any significant issues and all elements were rated Compliant, with the overall rating of Compliant.

4. The report nevertheless identified two main areas where improvement was recommended. The first identified issue was a short retention period for information required to be held by nominee shareholders. The concern has been addressed as the retention period under the Anti-Money Laundering Act (AML Act) and security regulations ensures that the information held by nominees identifying persons on whose behalf they act is required to be kept in line with the standard. The second area where improvement was recommended related to EOI practice. Since then Norway has taken measures which addressed all three recommendations. The measures taken by Norway include setting up routines for systematic provision of status updates, clear stipulation of deadlines for handling incoming requests and provision of the requested information, establishing of a network of contact persons for handling EOI cases and a significant increase in the number of cases where the requested information is obtained directly by the EOI Unit. Progress is also evident given Norway's response times which have improved since the first round review from 75% of received requests responded within 90 days to 90% in the current period under review. This is despite 12% increase in the number of incoming requests.

Key recommendation(s)

5. The 2016 ToR introduced a requirement under which beneficial ownership on relevant entities and arrangements should be available in Norway. There are several legal requirements to maintain beneficial ownership information in Norway and these requirements are generally well implemented in practice. However, certain gaps were identified in respect of this new aspect of the ToR. These gaps are subject to recommendations under elements A.1 and A.3 and have impacted rating of the element A.1.

6. In Norway, information relevant for identification of beneficial owners is required to be available mainly based on tax and AML obligations. However, a specific obligation to identify beneficial owners as required under the standard does not cover all relevant entities because this obligation is contained only in the AML law and not all relevant entities, except for foundations, are required to engage an AML obligated person. Norway is therefore recommended to address this gap.

Overall rating

7. Norway was rated Compliant in the first round review and continues to be compliant with the requirements assessed in the first round. The 2016 ToR introduced requirements in respect of availability of beneficial ownership information where certain improvement is recommended to ensure compliance with the current standard. Considering these deficiencies in respect of availability of beneficial ownership information element A.1 is rated as Largely Compliant. Given that all other elements are rated Compliant the overall rating in the second round review is Compliant. A follow up report on the steps undertaken by Norway to address the recommendations made in this report should be provided to the PRG no later than 30 June 2018 and thereafter in accordance with the procedure set out under the 2016 Methodology.

Summary of determinations, ratings and recommendations

Determination	Factors underlying recommendations	Recommendations
Jurisdictions should ensure that ownership and identity information, including information on legal and beneficial owners, for all relevant entities and arrangements is available to their competent authorities *(ToR A.1)*		
Legal and regulatory framework determination: The element is in place but certain aspects of the legal implementation of the element need improvement.	Obligation to identify beneficial owners does not cover all relevant entities as required under the standard because such obligation is contained in the AML law and not all relevant entities, except for foundations, are required to engage an AML obligated person. It is nevertheless noted that considerable amount of beneficial ownership information is available and that the scope of the AML coverage of relevant entities is broad.	Norway should ensure that beneficial owners of all relevant entities are required to be identified in line with the standard
EOIR rating: Largely Compliant		
Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements *(ToR A.2)*		
Legal and regulatory framework determination: The element is in place.		
EOIR rating: Compliant		

Determination	Factors underlying recommendations	Recommendations
Banking information and beneficial ownership information should be available for all account-holders *(ToR A.3)*		
Legal and regulatory framework determination: The element is in place.	Banks are required to identify natural persons who ultimately own or control the trust as part of their customer due diligence measures. However, they are not required to identify all of the beneficiaries (or class of beneficiaries) of the trust as only the natural persons who are beneficiaries of 25% or more of the assets of a trust have to be identified in all instances.	Norway should ensure that banks are required to identify all of the beneficiaries (or class of beneficiaries) of trusts which have an account with a bank in Norway as required under the standard.
EOIR rating: Compliant		
Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information) *(ToR B.1)*		
Legal and regulatory framework determination: The element is in place.		
EOIR rating: Compliant		
The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information *(ToR B.2)*		
Legal and regulatory framework determination: The element is in place.		
EOIR rating: Compliant		
Exchange of information mechanisms should provide for effective exchange of information *(ToR C.1)*		
Legal and regulatory framework determination: The element is in place.		
EOIR rating: Compliant		

Determination	Factors underlying recommendations	Recommendations
The jurisdictions' network of information exchange mechanisms should cover all relevant partners *(ToR C.2)*		
Legal and regulatory framework determination: The element is in place.		
EOIR rating: Compliant		
The jurisdictions' mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received *(ToR C.3)*		
Legal and regulatory framework determination: The element is in place.		
EOIR rating: Compliant		
The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties *(ToR C.4)*		
Legal and regulatory framework determination: The element is in place.		
EOIR rating: Compliant		
The jurisdiction should request and provide information under its network of agreements in an effective manner *(ToR C.5)*		
Legal and regulatory framework determination:	**The assessment team is not in a position to evaluate whether this element is in place, as it involves issues of practice that are dealt with in the implementation of EOIR in practice.**	
EOIR rating: Compliant		

Preface

8. This report provides the outcomes of the second peer review of Norway's implementation of the EOIR standard conducted by the Global Forum. Norway previously underwent the EOIR peer review in 2011 conducted according to the ToR approved by the Global Forum in February 2010 (2010 ToR) and the Methodology used in the first round of reviews. The combined review assessed Norway's legal framework as of August 2010 as well as its EOIR practice in the period from 2007 to 2009. The peer review report providing its outcomes was adopted by the Global Forum in January 2011 (the 2011 Report).

9. The current evaluation was based on the 2016 ToR, and was prepared using the 2016 Methodology. The evaluation was based on information available to the assessment team including the exchange of information arrangements signed, laws and regulations in force or effective as at 30 May 2017, Norway's EOIR practice in respect of EOI requests made and received during the three year period from 1 April 2013 until 31 March 2016, Norway's responses to the EOIR questionnaire, information supplied by partner jurisdictions, as well as information provided by Norway during the on-site visit that took place from 15 to 18 November 2016 in Oslo and Stavanger, Norway.

10. The evaluation was conducted by an assessment team consisting of two expert assessors and one representative of the Global Forum Secretariat: Mr. Raynald Vial, Ministry for the Economy and Finances, France; Mr. Thomas F. Le Feuvre, Ministry of External Relations, Government of Jersey, Jersey; and Mr. Radovan Zídek from the Global Forum Secretariat.

11. The report was tabled for approval at the PRG meeting on 17-20 July 2017 and was adopted by the Global Forum on [date].

12. For the sake of brevity, on those topics where there has not been any material change in the situation in Norway or in the requirements of the ToR, this evaluation does not repeat the analysis conducted in the previous evaluation, but summarises the conclusions and includes a cross-reference to the detailed analysis in the previous reports.

13. Information on each of Norway's reviews are listed in the table below.

Review	Assessment team	Period under review	Legal Framework as of (date)	Date of adoption by Global Forum
2011 report	Ms. Calafia Franco of the México Tax Administration Service; Mr. Timur Cakmak of the Turkey Ministry of Finance-Revenue Administration; and Mr. Stewart Brant from the Global Forum Secretariat.	1 January 2007 to 31 December 2009	August 2010	January 2011
2017 report	Mr. Raynald Vial, Ministry for the Economy and Finances, France; Mr. Thomas F. Le Feuvre, Ministry of External Relations, Government of Jersey, Jersey; and Mr. Radovan Zídek from the Global Forum Secretariat.	1 April 2013 to 31 March 2016	30 May 2017	[August 2017]

Brief on 2016 ToR and methodology

14. The 2016 ToR as adopted by the Global Forum in October 2015, break down the standard of transparency and exchange of information into 10 essential elements and 31 enumerated aspects under three broad categories: (A) availability of information; (B) access to information; and (C) exchanging information. This review assesses Norway's legal and regulatory framework and the implementation and effectiveness of this framework against these elements and each of the enumerated aspects. In respect of each essential element (except element C.5 *Exchanging Information*, which uniquely involves only aspects of practice) a determination is made regarding Norway's legal and regulatory framework that either: (i) the element is in place, (ii) the element is in place but certain aspects of the legal implementation of the element need improvement, or (iii) the element is not in place. In addition, to assess Norway's EOIR effectiveness in practice a rating of either: (i) compliant, (ii) largely compliant, (iii) partially compliant, or (iv) non-compliant is assigned to each element. These determinations and ratings are accompanied by recommendations for improvement where appropriate. An overall rating is also assigned to reflect Norway's overall level of compliance with the standard.

15. In comparison with the 2010 ToR, the 2016 ToR includes new aspects or clarification of existing principles with respect to:

- the availability of and access to beneficial ownership information;
- explicit reference to the existence of enforcement measures and record retention periods for ownership, accounting and banking information;
- clarifying the standard for the availability of ownership and accounting information for foreign companies;

- rights and safeguards;
- incorporating the 2012 update to Article 26 of the OECD Model Tax Convention and its Commentary (particularly with reference to the standard on group requests); and
- completeness and quality of EOI requests and responses.

16. Each of these amendments to the ToR have been analysed in detail in this report.

Brief on consideration of FATF evaluations and ratings

17. The Financial Action Task Force (FATF) evaluates jurisdictions for compliance with anti-money laundering and combating the financing of terrorism (AML/CFT) standards. Its reviews are based on a country's compliance with 40 different technical recommendations and the effectiveness regarding 11 immediate outcomes, which cover a broad array of money-laundering issues.

18. The definition of beneficial owner included in the 2012 FATF standards has been incorporated into elements A.1, A.3 and B.1 of the 2016 ToR. The 2016 ToR also recognises that FATF materials can be relevant for carrying out EOIR assessments to the extent they deal with the definition of beneficial ownership, as that definition applies to the standard set out in the 2016 ToR (see 2016 ToR, annex 1, part I.D). It is also noted that the purpose for which the FATF materials have been produced (combatting money-laundering and terrorist financing) are different from the purpose of the standard on EOIR (ensuring effective exchange of information for tax purposes), and care should be taken to ensure that assessments under the ToR do not evaluate issues that are outside the scope of the Global Forum's mandate.

19. While on a case-by-case basis, an EOIR assessment may use some of the findings made by the FATF, the evaluations of the FATF cover issues that are not relevant for the purposes of ensuring effective exchange of information on beneficial ownership for tax purposes. In addition, EOIR assessments may find that deficiencies identified by the FATF do not have an impact on the availability of beneficial ownership information for tax purposes; for example because mechanisms other than those that are relevant for AML/CFT purposes exist within that jurisdiction to ensure that beneficial ownership information is available for tax purposes.

20. These differences in the scope of reviews and in the approach used may result in differing outcomes.

Overview of Norway

21. This overview provides some basic information about Norway that serves as context for understanding the analysis in the main body of the report. This is not intended to be a comprehensive overview of Norway's legal, commercial or regulatory systems.

Legal system

22. Norway is a constitutional monarchy with a parliamentary democratic system of governance. The Norwegian Constitution builds on principles similar to those found in the French and American Constitutions. Norway's legal system is based on a civil law system with customary law traditions. Primary legislation is in the form of statutes. Secondary legislation is in the form of regulations. Instruments of international law, including international treaties providing for exchange of information, are incorporated into the domestic law through the Act of 28 July 1949, which stipulates that ratified instruments of international law form part of, and are at the same level as, Norwegian domestic law.

23. Norway is not a member of the European Union (EU), but participates in the EU common market as a signatory to the European Economic Area (EEA) Agreement between the countries of the EU and the European Free Trade Association (EFTA). Based on the EEA agreement, Norway is bound to implement EU legislation in a number of policy areas which include implementation of the four freedoms of the EU common market, social and employment policy, AML policy or EU policies on environment. However, Norway is not bound to implement EU tax policies including on exchange of information in tax matters. Consequently, EU instruments on EOI are not part of the Norwegian law.

Tax system

24. Norway imposes a variety of taxes comprising mainly direct taxes such as personal and corporate income tax, wealth tax, and indirect taxes including VAT and excise duties. Taxes are imposed at the central, regional

and municipal level. Most direct and indirect taxes are collected by the Norwegian Tax Administration (Skatteetaten).

25. For the purposes of direct taxes, Norway taxes its residents (companies and individuals) on their world-wide income and wealth. All legal entities established in conformity with Norwegian law are regarded as being resident in Norway. In addition, legal entities incorporated under foreign law that have their place of effective management in Norway are regarded as being resident in Norway. Non-resident legal entities carrying out activity in Norway and non-resident individuals are subject to Norwegian tax on income attributable to Norwegian sources.

26. Corporate income tax rate in 2016 was flat at 25%. For 2017 the tax rate is 24% and it is proposed that the tax rate from 2018 and forward will be fixed at 23%. Individuals are subject to the same general income tax rate as legal entities in addition to the personal income tax which is based on a progressive rate. The top marginal income tax rate was 46.9 % in 2016. Petroleum companies' profits are subject to additional tax on income from petroleum activity. Similarly, hydro electric power companies are subject to an additional tax on the "resource rent" from that activity. In 2016, overall tax revenue as a percentage of GDP was 38%.

27. All companies and partnerships established under Norwegian law as well as foreign companies or partnerships considered tax resident in Norway are subject to tax. There are no categories of companies or partnerships that are exempt from income tax or the requirement to file a tax return. Unlike companies, partnerships are tax transparent, i.e. their income is taxed in the hands of each partner. Nevertheless, each partnership is required to file a statement on behalf of each of its partners (regardless of their tax residency status). Norwegian law does not recognise the concept of a trust, however, a trust's income is subject to tax in Norway if a trustee of the trust is resident in Norway. Norwegian law provides for the establishment of foundations. Foundations are subject to corporate income tax unless they are non-commercial foundations and fulfil criteria specified by the tax law.

Financial services sector

28. Norway's financial system is large relative to the country's economy and population. The sector is concentrated and dominated by conglomerates, some of which are based in other Nordic countries. State ownership of financial institutions is significant, although they are managed along commercial lines. The insurance sector is relatively small and concentrated. As of April 2017, there were 184 banks, credit institutions and finance companies licensed by the Financial Supervisory Authority of Norway (FSA).

In addition, there were 72 insurance undertakings. The total assets held by Norwegian banks as of April 2017 were NOK 4 956 billion (EUR 545 billion).

29. Financial undertakings are regulated by the Financial Undertakings Act and required to be licensed by the FSA. The FSA has comprehensive powers to collect information for supervisory purposes (including AML/CFT obligations) from financial undertakings, to comment on the activities of regulated financial institutions and to instruct their business as well as issue orders to halt activities in contravention with relevant regulations.

30. Lawyers are required to be licensed by the Supervisory Council for Legal Practice (Supervisory Council) in order to be allowed to provide professional legal assistance and conduct court cases. All lawyers are supervised by the Supervisory Council for AML/CFT purposes. Additionally, the Norwegian Bar Association (NBA) supervises its members. There were approximately 7 700 lawyers operating in Norway in 2016.

31. Professional accountants are required to be registered and licensed with the FSA which is responsible also for supervision of their AML/CFT obligations. As of 31 December 2016, there were 11 185 natural persons and 2 785 firms registered in the register of accountants.

32. Auditors authorised to provide statutory auditing services must be approved by the FSA and are subject to its AML supervision. As of December 2016, there were 7 570 authorised auditors and 488 audit firms.

33. Notaries' services do not exist in Norway. Trust and company services providers are not regulated as separate businesses or professions. They are however subject to AML regulations. The government has proposed to establish an authorisation and supervisory regime for trust and company service providers.[1] Supervision will be conducted by the FSA. Trust and company services are normally provided by lawyers or auditors.

34. Norway's compliance with the AML/CFT standard is assessed by the FATF. The most recent review was conducted by the FATF in 2014. The FATF report provides a summary of the AML/CFT measures in place in Norway as at the date of the onsite visit in April 2014. Immediate Outcome 5 concerning implementation of rules ensuring availability of beneficial ownership information in respect of legal persons and arrangements was rated Moderate and Norway was found to be Partially Compliant with each of FATF's recommendations 10 (Customer due diligence), 22 (DNFBPs: Customer due diligence), 24 (Transparency and beneficial ownership of legal persons) and 25 (Transparency and beneficial ownership of legal arrangements). The FATF report identified several issues in respect of Norway's

1. Prop. 76 L (2016-2017): https://www.regjeringen.no/no/dokumenter/prop.-76-l-20162017/id2546083/sec1.

compliance with the FATF recommendations and noted among others that Norway has an extensive system of readily accessible registers on legal ownership and control information, with information publicly available. However, the report concluded that beneficial ownership information of Norwegian legal persons was not readily available where there were foreign legal persons or arrangements involved in the ownership/control structure. The report also noted several deficiencies in respect of AML supervision including concerning supervision of CDD measures. The 2014 evaluation is available at *(*www.fatf-gafi.org/topics/mutualevaluations/documents/mer-norway-2014.html*)*.

Recent developments

35. The new Tax Administration Act (TAA) came into force on 1 January 2017. The TAA merges and updates the previously separated administration laws regarding income taxes, VAT, customs fees and excise duties. The TAA also implements the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard for Automatic Exchange of Financial Account Information (CRS) into Norwegian law. Norway has committed to undertake first exchanges in accordance with the CRS in 2017. Norway implemented legislation on Country-by-Country Reporting (CbCR) to Tax Authorities in 2016. Norway has signed the CbCR Competent Authority Agreement (CAA) under the Multilateral Convention and a separate CbCR CAA under the DTC with the United States of America that will provide for automatic exchange of CbC Reports from 2018.

36. The new Act on Financial Undertakings and Financial Groups (Financial Undertakings Act) entered into force on 1 January 2016. It replaces the Guarantee Schemes Act, the Act on Savings Banks, the Act on Commercial Banks in Norway, the Act on Financing Activity and Financial Institutions and parts of the Act on insurance companies, pension undertakings and their activities. The Financial Undertakings Act consolidates rules previously contained in different acts and does not introduce any substantial regulatory changes.

37. In June 2014 Parliament decided to establish a public strategy for ensuring greater transparency about the owners of corporations. In response to the Parliament's decision the Ministry of Industry and Fisheries – together with the Ministry of Finance – is currently reviewing a plan to establish a new public electronic register of shareholders. The legal proposal implementing this plan is expected to be finalised in 2017.

38. An expert legal committee was appointed in February 2015 to prepare implementation of the Fourth EU AML Directive into domestic legislation and to consider amendments in the national AML/CFT regime to fulfil the recommendations laid out in the 2014 FATF evaluation report on Norway. The legal committee submitted its final report to the Ministry of Finance in

December 2016. The report was released for public consultation. The outcomes of the report are currently considered by the Ministry of Finance. A separate Act on Beneficial Ownership is also part of the proposal. The new Act on Beneficial Ownership will impose obligations on all legal persons incorporated in Norway, as well as trustees of foreign trusts and similar legal arrangements to hold and update information on beneficial owners which shall be accessible to competent authorities. The information on beneficial ownership shall also be submitted to a central register.

Part A: Availability of information

39. Sections A.1, A.2 and A.3 evaluate the availability of ownership and identity information for relevant entities and arrangements, the availability of accounting information and the availability of bank information respectively. Each section below gives a brief summary of the main issues found in the 2011 Report and analyses changes made since that report. Each section further analyses implementation of the relevant obligations in practice during the reviewed period. This is completed by a table of recommendations made in this report, showing the changes from the 2011 Report, where applicable.

A.1. Legal and beneficial ownership and identity information

Jurisdictions should ensure that legal and beneficial ownership and identity information for all relevant entities and arrangements is available to their competent authorities.

40. The 2011 Report concluded that the rules requiring availability of legal ownership information in respect of all relevant and arrangements are in place and in line with the standard. There has been no significant change in the legal framework since the first round review.

41. The 2011 Report identified a limited legal gap concerning retention period for information required to be held by nominee shareholders. Since the first round review Norway has not specifically amended its law to address this point, however, the potential issue does not seem material considering that it relates only to listed shares of public LLCs and that the retention period under the AML Act and security regulations ensures that the information is required to be kept in line with the standard. This position is also confirmed in practice and therefore the recommendation is deleted.

42. The relevant legal provisions continue to be properly implemented in practice. The main source of legal ownership information for tax purposes in practice is the information filed with the tax administration. The compliance rate with tax obligations is steadily above 90% and sanctions are applied in cases of non-compliance. As an alternative source, information kept in the company's register of shareholders can be accessed by the tax administration at the company's office in Norway. During the period under review in

all cases legal ownership information was obtained by the EOI Unit from the tax database.

43. Norway's legal and regulatory framework and practices have been evaluated for compliance with changes introduced in the 2016 Terms of Reference, including in respect of the availability of beneficial ownership information. Considerable amount of information relevant for identification of beneficial owners is required to be available mainly based on tax and AML obligations. However, a specific obligation to identify beneficial owners does not cover all domestic companies, domestic partnerships and foreign partnerships carrying on business in Norway or deriving taxable income therein because such an obligation is contained in the AML law and not all relevant entities are required to engage an AML obligated person. It is acknowledged that the gap is of limited materiality as the AML obligations requiring identification of the beneficial owner in line with the standard cover all relevant DNFBPs and in practice more than 94% of domestic entities have a bank account in Norway or have their accounts audited or prepared by an AML obligated auditor or accountant. According to the information provided by Norwegian authorities there are 18 335 entities which have neither a Norwegian bank account nor who use an auditor or an accountant. This represents 5.6% of the total number of entities where a relation with an AML obligated person cannot be confirmed. Nevertheless the gap in legal requirements exists and Norway is recommended to take measures to address it.

44. In practice, the availability of information identifying beneficial owners of relevant entities and arrangements is supervised mainly through AML supervision carried out by the FSA and the Supervisory Council for Legal Practice. The FSA is responsible for AML/CFT supervision of all obligated entities except for lawyers who are under the supervision of the Supervisory Council. AML supervision generally ensures compliance with the CDD obligations and that AML obligated persons keep beneficial ownership information that is adequate, accurate and up to date.

45. During the review period 28 requests received by Norway related to ownership information. While the vast majority of these requests were in respect of ownership of companies, four requests related to partnerships and one request related to a foundation. Norway has not received any request for information on trusts or non-profit organisations (NPOs). Beneficial ownership information was requested in less than five of them. As already mentioned, no issue in respect of availability of ownership information with the tax administration or the information holder was reported and the requested information was provided.

46. The new table of determinations and ratings is as follows:

Legal and Regulatory Framework		
	Underlying Factor	**Recommendation**
Deficiencies identified in the implementation of the legal and regulatory framework	Obligation to identify beneficial owners does not cover all relevant entities as required under the standard because such obligation is contained in the AML law and not all relevant entities, except for foundations, are required to engage an AML obligated person. It is nevertheless noted that considerable amount of beneficial ownership information is available and that the scope of the AML coverage of relevant entities is broad.	Norway should ensure that beneficial owners of all relevant entities are required to be identified in line with the standard
Determination: The element is in place, but certain aspects of the legal implementation need improvement.		
Practical implementation of the standard		
Rating: Largely Compliant		

A.1.1. Availability of legal and beneficial ownership information for companies

47. Three types of companies may be formed under Norwegian law:

- limited liability companies (*aksjeselskap*, AS) – limited liability companies (private LLCs) are the most common legal form for a corporate entity in Norway. A founder of a private LLC may be an individual or a legal person. Shareholders are liable for the obligations of the company only up to the amount of their unpaid contribution to the company capital. The registered capital must be at least NOK 30 000 (EUR 3 335) (s. 3-1 LLC Act) There were 293 471 private LLCs registered in Norway as at March 2016;
- public limited liability companies (*allmennaksjeselskap*, ASA) – Public limited liability company (public LLC) is a legal person whose registered capital is divided into nominal shares. Shareholders of the company are not liable for the obligations of the company. Rules for formation of public LLCs and private LLCs are the same. A public LLC must have at least NOK 1 million (EUR 111 170) of registered capital (s. 3-1 LLC Act). There were 219 public LLCs in Norway as at March 2016; and

- Societas Europaea (SE) – SEs are regulated by Council Regulation (EC) No. 2157/2001 of 9 October 2001 on the Statute for a European Company (SE). According to the Norwegian *Act on the European Company,* provisions of Norwegian law applicable to public limited liability companies apply to SEs (s. 2 Act on the European Company). There were four SEs registered in Norway as of March 2016.

48. The 2011 Report found that the rules regarding the maintenance of legal ownership information in respect of companies in Norway were in compliance with the standard. There has been no significant change in the legal framework since the first round review. The 2011 Report identified a limited legal gap concerning information required to be held by nominee shareholders. Since the first round review Norway has not specifically amended its law in this aspect. However, the potential issue does not seem material considering that it relates only to listed shares of public LLCs and of LLCs registered in the Central Depository, which are held on behalf of foreign persons and that the retention period under the AML Act or security regulations covering all nominees ensures that the information is required to be kept for at least five years in line with the standard. This position is also confirmed in practice and therefore the recommendation is deleted (see below).

49. In terms of implementation of the requirements to keep legal ownership information in practice, the 2011 Report concluded that the requirements are properly implemented to ensure availability of the required information in line with the standard. There has been no significant change in this respect since the first round review. The availability of legal ownership continues to be mainly ensured through tax obligations and compliance with these requirements is steadily high. Availability of legal ownership information was also confirmed in Norway's exchange of information practice (see further section C.5).

50. The 2016 ToR introduced a requirement under which beneficial ownership on companies should be available in Norway. There are several legal requirements to maintain beneficial ownership information in Norway. However, it is not required to identify beneficial owners of companies in all cases as not all companies are required to engage an AML obligated person.

51. Concerning practical availability of beneficial ownership information it is concluded that AML supervision generally ensures compliance with CDD obligations and that AML obligated persons keep beneficial ownership information. This has been also separately demonstrated by Norway's ability to provide beneficial ownership information in the context of mutual legal assistance. The practical availability of beneficial ownership information under the AML regulations is further supplemented by the availability of information relevant to identification of beneficial owners with the tax administration.

Legal ownership and identity information requirements

52. As concluded in the 2011 Report, the main source of legal ownership information is the information filed with the tax authority based on tax law requirements. All transactions of shares and other relevant changes in the share ownership (issue of new shares, split/merger of shares, company merges/demerges etc.) during the taxation year are reported to the tax administration's Internal Register of shareholders in the form of an annual statement. The reported information covers all shareholders of the company during the particular tax year regardless of their tax residency. The information is required to be submitted by the company or if its shareholder register is kept by the Central Depository, by the Central Depository. The obligation also covers foreign companies considered tax resident in Norway due to its place of effective management therein (s. 7-7 TAA). The tax authority is required to keep the information for at least five years after the end of the tax period to which the information relates. If extra surtax is imposed the information is required to be kept for ten years (s. 12-6 TAA). In case of failure to provide the shareholder statement in time sanctions under section 14 of the TAA can be applied.

53. In addition to the obligations under the tax law, all companies are required to maintain a shareholder register (s. 4-5 Private Limited Liability Companies Act and s. 4-4 Public Limited Liability Companies Act). The shareholder register constitutes ownership rights towards the company (s. 4-2. Private Limited Liability Companies Act) Public limited liability companies are required to register their shares with the Central Depository which is then obligated to keep the shareholder register on their behalf (s. 4-4 Public Limited Liability Companies Act and s. 2-1 Securities Register Act). The company (or the Central Depository) must keep information on previous shareholders for at least ten years (s. 4-7 Limited Liability Companies Act and s. 6-6 of the Securities Register Act) and the shareholder register has to be publicly available at the company's registered address in Norway (s. 4-6 Limited Liability Companies Act and s. 4-5 Public Limited Liability Companies Act). In case of breach of these obligations administrative and criminal sanctions are applicable in respect of its founders, members of the board or general managers (s. 19-1 Public Limited Liability Companies Act, s. 27 Penal Code).

54. All companies have to be registered with the Register of Business Enterprises (s. 2-1 Business Enterprise Registration Act). The information required to be provided to the register does not include updated legal ownership information. Nevertheless all companies are required to submit their articles of association and keep updated identification of board members, general managers, auditors, administrative receivers or persons authorised to act on behalf of the company. Information contained in the register can be

relied upon by third parties and it is used by government authorities, financial institutions and business partners to verify the identity of particular persons. There is no provision limiting the period for which the information filed with the register is required to be kept and currently it is kept for an indefinite period of time. Failure to provide the required information to the register in time triggers application of administrative, and potentially criminal, sanctions under the Business Enterprise Registration Act and Penal Code.

55. Further, certain legal ownership information is required to be available with AML obligated persons if engaged by the company (see below).

56. The 2011 Report concluded that while nominee shareholders are required to maintain current and recently registered ownership and identity information on their clients, there is no legal obligation to maintain historical ownership and identity information.

57. Nominee shareholders are allowed only in respect of shares of public LLCs and of LLCs registered in a Central Depository, which are held on behalf of foreign persons (s. 4-10 Public Limited Liability Companies Act and s. 4-4 Limited Liability Companies Act). Further, nominees are required to be approved and registered with the FSA (s. 4-10 Public Limited Liability Companies Act, s. 6-3 Securities Register Act and s. s. 13-2 Regulations to the Securities Funds Act). Only AML obligated persons are granted the right to be registered as a nominee. Nominees are required under the AML Act to identify the person on whose behalf they hold shares (s. 8-4 AML Act). Information identifying such person is required to be kept for five years after the customer relationship has ended or the transaction is completed (s. 22 AML Act). The AML requirements cover service providers who are natural or legal persons acting as shareholders for a third party, financial institutions, undertakings operating activities consisting of transfer of money or financial claims, investment firms, management companies of securities funds or Central Depositories (ss.2 and 4 AML Act). AML obligations are supplemented by legislation on nominee registration. All nominees are obliged to, on request, provide public authorities with information on the beneficial owners of the financial instruments they hold (s. 6-3 Securities Register Act, s. 4-10, Public Limited Liability Companies Act and s. 13-3 Regulations to the Securities Funds Act). In this context, "beneficial owner" refers to the legal or the natural person who enjoys the benefits of ownership, regardless of whether this person is the direct client of the nominee or hold the financial instruments through one or more layers of other nominees. The regulations on securities funds emphasises that nominees are required to hold information on principals, including an overview of changes in the principals' portfolios of nominee-registered units, for a period of 10 years (s. 13-3(3) Securities' Funds Regulation).

58. Given that nominee shareholders are allowed only in certain situations and that nominees are covered by AML or securities obligations which contain the appropriate retention requirements, it appears that the potential issue identified in the 2011 report has in fact very limited impact on availability of information as required under the standard and therefore does not represent a concern which would justify a recommendation. It is also noted that in practice the Financial Intelligence Unit (FIU) regularly requests nominees to provide information on persons on whose behalf they hold shares and, according to the Norwegian authorities, there has been no case during the last three years where the information would not be provided (see further section on beneficial ownership information).

Implementation of obligations to keep legal ownership information in practice

59. The 2011 Report concluded that the relevant legal requirements are properly implemented in practice and consequently no recommendation was made. There has been no change in Norway's practices since then.

60. The main source of legal ownership information in practice is the information filed with the tax administration. As an alternative source, legal ownership information is kept in the company's register of shareholders and can be accessed by the tax administration at the company's office in Norway if the information filed with the tax administration is not sufficient. During the period under review in all cases legal ownership information was obtained by the EOI Unit from the tax database.

(a) Practical availability of information with the tax administration

61. Legal ownership information filed with the tax authority is kept in the tax administration internal Register of shareholders. Although the shareholder statements are not required to be filed electronically about 98% of all shareholder statements are filed in electronic form. The information is checked upon receipt and, if necessary, clarification is requested. All transactions of shares and other relevant changes in the share ownership (issue of new shares, split/merging of shares, company merges/demerges etc.) during the taxation year are contained in the tax administration's Internal Register of Shareholders. Information contained in the register can be searched using different filters. Upon request it is possible to extract from the register ownership of an entity at any given date. The search is possible also in respect of shareholdings of a particular person. Information contained in the database is subject to tax confidentiality.

62. Each company registered with the Register of Business Enterprises is also automatically registered for tax purposes and required to file tax returns

regardless whether it is active or not. Compliance rate with companies' tax obligations is high and remains above 90%. The table below shows the number of filed tax returns and sanctions applied in respect of the last three tax years.

	2013	2014	2015
Total number of companies	268 940	280 942	308 274
Number of submitted returns	259 966	272 332	281 478
Compliance rate	96.6%	96.9%	91.3%
Number of late filing penalties	26 461	26 458	23 885
Cases where additional tax assessed for failure to submit tax return	1 295	1 035	1 992

63. The statistics for tax year 2015 are not final as they reflect tax returns submitted by March 2017. The total number of companies includes foreign companies, branches of foreign companies and companies liquidated during the tax year. The number of total tax returns includes tax returns submitted after application of penalties for late filing. If a company fails to provide a statement completely, sanctions under section 14 of the TAA apply. This includes application of a sanction per day of delay and a tax audit is typically launched. If the failure is repeated, the tax authorities may file a police report to prosecute the company.

(b) Practical availability of information with companies

64. As stated above, the shareholder register constitutes ownership rights towards the company and therefore companies have a vested interest to keep the shareholder register updated in order to manage their relations with shareholders. The obligation to keep the shareholder register is also indirectly supervised mainly through tax filing requirements.

65. Compliance with the companies' obligation to keep a shareholder register can be directly verified during tax audits. About 1% of companies is subject to tax audit or inspection annually. The table below gives overview of the total number of on-site audits and inspections for corporate income tax conducted during the last three years for which figures are available.

	2013	2014	2015
Audits	4 280	3 023	2 424
Follow-up audits	71	590	280
Inspections	833	877	216

(c) Practical availability of information with the registration authority

66. All companies conducting business in Norway are obliged to register in the Register of Business Enterprises (in addition to the Central Co-ordinating Register of Legal Entities). The duty to register lies with each member of the board. Upon registration, a company receives unique organisation number. Registered entities are required to use their organisation number on their webpage, business communication and documents and in contact with government authorities including the tax administration. Since November 2015 it is possible to establish a company only through electronic submission. Formation, registration and subsequent filing of changes in registered information can be done electronically. Electronic filings are done through the Altinn system. Altinn is the Norwegian government's portal and platform for electronic communication with entities and individuals. It integrates filings to government registers including filings with the tax administration. About 82% of notifications to the Register of Business Enterprises are done electronically. However, communication in paper form of is still possible.

67. The Register of Business Enterprises is administered and supervised by the Brønnøysund Register Centre. The Register Centre has approximately 600 employees responsible for administering 18 registers and Altinn. The Register Centre ensures the reliability of registered information and subsequent notifications by verifying whether the correct notifications have been submitted, the basis for them, and that their formulations are in accordance with the law and the company's articles of association. The registrar can demand additional information for the purpose of verifying the accuracy of registered information and refuse registration if it finds that a notification is not within the law or in accordance with company's articles of association. The registrar also crosschecks the provided information with other government registers integrated into the Central Co-ordinating Register of Legal Entities (such as the Register of Foundations and Register of Bankruptcies) or other registers such as Registers of Accountants and Auditors, the National Register of Persons or registers kept by the FSA.

68. Information contained in the Register of Business Enterprises is relied upon by government authorities and third parties including banks for verification of the organisation number, company's address or identity of the authorised representatives and therefore companies are motivated to keep the information updated. The organisation number is unique identifier for all legal entities in Norway. According to the Norwegian authorities it is impossible to open a bank account, to register in public registers (e.g. the VAT-register) or receive donations without an organisation number. Hence the business has a strong incentive to keep the information entered in the Register in respect of the organisation number (such as the address of the company and its representatives) updated.

69. Approximately 20 000 to 25 000 companies (i.e. about 10% of all companies) do not file their annual accounts with the Register of Company Accounts in time (see further section A.2). According to the Norwegian authorities the majority of companies that fail to file annual accounts after reminders do not remain registered in breach of their filing obligations for a long period. Companies which remain non-compliant with their filing obligations with the Register of Company Accounts incur a fee for a late submission and are ultimately forcibly liquidated if the accounts are not submitted after the fee period (Chapter 16 II Limited Liability Company Act). This is the case for about 0.3% of all registered companies annually (see further section A.2.1).

Beneficial ownership information

70. Under the 2016 ToR, beneficial ownership on companies should be available. The main source of beneficial ownership information in Norway is information required to be maintained under the AML law. Information relevant for identification of beneficial owners is also available pursuant to the tax law.

AML law requirements

71. Obligations under the AML Act cover the following persons including:

- financial institutions;
- undertakings operating activities consisting of transfer of money or financial claims;
- investment firms;
- management companies for securities funds;
- insurance companies and undertakings operating as insurance intermediaries other than reinsurance brokers;
- security registers;
- legal and natural persons in the exercise of their professions of:
  - state authorised and registered public accountants and authorised external accountants,
  - lawyers and other persons who provide independent legal assistance on a professional or regular basis, when they assist or act on behalf of clients in planning or carrying out financial transactions or transactions involving real property or movable property of a value exceeding NOK 40 000 (EUR 4 450);
- real estate agents; and
- trust and company service providers (s. 4 AML Act).

72. It is noted that lawyers and other legal professionals are obligated persons under the AML Act when planning or carrying out financial transactions or transactions involving real property or movable property above NOK 40 000 (EUR 4 450). According to the Norwegian authorities planning or carrying out financial transaction includes acting as a formation agent or tax and legal advisor and therefore lawyers and other legal professionals providing legal and corporate services to companies are AML obligated persons.

73. AML obligated persons are required to conduct CDD measures when establishing a customer relationship, in connection with transactions involving NOK 100 000 (EUR 11 140) or more, when they have a suspicion that a transaction is associated with proceeds of specified crimes or offences or when they have a doubt as to whether previously obtained data concerning the customer are correct or sufficient (s. 6 AML Act). The CDD procedure requires obligated entities to (i) collect information sufficient for identification and verification of each customer, (ii) identify the beneficial owner of the customer, and (iii) take reasonable measures to verify the identity of the beneficial owner so that it is satisfied that it knows who the beneficial owner is. The obligated entity is also required to keep documentation concerning the ownership and control structure of the customer in the form of a certificate of company registration, memorandum of association and written authorisations of representatives of the customer. (ss.5 through 8 AML Act). General CDD obligations contained in the AML Act are further detailed in guidelines issued by the FSA.

74. The term "beneficial owner" as defined under the AML Act is in line with the standard. The beneficial owner is defined as the "natural persons who ultimately own or control the customer and/or on whose behalf a transaction or activity is being carried out". A natural person shall in all cases be regarded as a beneficial owner if the person concerned:

- directly or indirectly owns or controls more than 25% of the shares or voting rights in a company, with the exception of companies that have financial instruments listed on a regulated market in an EEA state or are subject to disclosure requirements consistent with those that apply to listing on a regulated market in an EEA state;
- exercises control over the management of a legal entity in a manner other than that referred to above;
- according to statutes or other basis is the beneficiary of 25% or more of the assets of a foundation, trust or corresponding legal arrangement or entity;
- has the main interest in the establishment or operation of a foundation, trust or corresponding legal arrangement or entity; or

- exercises control over more than 25% of the assets of a foundation, trust or corresponding legal arrangement or entity (s. 2(3) AML Act).

75. The obligated entities are required to record and keep data which must unequivocally identify beneficial owners (s. 8 AML Act). These records must be kept updated and maintained for five years after the customer relationship has ended, or following the completion of the transaction (ss.4 and 14 AML Act). An obligated person is allowed to rely on CDD measures applied by specified third parties. Nevertheless the obligated person is required to immediately obtain and keep the abovementioned records identifying the beneficial owner and remains ultimately responsible for ensuring that CDD measures are applied in accordance with the Norwegian AML Act and applicable AML regulations (s. 11 AML Act) (see further section A.3).

76. The AML Act provides for sanctions in cases of non-compliance with AML obligations. Any person who wilfully or with gross negligence contravenes provision of the Act is liable to fines. In the case of particularly aggravating circumstances, imprisonment for a term not exceeding one year may be imposed (s. 28 AML Act).

77. Based on the information retrieved from the tax database, out of the total of 293 694 registered companies 290 811 (i.e. 99%) are companies that declared that they have a bank account in Norway or that they engage an external accountant or an auditor who are AML obligated persons under the Norwegian law.

Tax obligations

78. In addition to AML obligations, certain information relevant for identification of beneficial owners is required to be available to the tax administration in order to administer Norway's tax laws. The relevant taxation rules mainly include:

- wealth tax – all natural persons who are tax residents in Norway at the end of the tax year are liable to tax for all their wealth including shares in domestic or foreign companies and real estates (s. 2-1 Tax Act, s. 8-2 TAA). Wealth tax is levied on the individual who is the owner of a taxable property according to the principles for determining ownership for tax purposes. In determining the ownership for tax purposes, a general principle of substance over form is applied. This is a general principle which is applied also in relation to allocating all income and capital under the tax law. In some cases this may lead to the allocation of income to an individual different from the legal owner. A taxable property is defined broadly as all assets with a market value of which the taxpayer is the beneficial owner including physical objects, securities, rights or bank deposits. Wealth tax is

levied on the taxpayer's taxable property regardless where the property is located. Hence, Norwegian resident shareholders are subject to wealth tax also in respect of shares in companies domiciled abroad;

- CFC rules – if Norwegian taxpayers (alone or combined) have direct or indirect ownership interest of 50% or more in a foreign company or entity, or the taxpayer(s) have controlling influence over the foreign company or entity, the taxpayer is obliged to keep information about the foreign company or entity. The information has to include documents such as accounting records, invoices, contracts, correspondence or minutes of board meetings. The taxpayer is obliged to keep the documentation for five years after the end of the relevant taxation period (s. 10-7 TAA, ss.10-60 to10-68 Tax Act);
- application of refunds on withholding tax (WHT) on dividends under Norway's DTCs – taxation of dividends in Norwegian companies paid to their beneficial owners resident in a jurisdiction with which Norway has concluded a DTC is subject to the provisions of the DTC which may allow refund of WHT applied under Norway's tax law. In such cases the foreign taxpayer (who can be an individual or a legal person) is entitled to the refund upon submission of a notice to the tax authority evidencing his/her beneficial ownership of the paid dividends (s. 8-8 TAA).
- transfer pricing obligations – A Norwegian resident taxpayer (which can be a company or other legal entity) is obligated to document and submit specific information on transactions with related parties. The obligation does not apply to taxpayers who together with their related parties have less than 250 employees and either have a sales income that does not exceed NOK 400 million (EUR 44.5 million) or total assets that do not exceed NOK 350 million (EUR 38.9 million). A related party is defined as:
  - any company or entity that, directly or indirectly, is at least 50% owned or controlled by the obligated taxpayer company or entity;
  - any individual, company or entity that, directly or indirectly, has at least 50% ownership of, or control over, the obligated taxpayer company or entity;
  - any company or entity that, directly or indirectly, is at least 5% owned or controlled by any entity that is deemed to be a related party pursuant to the above two criteria; and
  - any parent, cousin, grandchild, spouse, co-habiting partner, parent of a spouse or co-habiting partner of any individual who is deemed to be a related party pursuant to the second criteria above,

as well as any company or entity that, directly or indirectly, is at least 50% owned or controlled by such persons (s. 8-11 TAA).

- other information contained in the tax databases and other sources at the disposal of the tax administration – the tax administration has at its disposal a vast amount of information obtained from tax filing obligations, tax audits or from government and third party sources. This information includes legal ownership information, identification of representatives of the taxpayer which will typically include identification of CEO or CFO or other persons holding position in senior management of the taxpayer, accounting and certain transaction records and other information contained in government databases such as the Property Register, Registers of Accountants and Auditors or the National Register of Persons. The tax authority can also retrieve information from public sources and websites (see further section B.1.1).

79. Any foreign company with its place of effective management in Norway is considered tax resident in Norway and the same tax rules in respect of domestic companies apply. The same AML obligations of service providers apply in respect of foreign and domestic companies.

80. To sum up, information relevant for identification of beneficial owners is required to be available mainly based on tax and AML obligations. The relevant tax obligations primarily relate to tax residents in Norway (legal entities or individuals) and are based on legal ownership. Therefore these rules do not sufficiently cover situations where foreign persons are involved in the ownership chain of domestic entities or where control is exercised through other means then legal ownership. The Norwegian authorities are of the view that the "substance over form" rule contained in the tax law to a certain extent mitigates this deficiency as under this doctrine the focus is on who enjoys the benefit of an item of income or capital in addition to who owns the underlying object. It is however very uncertain to what extent application of this rule can be relied upon to mitigate a gap in respect of the identification of beneficial owners as defined in the 2016 ToR concerning companies in general as this rule is applicable only under certain defined conditions and does not necessary ensure that the person(s) identified based on the application of this rule conform to the definition of the beneficial owner as defined under the 2016 ToR. The tax authority has at its disposal also several pieces of relevant information such as on legal ownership and senior management of all relevant entities. The relevance of this information for the identification of beneficial owners will depend on circumstances of the particular case as the tax authority is not required to collect information for the purposes of identification of beneficial owners as defined under the 2016 ToR.

81. A specific obligation to identify beneficial owners as required under the standard is contained in the AML law. However, it does not cover all

domestic companies because such obligation is contained in the AML law and not all companies are required to engage an AML obligated person. It is noted that the scope of the AML coverage is broad as domestic companies typically have a bank account in Norway (although not legally required) and have their annual accounts audited or prepared by an authorised auditor or an accountant who is obligated under the AML Act. Despite the limited materiality of the gap, it is nevertheless recommended that Norway ensures that there is a requirement to identify beneficial owners of all domestic companies as required under the standard.

Implementation of obligations to keep beneficial ownership information in practice

82. Implementation of AML obligations is ensured through supervision by the FSA and Supervisory Council for Legal Practice. The FSA is responsible for AML/CFT supervision of all obligated entities except for lawyers who are under the supervision of the Supervisory Council. The FSA is an independent governmental agency that operates on the basis of laws and decisions of the Parliament, the Government and the Ministry of Finance and on the basis of international standards for financial supervision and regulation. The FSA is headed by a board of five members and the Director General appointed by the Ministry of Finance upon delegation from the King. The FSA has approximately 280 employees for the prudential and AML/CFT supervision. The Supervisory Council for Legal Practice is an independent governmental body financed by its members. The Supervisory Council's governing body is a three person Supervisory Board which is appointed by the Ministry of Justice. The secretariat of the Supervisory Council has 13 employees.

83. Supervision of AML obligations is conducted by the FSA through on-site and off-site inspections together with general prudential supervision. The FSA regularly follows up the undertakings' with respect to customer due diligence and the storage of transactional records as part of the AML/CFT supervision. If non-compliance with AML regulations is identified, the FSA takes measures to ensure the deficiencies are remedied. Lawyers are regulated and supervised for AML/CFT by the Supervisory Council for Legal Practice. In practice the AML supervision is carried out mainly through annual audits by an external auditor of bookkeeping and auditing obligations. Both the Supervisory Council for Legal Practice and the FSA have a risk based selection of entities that are inspected. The FSA conducted off-site inspections of all banks conducting business in Norway (including branches of European Economic Area credit institutions) in 2013. The questionnaire that the bank had to fill in included questions regarding internal controls, reports from internal audits, procedures regarding identification of beneficial

owners, enhanced CDD, training of staff or filing suspicious transaction reports. Similar inspections were conducted in 2014 and 2016 in relation to insurance companies and other AML obligated entities.

84. The table below shows the number of AML obligated entities split per type of the industry and the number of on-site inspection conducted in respect of these entities per year.

	2014		2015		2016	
Industry sector	No. of entities	No. of on-site audits	No. of entities	No. of on-site audits	No. of entities	No. of on-site audits
Banks	124	17	126	15	125	14
Investment firms and securities fund management companies	128	11	136	15	126	8
MVTS/Payment institutions	14	0	15	0	15	2
Auditors, audit firms and accounting firms	3 391	78	3 351	76	3 273	72
Lawyers	7 333	54	7 505	68	7 738	68

85. The number of AML inspections carried out in respect of lawyers relates also to inspections of law firms. Hence the number of inspected lawyers is actually higher than the number of on-site inspections. The inspected law firms employed 490 lawyers in 2015 and 1 133 in 2016 representing 6.5% of all lawyers in 2015 and 14.6% in 2016. The number of on-site audits in respect of auditors, audit firms and accounting firms does not include quality controls carried out by the Norwegian Institute of Public Accountants (DnR) and the Norwegian Association of Authorised Accountants (NARF) which include quality control of their implementation of AML/CFT measures. The FSA has requested these organisations to give further attention to AML/CFT as part of their on-site inspections and report to the FSA if accountants or auditors have substantial deficiencies with regard to their compliance with the AML Act.

86. The frequency of AML inspections seems adequate to ensure compliance with the AML obligations as required under the standard. Nevertheless it is difficult to draw a conclusion on whether the quantity of AML inspections is adequate based only on the number of inspections. It is also difficult to conclude on the exact number of audited professionals as the majority of audits covered law, audit or accounting firms. Lawyers, auditors and accountants have an important role in providing legal and corporate services to companies (e.g. as formation agents, tax advisors or auditors) and therefore have a potential of being important source of beneficial ownership information. The frequency of AML supervision of these professionals can be further strengthened to ensure that it fully reflects their relevance as source of beneficial ownership information and risks of non-compliance to

which some of these professionals are exposed. However, measures taken by Norway over the reviewed period seem to address this concern.

87. Over the last three years Norway has strengthened its supervision of AML obligations so that it seems adequate to ensure that appropriate measures are taken by the obligated person to identify beneficial owners and that the information identifying the beneficial owner is adequate, accurate and up to date. Availability of beneficial ownership information is regularly checked during all inspections involving verification of AML compliance. The FSA checks the relevant institutions' routines and systems for conducting CDD. On-site inspections also encompass spot checks of stored CDD information including information on the beneficial owner of the customer. These spot checks review performed CDD measures including measures how the beneficial owner was identified, how these measures are documented and whether the CDD information is kept updated. Similar checks are performed during AML supervision carried out by the Supervisory Council for Legal Practice. These practices are also contained in the FSA module for supervision of risks linked to money laundering and terrorist financing which was revised in February 2016. A separate module for internal controls and governance relating to AML/CFT is currently under revision. The FSA updated the 2009 AML/CFT guidance paper in December 2016 and sector specific guidelines for auditors and accountants were issued in April 2017. Further, the Supervisory Council for Legal Practice reports that since 2014 it has enhanced its work on AML supervision of lawyers. In May 2017 the Supervisory Council issued a detailed manual for the AML supervision which specifically deals with the supervision of beneficial ownership information and requires review of measures taken to identify the beneficial owner. The manual also specifies that all on-site inspections should end with a report including a separate chapter on review of the AML routines and compliance. These measures are adequate and appear to ensure that the beneficial ownership information is required to be kept in practice. However, given that several of these measures are rather recent Norway should monitor their efficiency in practice and continue to enhance its supervisory system where necessary.

88. If deficiencies in implementation of CDD obligations are identified, the FSA issues an order to address the deficiency and bring it in line with the applicable obligation within a stipulated time. If the obligated person fails to comply with the order a coercive fine may be imposed by the FSA. In the case of particularly serious deficiencies, the obligated person may be subject to prosecution and potential imprisonment. During the period under review the FSA identified several cases of various degrees of non-compliance and in all cases remedial actions were taken. The identified deficiencies related to failures with specific formal requirements and in a few cases incomplete documentation but did not represent serious breaches of CDD record keeping

requirements as the required information was available. Thirty-nine banks, 12 investment and management companies and 109 auditors and accounting firms were issued orders to remedy gaps in terms of implementation of AML obligations and the deficiencies were addressed. The Supervisory Council for Legal Practice revoked a lawyer's licence for failures including violation of AML obligations in one case in 2014 and in two cases in 2015. The Supervisory Council also issued four warnings and six reprimands for AML breaches in 2014, four warnings and five reprimands in 2015. No fines were used during the period under review as the identified deficiencies were remedied in all cases. It is not clear whether use of fines or other enforcement provisions would be more efficient in ensuring compliance with AML obligations as the current level of compliance varies among industries and types of the obligated entities and the identified deficiencies were in all cases addressed.

89. In summary, the AML supervisory authorities conduct AML supervision that generally ensures compliance with the CDD obligations and that AML obligated persons keep beneficial ownership information. Over the last three years Norway has taken several measures strengthening its supervision of AML obligations. Practical efficiency of some of these measures remains to be fully tested. Nevertheless, they seem adequate to ensure that the identification of beneficial owners is performed in line with the standard and that the information identifying the beneficial owner is adequate, accurate and up to date.

90. The tax law obligations are properly implemented to ensure availability of the required information in line with the standard as described above. Beneficial ownership information available with the tax administration is of relevance for identification of the beneficial owners and, in respect of Norwegian resident taxpayers, to a certain degree mitigates concerns related to implementation of CDD obligations. The level of compliance with tax filing obligations is steadily high. The tax administration received 9 259 notifications of beneficial ownership of dividends paid abroad by Norwegian companies in 2013, 7 101 in 2014 and 7 564 in 2015. The form "Controlled transactions" (RF-1123) contains information about corporate structure and ownership of companies with transfer pricing documentation obligations. In 2013 10 513 of taxpayers filed this form, in 2014 10 885 taxpayers and in 2015 11 241 taxpayers representing about 3% of companies annually. It should be also noted that based on the information available with the tax authority the total number of Norwegian companies with a foreign shareholder is rather limited, representing about 3.5% of all domestic companies and the number of Norwegian companies with all board members resident outside of Norway is about 1.3%. A director of a Norwegian LLC (except for shipping companies) has to be an individual and nominee directors are not legally recognised (ss.6-11 LLC Act)

ToR A.1.2: Bearer shares

91. The 2011 Report concluded that Norwegian law does not allow the issuance of bearer shares. There has been no change since the first round review. There is also no evidence of any bearer shares being issued in the past.

ToR A.1.3: Partnerships

92. Norway's law recognises general partnerships (*ansvarlig selskap*, ANS); general partnership with divided liability (*selskap med delt ansvar*, DA) and limited partnerships (*kommandittselskap*, *KS and indre selskap*, IS). There were 14 375 general partnership, 18 863 general partnership with divided liability and 425 limited partnerships registered in Norway as of March 2016.

Legal ownership and identity information requirements

93. The 2011 Report concluded that the rules regarding the maintenance of legal ownership information in respect of domestic and foreign partnerships in Norway were in compliance with the standard and were also effectively implemented in practice. There has been no change in the legal framework or its implementation in practice since the first round review.

94. The main source of legal ownership information in respect of all partnerships is the information filed with the tax authority based on tax law requirements. A partnership is required to file a partnership statement annually which must include a list of all the partners in the partnership, including silent partners and their share in the partnership (s. 8-9 TAA). The reported information includes changes in partners of the partnership during the tax year. Further, as partnerships are considered transparent for tax purposes, a partnership including a foreign partnership carrying on business in Norway or deriving taxable income therein is required to file tax forms on behalf of each partner (Deltagermelding). The tax form must include each partner's share of his/her profits from the partnership (s. 8-9 TAA). Finally, each partner has an obligation to submit his/her own tax return. Tax filing obligations are supported by sanctions and the information is required to be kept for at least five years since the end of the tax period (ss.12-6 and 14 TAA).

95. In addition, partnerships are obliged to register with the Registrar of Business Enterprises and provide identification of all their partners to the register (ss.3-3, 3-4 Business Enterprise Registration Act). The information provided to the register is required to be updated and sanctions apply in case of non-compliance (s. 4-5 Business Enterprise Registration Act). Further, partners know the names and addresses of the other partners as they are

required to sign the partnership agreement, which contains all their names and addresses and all partners have a right to access partnership's documents (ss.2-3 and 2-27 Partnership Act).

96. Implementation of the relevant obligations in practice is ensured in the same way as in case of companies. Each partnership registered with the Register of Business Enterprises is automatically registered also for tax purposes and required to file partnership statements. Compliance rate with tax obligations is above 80% among partnerships conducting business. The table below shows the number of filed tax returns and sanctions applied in respect of the last three tax years.

	2013	2014	2015
Number of partnerships conducting business	23 713	22 575	20 899
Number of submitted returns	20 151	18 444	17 682
Compliance rate	84.9%	81.7%	84.6%
Number of late filing penalties	3 599	2 634	2 319

97. If a partnership fails to provide a duly completed statement sanctions under the TAA apply including sanction per day of delay and a tax audit is typically launched (see further section A.1.1).

98. The tax database contains about 14 000 partnerships identified as not conducting business which represent about 40% of all registered partnerships. These partnerships likely used to carry out business activities in the agricultural sector and currently do not have any assets. They remain registered as they may benefit from certain old tax regimes applicable to them and there are no sufficient incentives to initiate their voluntary liquidation. Although these partnerships do not produce any taxable income they are still required to file their annual partnership statements. When a partnership fails to submit the statement it is contacted by the tax authority and reminded of the obligation and applicable sanctions. If the statement is repeatedly not provided the tax authority contacts representatives of the partnership to verify its status and its compliance with the law requirements. In some cases an inspection or tax audit is launched based on the risk of tax evasion or unlawful activities. Given that the tax authority in all cases contacts the partnership to check its status and that it is always verified whether it actually carries out any taxable activity in or outside of Norway the potential risk of lack of relevant information in respect of these partnerships is rather low. Nevertheless Norway is recommended to take measures to limit the number of partnerships which ceased to provide their statements to the tax authority.

99. Identification of all partners in a partnership is also available in the Register of Business Enterprises. Upon registration with the Register of Business Enterprises partnerships receive a unique organisation number

provided from the Central Co-ordinating Register of legal entities. This identification number is required to be used on their webpage, in business communication and documents and in contact with government authorities including the tax administration. As in the case of companies information contained in the Register of Business Enterprises is relied upon by government authorities and third parties including banks and therefore partnerships are motivated to keep the information updated in order to sustain trading activities. According to the Norwegian authorities it is practically impossible to conduct business in Norway without keeping the information connected to the organisation number updated.

Beneficial ownership information

100. As in the case of companies, the main source of beneficial ownership information in respect of domestic and foreign partnerships are requirements under the AML law and information relevant for identification of beneficial owners have to be available also based on several tax rules.

101. The AML law requires financial institutions and relevant DNFBPs to conduct CDD measures when establishing a customer relationship or in connection with transactions above NOK 100 000 (EUR 11 140). The CDD procedure requires obligated entities to collect information sufficient for identification and verification of each customer, to identify their beneficial owners and to take reasonable measures to verify identity of these beneficial owners. The obligated entity is also required to obtain additional information to understand the customer's circumstances and business (ss.5 through 8 AML Act). The obligated entities are required to record and keep data sufficient to unequivocally identify beneficial owners (s. 8 AML Act). These records must be maintained for five years after the customer relationship has ended or following the carrying out of the transaction (s. 4 AML Act). The AML Act provides for sanctions in cases of non-compliance with AML obligations.

102. Based on the information retrieved from the tax database, out of the total of 33 663 registered partnerships 18 211 (i.e. 54%) declared their bank account in Norway or that they engage an external accountant or an auditor who are AML obligated persons under the Norwegian law. According to the information provided by the Norwegian authorities, out the total of 15 452 partnerships that do not have a bank account in Norway, an external accountant or an auditor, at least 14 563 (94%) partnerships have only natural persons as partners. It is also noted that nominees acting as partners on behalf of another persons are not allowed under the Norwegian law.

103. Certain information relevant to identification of the beneficial owners is required to be available under the tax law. This information mainly

includes information required to be filed based on wealth tax obligations, CFC and transfer pricing rules and information contained in the tax database and other sources at the disposal of the tax administration such as the Register of Business Enterprises (see further section A.1.1). This will typically include identification of legal persons or individuals standing behind the legal owners/partners in the partnership in particular where these persons are Norwegian taxpayers. But it will not necessarily identify beneficial owners as required under the standard.

104. To sum up, as in case of companies, a considerable amount of information relevant for identification of beneficial owners is required to be available. However, a specific obligation to identify beneficial owners does not cover all domestic partnerships and foreign partnerships carrying on business in Norway or deriving taxable income therein as required under the standard because such obligation is contained in the AML law and not all partnerships are required to engage an AML obligated person. As in the case of other entities the scope of the AML coverage is broad in practice, nevertheless it is recommended that Norway ensures that identification of beneficial owners of domestic and foreign partnerships is available in Norway as required under the standard.

Implementation of obligations to keep beneficial ownership information in practice

105. Implementation of the rules concerning availability of beneficial ownership information is supervised in the same way as in case of companies. Implementation of AML obligations is ensured through supervision by the FSA and Supervisory Council for Legal Practice. The FSA is responsible for AML/CFT supervision of all obligated entities except for lawyers who are under the supervision of the Supervisory Council. The FSA supervision of AML obligations is conducted through on-site and off-site inspections mainly together with general prudential supervision. The FSA checks the relevant institutions' routines and systems for conducting CDD. On-site inspections encompass spot checks of stored CDD information including information on the beneficial owner of the customer. These spot checks review performed CDD measures including measures how the beneficial owner was identified, how these measures are documented and whether the CDD information is kept updated. If non-compliance with AML regulations is identified the FSA takes measures to remedy the deficiency. These practices are also contained in the FSA module for supervision of risks linked to money laundering and terrorist financing which was revised in February 2016. A separate module for internal controls and governance relating to AML/CFT is currently under revision. The FSA updated the 2009 AML/CFT guidance paper in December 2016 and sector specific guidelines for auditors and accountants were issued

in April 2017. Lawyers are regulated and supervised for AML/CFT by the Supervisory Council for Legal Practice. In May 2017 the Supervisory Council issued a detailed manual for the AML supervision which specifically deals with the supervision of beneficial ownership information and requires review of measures taken to identify the beneficial owner. As already pointed out in section A.1.1, these measures are adequate and appear to ensure that the beneficial ownership information is required to be kept in practice. However, given that several of these measures are rather recent Norway should monitor their efficiency in practice and continue to enhance its supervisory system where necessary.

106. The tax law obligations are properly implemented to ensure availability of the required information in line with the standard mainly through tax filings and tax audits (see further above and section A.1.1).

107. In conclusion, the AML supervisory authorities conduct AML supervision that is adequate and seems to ensure compliance with the CDD obligations and that AML obligated person keeps beneficial ownership information as required under the AML regulations. The practical availability of beneficial ownership information under the AML regulations is also supplemented by the availability of information relevant to identification of beneficial owners with the tax administration.

ToR A.1.4: Trusts

108. Norwegian law does not recognise the legal concept of a trust. Norway has not signed the Convention on the Law Applicable to Trusts and on their Recognition (1 July 1985, The Hague). There are, nevertheless, no obstacles for a Norwegian citizen to be a trustee of a foreign trust.

109. The 2011 Report concluded that information about settlors, trustees, and beneficiaries of foreign trusts operated by trustees resident in Norway is required to be available based on the trustee's tax and AML obligations and accounting requirements. These obligations are adequately supported by sanctions in case of non-compliance and the information is required to be kept for at least five years since the end of the period to which it relates as required under the standard. There has been no change in these legal requirements since the first round review.

110. Explicit requirement to take measures to identify beneficial owners of a trust (i.e. obligation to identify also any other natural person exercising ultimate effective control over the trust in addition to identification of settlors, trustees, and beneficiaries of a trust) is contained in the AML Act (ss.2(3), 5 through 7 AML Act). Any natural or legal person providing services of administering or managing a trust or corresponding legal arrangement is considered a trust and company service provider and covered by CDD

obligations under the AML Act (s. 2(4) AML Act). Therefore professional trustees resident in Norway are required to identify the beneficial owner of a trust which they administer as a trustee and to obtain additional information to understand the customer's circumstances and business (ss.5 through 8 AML Act). The obligation to identify beneficial owners of the trust, however, does not necessarily, in all cases, require the trustee to identify all of the beneficiaries (or class of beneficiaries) of the trust regardless of any ownership interest threshold or control over the trust. The beneficial owner is defined as the natural person who ultimately owns or controls the trust. Any person, who has the "main interest" in the constitution or management of a trust, is considered a beneficial owner to the trust (s. 2(3)d AML Act). In addition, all natural persons who are beneficiaries of at least 25% of the trust assets are considered a beneficial owner and therefore have to be identified (s. 2(3)e AML Act) (see further section A.3).

111. AML identification requirements are supplemented by tax and accounting law obligations which require that information on all beneficiaries of a trust is available in Norway. The trustee is required to disclose information on a trustee, settlor or beneficiary of a trust to the tax authority as such information is relevant for tax assessment purposes. Each trust structure is treated for tax purposes the same way as the closest comparable Norwegian structure. The person concerned (i.e. trustee, a settlor, enforcer or a beneficiary of a trust) will be required, by means of accounts, notes or other appropriate documentation to ensure that there are supporting documents to assess his/her tax liability or to check his/her obligation to provide such information.

112. Non-professional trustees are not covered by the AML obligation. However, according to the Norwegian authorities cases where a Norwegian person other than a lawyer, accountant or other AML obligated service provider would act as a trustee are considered very rare given that trust arrangements do not a have a tradition in Norway and are not recognised by the Norwegian law and therefore bring significant legal uncertainty. It should also be noted that all resident trustees, regardless of whether they act as professionals or not, are covered by tax obligations requiring them to keep information about settlors and beneficiaries of trusts they operate (see also the 2011 Report).

113. In practice, the AML and tax obligations of trustees are supervised by the same measures as in respect of other AML obligated persons and taxpayers (see further section A.1.1). AML supervisory measures are adequate and appear to ensure that the beneficial ownership information is required to be kept in practice. However, several of these measures are rather recent and supervision of trustees' obligations is complicated by the fact that they are not explicitly required to declare upfront to third parties or the government authorities that they act as trustees unless this fact becomes relevant in their

tax assessment or during AML supervision. Norway should therefore monitor the efficiency of the supervision of beneficial ownership information required to be kept with trustees resident in Norway and enhance its supervisory system where necessary. The Norwegian Ministry of Finance has proposed establishing an authorisation and supervisory regime for trust and company service providers. The proposal will encompass all professional trustees that are resident in Norway. The FSA is proposed to be tasked with the supervision.[2] Tax obligations are appropriately supervised to ensure availability of the required information in practice.

ToR A.1.5: Foundations

114. Norwegian law provides for creation of foundations. A foundation must have a clearly defined and distinguishable purpose and must be governed by an independent board (s. 2 Foundations Act). There are two types of foundations that can be established in Norway:

- Non-commercial foundations – non-commercial foundations are established for non-commercial purposes such as non-profit, humanitarian, cultural, social or educational nature and are tax-exempted upon fulfillment of criteria for the exemption. Upon dissolution the assets of the foundation have to be used in accordance with the purpose of the foundation and cannot be distributed to its founders or representatives (s. 47 Foundations Act). Given that non-commercial foundations cannot make distributions to their founders and that they are tax exempted after verification that they meet the criteria for the exemption non-commercial foundations appear to have limited relevance for the current assessment. There were 6 259 non-commercial foundations registered in Norway in March 2016.
- Commercial foundations – commercial foundations engage in commercial activity and are liable to pay corporate tax in Norway. However, a foundation deemed as commercial according to the Foundations Act, may in some cases not conduct taxable activities and meet the criteria for tax exemption. There were 854 commercial foundations registered in Norway in March 2016.

Ownership and Identity Information Requirements

115. The 2011 Report concluded that the identification of founders and representatives of the foundation must be submitted to the Register of Foundations and kept updated. It further concluded that identification of the

2. Prop. 76 L (2016-2017): https://www.regjeringen.no/no/dokumenter/prop.-76-l-20162017/id2546083/sec1.

foundation's beneficiaries is contained in foundation's accounting records. There has been no change since the first round review in the respective rules.

116. Practical implementation of the relevant rules was found to be in line with the standard during the first round review. There has been no change in Norway's practices since then. Norway's practices in relation to foundations' registration and keeping the filed information updated are generally the same as in respect of other registered entities. This is because the Register of Foundations forms part of the Central Co-ordinating Register for Legal Entities operated by the Brønnøysund Register Centre. Upon registration, foundations receive unique organisation number required to be used on their webpage, in business communication and documents, and in contact with government authorities including the tax administration. Information contained in the Register of Foundations is relied upon by government authorities and third parties including banks and therefore foundations are motivated to keep the information updated.

117. All foundations are required to file their annual accounts with the Register of Annual Accounts. The compliance rate with this requirement has been steadily high over the last three years at over 90%. In 2015 out of over 7 000 foundations the annual accounts were not filed within the statutory deadline by about 600. Failure to file annual accounts triggers a default fine from the Register of Annual Accounts.

118. Supervision of foundations' obligations under the Foundations Act is the primary responsibility of the Gaming and Foundation Authority (Foundation Authority). The Foundation Authority is staffed with 70 employees out of which 15 are exclusively conducting on-site and off-site supervision of the registered foundations. The Foundation Authority can start an inquiry of the foundation's activities with the inquiry performed either by the Authority itself or by an authorised third party. If gaps in respect of record keeping and management of the foundation are found the Foundation Authority can change or remove the foundation board. In most cases the identified deficiencies are addressed upon notice from the Foundation Authority without a need to proceed with changing or replacing the board. The Foundation Authority proceeded with changing the board in 27 cases and completely removed the board in one case during 2014-16 period. Financial sanctions for failure to administer a foundation in accordance with the law or its statutes can be applied by the Police based on input by the Foundation Authority. The Foundation Authority reported a foundation's board to the Police in 10 cases in 2014, in nine cases in 2015 and in five cases in 2016. About half of these reports were dismissed by the Police. The fact that the supervisory authority does not have the power to apply financial sanctions (or other proportionate coercive measures) directly may have negative impact on efficiency of its supervision in respect of certain administrative failures where removal of the board or report to the Police are

not considered appropriate measures such as in cases of failure to provide certain information to the Foundation Authority or public registers. Norway should therefore consider strengthening the Foundation Authority's enforcement powers. However, the Foundation Authority's power to remove the foundation board is believed to mitigate the concern as was also confirmed by the Norwegian authorities.

Beneficial ownership information

119. As in the case of other entities or arrangements, an explicit requirement to take measures to identify beneficial owners of a foundation is contained in the AML Act (ss.2(3), 5 through 7 AML Act). The AML law requires financial institutions and relevant DNFBPs to conduct CDD measures. The CDD procedure requires obligated entities to collect information sufficient for identification and verification of each customer, to identify their beneficial owners and to take reasonable measures to verify identity of these beneficial owners. The obligated entity is also required to obtain additional information to understand the customer's circumstances and business (ss.5 through 8 AML Act). The obligated entities are required to record and keep data which unequivocally identify beneficial owners for five years and sanctions are applicable in cases of non-compliance (ss.4, 8, 28 AML Act).

120. All foundations must have their annual accounts audited by registered or state authorised auditors (s. 1-2 Accounting Act and 2-1 of the Auditing and Auditors Act). Pursuant to section 4 of the AML Act auditors are AML obligated persons and therefore required to conduct CDD in respect of the audited foundation. Consequently, identification of beneficial owners in line with the standard is required to be available in respect of all foundations established under the Norwegian law.

121. In addition, certain information relevant to identification of the beneficial owners is also required to be available mainly based on the Foundation Act. Under the Foundation Act a foundation must be governed by an independent board (s. 27 Foundation act) and no distributions may be made to the founder, the founder's closely related parties or to companies in which either of these individually or jointly have a controlling interest (s. 2 and 19 Foundation Act). A "closely related party" is defined as a spouse or person with whom the person in question lives in a marriage like relationship (s. 5(a) Foundation Act). The board is called "independent" because the following persons are not allowed to be the sole members of the board unless the Foundation Authority accepts it: (i) persons who have contributed to the foundation's founding capital, or are a "closely related party" to such persons (including for example children and cousins in the first degree, (ii) persons who have control over the legal person which contributed to the foundation's founding capital, or are either subordinated, employed or superior to

the person(s) contributing to the capital, (iii) persons who have "controlling interest" in a company which contributed to the foundation's capital, or are a "closely related party" to such person (s. 27(2) Foundation Act). A "controlling interest" is either direct or indirect ownership over a sufficient number of shares to have a majority of voting rights in a foundation, or the power to appoint or depose a majority of the board members in a foundation (s. 4(3) Foundation Act). Therefore in order to verify whether a foundation is established and run in line with the law certain beneficial ownership information is required to be available to the Foundation Authority.

122. In practice, CDD measures performed by AML obligated persons in respect of foundations are supervised in the same way as CDD measures carried out in respect of other entities (see further section A.1.1). In addition to the supervision of AML obligations, supervisory measures taken by the Foundation Authority require certain beneficial ownership information to be available with the Foundation Authority or the foundation. It can be therefore concluded that the availability of beneficial ownership information in respect of foundations is therefore adequately ensured in practice.

Other relevant entities or arrangements

123. The 2011 Report also analysed the availability of information in respect of non-profit organisations (NPOs) (e.g. charitable organisations, associations, investment clubs). The report noted that NPOs are not required to register with the register of Non-Profit Organisations but often do so in order to receive government or private support. The registered information has to include the name of the non-profit organisation, the organisation number, registration date, address, bank account number and category (for instance culture or sport). NPO's statutes may also be registered. The report further noted that certain NPOs are obligated to prepare annual accounts and submit them to the Register of Company Accounts. The annual accounts include information on beneficiaries or class of beneficiaries and representatives of the NPO. If an NPO engages an AML obligated person then the obligated person will be required to maintain ownership and identity information regarding the NPO. No gap in obligations to keep ownership information in respect of NPOs or their implementation in practice was identified in the first round review and since then there has been no change in the applicable rules or practices. Supervisory practices to ensure NPOs compliance with their legal requirements carried out by the Brønnøysund Register Centre or tax administration do not differ from supervision of other entities as described above (see further section A.1.1).

124. The main source of beneficial ownership information in respect of NPOs is requirements under the AML law. The AML law obliges financial institutions and relevant DNFBPs to conduct CDD measures which require

the obligated entities to identify the beneficial owner, to take reasonable measures to verify his/her identity and to obtain additional information to understand the customer's circumstances and business (ss.5 through 8 AML Act). The obligated entities are required to record and keep data unequivocally identifying beneficial owners (s. 8 AML Act). Such data must be maintained for five years and sanctions are applicable in cases of non-compliance (ss.4 and 28 AML Act). As in case of other entities, a specific obligation to identify beneficial owners does not cover all domestic NPOs because such obligation is contained in the AML law and not all NPOs are required to engage an AML obligated person. While the scope of the AML coverage is arguably rather broad in practice, it is nevertheless recommended that Norway ensures that identification of beneficial owners of all domestic NPOs is available in Norway as required under the standard.

125. Implementation of the above rules is supervised in the same way as in relation to other entities and therefore the same conclusions apply. As already pointed out in section A.1.1, the AML supervisory measures are adequate and appear to ensure that the beneficial ownership information is required to be kept in practice also in respect of NPOs. It is noted that the relevance of these entities is likely limited given their non-profit purpose. This was also confirmed in practice as no EOI request related to NPOs during the period under review.

A.2. Accounting records

Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements.

126. The 2011 Report concluded that Norway's legal framework requires relevant entities and arrangements to keep accounting records and underlying documentation in line with the standard. The main accounting rules are contained in the Bookkeeping Act and the Act on Annual Accounts (Accounting Act). The accounting rules oblige relevant entities and arrangements to keep accounting records which correctly explain all transactions, enable the financial position of the entity or arrangement to be determined with reasonable accuracy at any time and allow financial statements to be prepared. There has been no change in these rules since the first round review.

127. Implementation of accounting requirements in practice is adequate and ensures availability of accounting records in practice in line with the standard. The 2011 Report did not raise any concern in respect of practical availability of accounting information and the relevant requirements continued to be appropriately implemented also during the current reviewed period. Supervision of accounting requirements is carried out through filings with the Register of Annual Accounts and with the tax administration, through tax

audits and by auditors where annual accounts of the entity are audited. The compliance rate with filing requirements to the Register of Annual Accounts as well as with the tax administration is high and remains over 90% over the last three years. In cases where deficiencies were identified remedial actions were requested and sanctions applied.

128. Availability of accounting information was also confirmed in Norway's EOI practice. During the review period 57 requests received by Norway related to accounting information. The vast majority of these requests were in respect of accounting records of companies. Unless specific underlying accounting documents are requested, accounting records are directly available to the tax administration based on the entity's filing requirements. In one case reported by a peer, Norway failed to provide underlying accounting documents of a liquidated company. The information was not provided because the company was in breach of its accounting obligations also during its existence, however, accounting information filed with the tax administration was provided (see further section C.5.1).

129. The new table of determinations and ratings is as follows:

Legal and Regulatory Framework
Determination: In Place
Practical implementation of the standard
Rating: Compliant

ToR A.2.1: General requirements

130. The 2011 Report concluded that the Bookkeeping Act and the Accounting Act oblige relevant entities and arrangements to keep accounting records which correctly explain all transactions, enable the financial position of the entity or arrangement to be determined with reasonable accuracy at any time and allow financial statements to be prepared. There has been no change in the relevant rules since the first round review.

131. Accounting obligations in Norway are primarily governed by the Accounting Act and the Bookkeeping Act. Generally, the Accounting Act requires particular types of legal entities to produce and register with the Register of Company Accounts their annual financial statements and auditor's report. The Bookkeeping Act requires all legal entities with an accounting obligation under the Accounting Act and legal entities or arrangements with tax or VAT liability to maintain detailed accounting records in accordance with generally accepted bookkeeping principles. These principles are issued by the Norwegian Bookkeeping Standards Board (Bokføringsstandardstyret til Norsk RegnskapsStiftelse).

132. According to the Auditing and Auditors Act, entities with a statutory obligation to keep accounting records pursuant to the Accounting Act must ensure that their annual accounts are audited by a registered auditor or state authorised auditor (s. 2-1 Auditing and Auditors Act). The exemption from this requirement was extended in 2011 after the first round review to cover all entities that have total revenue of less than NOK 5 million (EUR 557 130), balance sheet assets not exceeding NOK 20 million (EUR 2.2 million) and less than 10 man-labour years. Entities meeting these criteria have to decide on non-auditing during the General assembly meeting. According to the information from the Norwegian authorities about 50% of all entities registered with the Brønnøysund Register Centre are not required to have their accounts annually audited. The exact proportion of companies audited by an authorised auditor is 54% as of November 2016, i.e. out of 283 573 registered companies 153 661 have their accounts audited by an authorised auditor. Based on the statistics provided by the Brønnøysund Register Centre in respect of the 2015 financial year, in total 9.5% of private LLCs did not have their accounts prepared or audited by an auditor or an accountant. In respect of other entities, the proportion of entities which did not engage an accountant or an auditor is about 20%.

133. Companies, foundations and some partnerships are obligated to submit their annual accounts to the Register of Company Accounts (s. 1-2 Accounting Act). Partnerships are not obligated to submit their annual accounts if they have had sales revenues of less than five million kroner (EUR 557 130) over the year and an average of less than five man-labour years employed, provided that the number of partners does not exceed five and none of the partners is a legal entity with limited liability (s. 1-2 Accounting Act). This exemption covers about 50% of partnerships. The Register of Company Accounts is the primary public source of financial information in Norway. Information required to be registered includes the financial statement, director's report and auditor's report where applicable. These are all publicly available at the location of the entity obliged to register annual accounts, or at the Register of Company Accounts (s. 8-1).

134. Responsibility to keep accounting records in accordance with the legal requirement lies with the board of directors of the company concerned as well as the company auditor to the extent provided for under the Auditing and Auditors Act. Negligent or material violation of the Accounting Act is punishable by imprisonment for up to two years and up to six years for aggravating circumstances (s. 8-5). Non-compliance with the provisions of the Bookkeeping Act is punishable by fines or imprisonment up to six years in particularly serious circumstances (s. 15 Bookkeeping Act). If annual accounts are submitted to the Register of Company Accounts late, the entity will be liable to pay a default fine. If the documents have not been submitted within six months after the deadline has expired, the Norwegian Bankruptcy Court may enforce liquidation of the company (s. 8-3 Accounting Act).

135. Although the tax law does not prescribe any specific accounting rules in addition to the rules contained under the Accounting Act and the Bookkeeping Act excerpts from annual accounting records are required to be included in attachment to corporate income tax returns and form basis of corporate taxation (ss. 8-2 and 8-15 TAA). The extent of the accounting information required to be submitted together with the tax return varies based on the type of the taxpayer but always includes profit and loss account and balance sheet. This is the case also in respect of partnerships.

136. A failure to provide information to the tax authority including accounting records is subject to a daily fine representing half of a court fee (i.e. currently EUR 56) and is limited to 100 days (so capped at EUR 5 600) (s. 14-1 TAA). A person who refuses to co-operate during a tax audit is subject to a fine of ten court fees (i.e. currently EUR 1 127) and for repeated violation of 20 court fees (i.e. currently EUR 2 254). The fine is applicable if there has not been a previous penalty charge for the same offence (s. 14-7 TAA). Ultimately a failure to provide the required information may constitute a criminal offence. The penalty is a fine or imprisonment of up to two years (s. 14-12 TAA).

137. Accounting records are required to be kept for at least five years from the end of the period to which they relate. Although the retention period for primary documents under the Bookkeeping Act and the general retention period under the tax law have been shortened since the first round review from 10 to five years the retention period of five years is in line with the standard (s. 13 Bookkeeping Act and s. 12-6 TAA). These retention periods apply regardless of whether the entity has ceased to exist. It is the responsibility of the representatives of the entity (i.e. directors or partners) and if the entity was liquidated (i.e. ceased to exist) of the liquidator to keep the records as required. The general rule under the Bookkeeping Act is that all accounting information must be maintained in Norway. Exemptions are only granted if the material is stored electronically and is accessible online in Norway, and the storage takes place under the auspices of a company in the same group abroad.

Implementation of general accounting requirements in practice

138. The 2011 Report did not identify an issue concerning implementation of accounting requirements in practice and the relevant requirements continued to be appropriately implemented also during the current reviewed period. Supervision of accounting requirements is carried out through filings with the Register of Annual Accounts and with the tax administration, through tax audits and by auditors where annual accounts of the entity are audited.

139. The compliance rate with filing requirements to submit annual accounts to the Register of Annual Accounts is high and remains over 90%

over the last three years. The following table indicates the total number of obligated entities and the number of annual accounts actually filed.

Accounting year	Total number of entities	Number of filed annual accounts	Compliance rate
2013	296 419	269 377	90.8%
2014	304 165	281 667	92.6%
2015	323 227	293 123	90.6%

140. The level of compliance among relevant types of entities does not substantially differ. Companies represent more than 80% of all registered entities in Norway and their compliance rate was 91.3% for year 2013, 92.8% for 2014 and 90.8% for 2015. In cases where annual accounts are not submitted in time a default fine is automatically applied by the register authority. If the accounts are not submitted within six months after the deadline the entity may be liquidated. The registration authority issued 1 386 notifications warning of compulsory liquidation due to the failure to file annual accounts for accounting year 2013 and 1 522 such notifications in 2014. Out of these the entity failed to provide the accounts after the notification and was liquidated in 848 cases in respect of accounting year 2013 (0.2% of all entities) and in 913 cases in respect of accounting year 2014 (0.2% of all entities).

141. Basic accounting information including profit and loss account and balance sheet has to be filed with the annual corporate income tax returns. As previously stated in section A.1, the compliance rate with tax return filing obligations is steadily above 90%.

142. Review of accounting records and their compliance with the applicable accounting rules forms compulsory part of tax audits. Approximately 500 auditors are devoted to conducting tax audits. The tax authority carried out 4 837 audits focused on corporate tax and VAT obligations in 2013, 3 337 such audits in 2014 and 2 688 in 2015 resulting in about 1% of corporate taxpayers audited annually. In cases where deficiencies were identified remedial actions were requested and sanctions applied (see also table below).

Year	Number of issued bookkeeping orders	Number of entities sanctioned for accounting failures
2014	453	29
2015	351	13
2016	360	38

143. In addition to tax audits, the quality of accounting records is also verified through compulsory audits conducted by authorised external auditors. About 50% of all accounting entities have their accounts audited annually.

ToR A.2.2: Underlying documentation

144. The 2011 Report concluded that all legal entities and arrangements with a statutory bookkeeping obligation are required to maintain underlying documentation that reflects inter alia: details of all sums of money received and expended and the matters in respect of which the receipt and expenditure takes place; all sales and purchases and other transactions; and the assets and the liabilities of the relevant legal entity or arrangement (Regulations on Bookkeeping, s. 3-1). There has been no change since the first round in this respect.

145. Underlying accounting documentation is required to be kept for at least five years since the end of the period to which it relates regardless of liquidation of the entity. The Bookkeeping Act differentiates between primary and secondary accounting documentation. The primary documentation includes annual accounting documents and auditor's report, documentation of accounting entries and of the balance sheet. The secondary documentation serves as additional evidence supporting primary documentation and includes underlying accounting documentation such as contracts, price lists or other documentation not directly documenting accounting entries. Under the Bookkeeping Act primary documentation shall be stored for five years and the secondary documentation for three and half years. Although the secondary documentation under the Bookkeeping Act is not required to be kept for five years the retention period under the Bookkeeping Act is supplemented by the retention required under the tax law. According to the TAA a taxpayer is required to keep documents relevant for taxation for at least five years since the end of the taxable period. The requirement to keep documents relevant for taxation is interpreted broadly by the Norwegian authorities and includes underlying documentation as required under the standard. The period of five years may be extended when a tax audit is launched or in criminal cases (s. 11-3 TAA and s. 12-6 TAA). It can be therefore concluded that despite the retention period for primary documents under the Bookkeeping Act and the general retention period under the tax law have been shortened since the first round review from 10 to five years the retention period for underlying accounting documents continues to be in line with the standard.

146. Practical availability of underlying documentation is supervised by the tax administration through tax audits together with availability of other accounting records. The same supervisory and enforcement measures apply as outlined above. Based on the tax audit findings the compliance level with the underlying documentation requirements is high also due to several regulatory requirements to keep such documentation such as the VAT. There were no serious cases identified by the tax administration during the reviewed period that would indicate systemic issue in respect of practical availability of the underlying documentation in Norway.

A.3. Banking information

Banking information and beneficial ownership information should be available for all account holders.

147. The 2011 Report concluded that banks' record keeping requirements contained in the AML, banking and tax law and their implementation in practice were in line with the standard. There has been no change in the relevant provisions or practices since the first round review. Banks are prohibited from opening and keeping anonymous accounts or accounts opened under fictitious names and are obliged to retain copies of documents used in connection with customer due diligence measures and certain identifying information (e.g. name, identity number, address) for five years after the customer relationship has ended or following the carrying out of the transaction. Sanctions apply in case of non-compliance with these obligations. Supervision of banks' record keeping requirements is mainly carried out by the FSA together with the supervision of their AML obligations. In cases where deficiencies were identified supervisory measures were taken and the deficiencies were addressed.

148. Banks' legal obligation to identify beneficial owners of the account holders is generally in line with the standard. Banks are required to conduct CDD measures which include obligation to identify and take reasonable measures to verify the beneficial owner. Further, banks are required to record and keep updated data which is sufficient to unequivocally identify beneficial owners. In respect of accounts opened by trusts, banks are explicitly required to identify only the natural persons who are beneficiaries of 25% or more of the assets of a trust, or the person who is considered to have the main interest in the constitution or management of the trust. The main criteria for being considered a beneficial owner is being the natural person who ultimately owns or controls the trust. The specification of 25 % or more of the assets is the highest bar of constituting ownership or control within the definition of beneficial owner. Therefore, beneficiaries who are entitled to less than 25 % may, in principle, be considered a beneficial owner, however, not necessarily in all cases. This is not entirely in line with the standard and Norway should therefore address this gap. The records must be kept for at least five years and sanctions are applicable in case of non-compliance. The AML supervision generally ensures compliance with the CDD obligations and that AML obligated persons keep beneficial ownership information as required under the Norwegian AML regime.

149. Availability of banking information was also confirmed in EOI practice. During the review period 139 received requests related to banking information. There was no case where the information was not provided because the information required to be kept was not available with the bank.

150. The new table of determinations and ratings is as follows:

Legal and Regulatory Framework		
	Underlying Factor	**Recommendation**
Deficiencies identified in the implementation of the legal and regulatory framework	Banks are required to identify natural persons who ultimately own or control the trust as part of their customer due diligence measures. However, they are not required to identify all of the beneficiaries (or class of beneficiaries) of the trust as only the natural persons who are beneficiaries of 25% or more of the assets of a trust have to be identified in all instances.	Norway should ensure that banks are required to identify all of the beneficiaries (or class of beneficiaries) of trusts which have an account with a bank in Norway as required under the standard.
Determination: In Place		

Practical implementation of the standard
Rating: Compliant

ToR A.3.1: Record-keeping requirements

151. The 2011 Report concluded that banks' record keeping requirements contained in the AML Act and banking and tax law are in line with the standard. There has been no change in the relevant provisions since the first round review. Under Norwegian law banks are prohibited from opening and keeping anonymous accounts or accounts opened under fictitious names (ss.7 and 8 AML Act). Further, all banks operating in Norway are entities with a reporting obligation under the AML Act (s. 2(4) AML Act). In accordance with section 22 of the AML Act, financial institutions are obliged to retain copies of documents used in connection with customer due diligence measures and certain identifying information (e.g. name, identity number, address) for five years after the customer relationship has ended or following the carrying out of the transaction (ss. 7, 8 AML Act). In case of non-compliance with these obligations sanctions apply (s. 28 AML Act). In addition, financial institutions are obliged pursuant to the TAA to maintain bank records pertaining to the accounts as well as to related financial and transactional information and in the case of failure to provide such information sanctions apply (ss.7-3 and 14 TAA).

152. Supervision of banks' record keeping requirements is mainly carried out by the FSA together with the supervision of their AML obligations (see below). If a bank fails to provide the required information to the tax administration the tax administration will take enforcement actions under the TAA however no cases of such failures were reported.

ToR A.3.1: Beneficial ownership information on account holders

153. Banks' obligation to identify beneficial owners of the account holders is contained in the AML law and detailed in the FSA regulations. As described in section A.1.1, the obligated persons including banks are required to conduct CDD measures when establishing a customer relationship, in connection with transactions involving NOK 100 000 (EUR 11 140) or more, when they have a suspicion that a transaction is associated with proceeds of specified crimes or offences or when they have a doubt as to whether previously obtained data concerning the customer are correct or sufficient (s. 6 AML Act).

154. The CDD procedure requires banks to (i) collect information sufficient for identification and verification of each customer, (ii) identify the beneficial owner of the customer, and (iii) take reasonable measures to verify the identity of the beneficial owner so that it is satisfied that it knows who the beneficial owner is. Banks are also required to obtain additional information to understand the customer's circumstances and business including ownership and control structure (ss.5 through 8 AML Act). Beneficial owners are defined as the "natural persons who ultimately own or control the customer and/or on whose behalf a transaction or activity is being carried out" (s. 2 AML Act). Verification on the basis of "reasonable measures" means that it is to be conducted on a risk sensitive basis.

155. The general definition of the beneficial owner is further elaborated by adding five situations (as per those listed in Directive 2005/60/EC Art. 3 No. 6a-b), where a person "in all cases" is to be regarded as a beneficial owner (see further section A.1.1). In respect of trusts the information required to be obtained however does not necessarily cover all of the beneficiaries (or class of beneficiaries) of the trust as required under the standard. The current section 2(3) of the AML Act refers to the natural person who is the beneficiary of 25% or more of the assets of a trust, and to natural persons who have the «main interest» in the establishing and management of the trust. Therefore Norway is recommended to ensure that banks are required to identify all of the beneficiaries (or class of beneficiaries) of the trust which has an account with a bank in Norway. It is nevertheless noted that the materiality of this gap is likely very limited as according to the Norwegian authorities the number of trusts with a bank account opened in Norway is negligible. However, there are no statistics available to confirm their statement.

156. The obligated entities are explicitly required to record and keep data which unequivocally identify beneficial owners (s. 8 AML Act). These records must be kept updated and maintained for five years after the customer relationship has ended or following the carrying out of the transaction (ss.4 and 14 AML Act).

157. An obligated person is allowed to rely on CDD measures applied by specified third parties (e.g. business introducers). However the obligated person is nevertheless required to immediately obtain and keep the above-mentioned records identifying the beneficial owner. The obligated person also remains ultimately responsible for ensuring that CDD measures are applied in accordance with the Norwegian AML Act and applicable AML regulations. Further, third parties in other countries must be subject to CDD and record keeping requirements that are equivalent to those under the Norwegian AML Act and subject to appropriate supervision (s. 11 AML Act). The AML Act however does not expressly require the relying obligated person to satisfy itself that the third party will provide the underlying documentation relating to the CDD requirements upon its request without delay as the obligation is placed on the third party. Such obligation however may be difficult to enforce extraterritorially. Norway should therefore address this concern related to the obligation to provide the underlying documentation placed on the third party.

158. The AML Act provides for sanctions in cases of non-compliance with AML obligations. Any person who wilfully or with gross negligence contravenes provision of the Act is liable to fines. In the case of particularly aggravating circumstances, imprisonment for a term not exceeding one year may be imposed (s. 28 AML Act).

Implementation of obligations to keep beneficial ownership information in practice

159. Supervision of implementation of the obligation to obtain and maintain beneficial ownership information on account holders is carried out by the FSA. The FSA's supervision of banks is carried out generally in the same manner as in respect of other obligated entities as described in section A.1.1.

160. The AML supervision is conducted through on-site and off-site inspections together with general prudential supervision. Availability of beneficial ownership information is regularly checked during all inspections with AML aspects. The FSA has a risk based approach to AML/CFT supervision. The FSA checks the relevant institutions' routines and systems for conducting CDD. On-site inspections encompass spot checks of stored CDD information including information on the beneficial owner of the customer. These spot checks review performed CDD measures including measures how the beneficial owner was identified, how these measures are documented and whether the CDD information is kept updated. Banks' clients documentation is also reviewed when supervising their credit-portfolio. The FSA also assess whether banks allow customers with bearer shares. The quality of the banks' training programmes is also assessed on inspections, in addition to the banks surveillance systems and reporting routines internally and to the FIU. These practices are also contained in the FSA module for supervision of risks linked to money

laundering and terrorist financing which was revised in February 2016. A separate module for internal controls and governance relating to AML/CFT is currently under revision. The FSA updated the 2009 AML/CFT guidance paper in December 2016. The FSA's supervisory measures are adequate and appear to ensure that the beneficial ownership information is required to be kept in practice. However, given that several of these measures are rather recent Norway should monitor their efficiency in practice and continue to enhance its supervisory system where necessary.

161. During 2014 the FSA carried out 17 on-site inspections containing AML elements, in 2015 15 AML on-site inspection and in 2016 14 AML on-site inspections covering annually about 12% of banks. The frequency of AML inspections is higher than in respect of other industries and appears to reflect importance of the banks for availability of beneficial ownership information and risks they are exposed to.

162. If deficiencies in implementation of CDD obligations are identified the FSA issues an order to address the deficiency and bring it in line with the applicable obligation within a stipulated time. During the period under review the FSA identified several cases of various degrees of non-compliance and in all cases remedial actions were taken and the deficiencies were addressed. During the review period the FSA issued 78 letters to banks and credit institutions commenting the individual undertaking's AML/CFT compliance and issued 39 orders to banks to remedy gaps in terms of implementation of their AML obligations. No fines for breaches of AML obligations were applied during the period under review however it is not clear whether the use of fines or other enforcement provisions would be more efficient in ensuring compliance with AML obligations, as the current level of compliance varies and the identified deficiencies were not serious and were in all cases addressed.

163. To sum up, the AML supervisory authorities conduct AML supervision that generally ensures compliance with the CDD obligations and that AML obligated persons keep beneficial ownership information. Over the last three years Norway has taken several measures strengthening its supervision of AML obligations. Practical efficiency of some of these measures remains to be fully tested. Nevertheless, they seem adequate to ensure that the identification of beneficial owners is performed in line with the standard and that the information identifying the beneficial owner is adequate, accurate and up to date.

Part B: Access to information

164. Sections B.1 and B.2 evaluate whether competent authorities have the power to obtain and provide information that is the subject of a request under an EOI arrangement from any person within their territorial jurisdiction in possession or control of such information; and whether rights and safeguards are compatible with effective EOI.

B.1. Competent authority's ability to obtain and provide information

Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information).

165. The 2011 Report concluded that the tax authority's access powers for exchange of information purposes and their exercise in practice are in line with the standard. Since the first round review Norway has adopted a new act regulating tax administration procedures including the tax authority's access powers. The TAA however does not bring substantive changes in respect of the conditions and scope of access powers used for exchange of information purposes and they remain in accordance with the standard.

166. The tax authority has broad access powers to obtain all types of relevant information including ownership, accounting and banking information from any person for both domestic tax purposes and in order to comply with Norway's obligations under its EOI agreements as required under the standard. The tax authorities have powers of discovery and inspection, and are able to compel taxpayers and third party record keepers to produce documents deemed relevant to examination by the tax authorities. There are no limitations on the ability of Norway's tax authorities to obtain information held by a bank or other financial institution for either civil or criminal tax purposes in response to an exchange of information request. Protection of information covered by professional privilege as contained in Norway's law appears line with the standard.

167. The tax authority's access powers are effectively used in practice. The requested information is in most cases already in the hands of the tax administration. In cases where information needs to be obtained from a taxpayer the information is requested using written requests for information. If complex information is requested a tax audit is launched by the local tax office. Compulsory measures are rarely needed to be used for exchange of information purposes as the information is normally already in the possession of the tax authority or provided by the person upon request by the tax authority.

168. The new table of determinations and ratings is as follows:

Legal and Regulatory Framework
Determination: In Place
Practical implementation of the standard
Rating: Compliant

ToR B.1.1: Ownership, identity and bank information and ToR B.1.2: Accounting records

169. The tax authority has broad access powers to obtain all types of relevant information including ownership, accounting and banking information from any person for both domestic tax purposes and in order to comply with Norway's obligations under its EOI agreements.

170. The first round review concluded that appropriate access powers are in place for exchange of information purposes. Since the first round review Norway has brought into force a new act regulating tax administration procedures including the tax authority's access powers. The TAA came into force on 1 January 2017. The TAA does not bring substantive changes in respect of the conditions and scope of access powers used for exchange of information purposes.

171. The tax authority's access powers include the power to:

- request information from taxpayers and other persons – the requested person is obliged to provide upon request by the tax authority any information that may be of importance for his/her accounting or tax obligations. The tax authority may require that the information is provided through access to, or submission of, accounting material including underlying documents or any other appropriate documentation. The requested person is obliged to provide the information regardless of its confidentiality imposed by law or otherwise (s. 10-1 TAA);

- request information from third parties – any third party is obliged to provide upon request by the tax authority any information that may be of importance for someone's tax obligations. Notwithstanding the duty of confidentiality, lawyers and other third parties are obliged to provide at the request of the tax authority information about remittances, deposits and liabilities, including parties of transactions conducted through their accounts on behalf of their clients (s. 10-2 TAA) (see further section B.1.5);
- conduct tax audits – the tax authority can carry out an audit of a person obliged to provide information under the TAA. The audited person has an obligation to provide information which may be of importance for his/her or somebody else's tax obligations. The audited person is obligated to give the tax authority access to inspect and review the relevant documents and assets such real estates, business facilities or vehicles. When reviewing documents, the tax authority may make copies of the data for subsequent review. The audited person may be required to be present at the audit and provide the necessary guidance and assistance (s. 10-4 TAA).

172. All these powers can be used also for EOI purposes. There are no specific information gathering powers granted solely for EOI. There are also no specific procedures or additional conditions for use of information gathering powers in respect of different types of information or pursuant to group requests (i.e. requests where the taxpayer is not individually identified).

Access to ownership, accounting and banking information in practice

173. In the majority of cases the information requested in the EOI context is already contained in the tax administration's databases and therefore no use of access powers is required. In cases where the information is not already at its disposal, the tax administration will request the information through written letters to the information holder (who can be also the taxpayer subject of the request). The request letter is usually issued directly by the EOI Unit within COFTA under section 10-1 or under section 10-2 of the TAA (previously sections 6-1 and 6-2 of the Tax Assessment Act). The deadline for provision of the requested information is typically two weeks. Where more complex information is requested or in the limited number of cases where the information holder does not provide the requested information based on the written request, a tax audit under section 10-4 of the TAA is launched by the local tax office.

174. The main source of ownership information for EOI purposes is the tax administration's internal databases. The most relevant databases in this respect are the tax administration's Register of shareholders and

the internal taxation system (SL). These databases include information obtained by the tax administration for administration of tax obligations and include legal ownership information, certain beneficial ownership information and identification of taxpayers' representatives (see further section A.1.1). The information contained directly in the tax databases can be further supplemented by the information contained in registers operated by the Brønnøysund Register Centre (i.e. mainly the Register of Business Enterprises and the Register of Legal Entities) and available with the Central Securities Depository. The main source of the accounting information is the Register of Company Accounts. The register is publicly available and the tax authorities have direct access to the information contained therein. Basic accounting information is also contained in annual income tax returns and available in the tax databases. Underlying accounting documentation is typically obtained from the entity itself. Certain information on invoices and contracts can be also retrieved from the tax databases mainly based on VAT obligations. Banking information in the EOI context is typically gathered from banks by the EOI Unit. If simple banking information such as the name of the bank account holder or the bank account number is requested the information is available in the tax database based on banks obligation to report to the tax administration information on all bank accounts opened in Norway.

175. During the period under review the requested information was already in the hands of the tax administration in about 60% of cases. In the remaining cases the information was requested from the information holder using the tax administration's access powers. If complex information was requested a tax audit was launched by the local tax office. This was however necessary only in about 10% of the cases during the reviewed period. In seven cases over the reviewed period (less than 1% of received requests) the requested information had to be obtained through a tax audit because the information holder did not provide the requested information upon written request by the EOI Unit. According to the statistics reported by the Norwegian authorities about 70% of the audit cases is answered within 70 days. Accordingly, there has been no case during the reviewed period where the scope of access powers would have limited obtaining information for EOI purposes.

ToR B.1.3: Use of information gathering measures absent domestic tax interest

176. The concept of "domestic tax interest" describes a situation where a contracting party can only provide information to another contracting party if it has an interest in the requested information for its own tax purposes.

177. Norway has no domestic tax interest requirement with respect to its information gathering powers. This was also concluded in the first round

review. Since the first round review the TAA has come into force however it does not contain any changes in this respect since the previous legal regulation. The purpose of use of access powers stipulated as "may be of importance for tax obligations" is interpreted by the Norwegian authorities as including provision of information relevant for fulfilling obligations under Norway's agreements providing for exchange of information for tax purposes. This interpretation of the tax authority's access powers has been confirmed over decades of EOI practice. Further, based on the Tax Treaty Act of 28 July 1949 all of Norway's exchanges of information agreements form part of the domestic law with the same legal status as an Act of Parliament.

178. During the period under review Norway received several requests where the requested information was not needed for its domestic tax purposes and the requested information was provided in all cases. These cases mainly concerned information on bank accounts, property information and ownership of companies. In none of these requests the issue of domestic tax interest was raised and accordingly no issue in this respect was reported by peers.

179. Use of domestic access powers for exchange of information purposes is not limited by the statute of limitations as was also confirmed in practice. Information can be requested even if the relevant taxable period is considered closed for domestic tax purposes. The tax period is considered closed after five years after its end and after ten years after its end in criminal cases (s. 12-6 TAA). In cases where the tax period is closed there is also no retention requirement under the TAA. Nevertheless, the requested person is still obliged to provide the requested information if it is at his/her disposal (ss.10-1 and 10-2 TAA).

ToR B.1.4: Effective enforcement provisions to compel the production of information

180. Jurisdictions should have in place effective enforcement provisions to compel the production of information. The 2011 Report concluded that Norwegian tax authorities have broad powers to compel the production of information from natural and legal persons in line with the standard. The tax authorities have powers of discovery and inspection, and are able to compel production of any documents deemed relevant to their examination from taxpayers and third party record keepers.

181. Since the first round review the TAA has come into force. However, there is no significant change in the tax administration's broad compulsory powers. If a person refuses to co-operate during a tax audit Norway's police force is required to provide assistance, at the request of the tax authorities, in order to obtain information relevant for the tax audit e.g. through search of premises (s. 10-12 TAA).

182. Sanctions for failure to provide information requested by the tax administration have been strengthened in the TAA. Instead of a fixed penalty, a fine per day of delay applicable directly by the tax administration has been introduced. The daily fine represents one court fee (i.e. currently EUR 112) for information from third parties and half of a court fee (i.e. currently EUR 56) for information from the taxpayer (ss.7 and 8 TAA). In both cases the fine is limited to 50 court fees (i.e. currently EUR 5 600) (s. 14-1 TAA). A person who refuses to co-operate during a tax audit is subject to a fine of ten court fees (i.e. currently EUR 1 127) and for repeated violation of 20 court fees (i.e. currently EUR 2 254). The fine is applicable if there has not been a previous penalty charge for the same offence (s. 14-7 TAA). Ultimately a failure to provide the required information may constitute a criminal offence. The penalty is a fine or imprisonment of up to two years (s. 14-12 TAA).

183. In practice, compulsory measures are rarely needed to be used for exchange of information purposes as the information is normally provided by the person upon request by the tax authority. During the current period under review there has been no case where a person refused to provide the information. Since late 2014 majority of the information from taxpayers and third parties is obtained directly by the EOI Unit. The letter requesting the information contains a note that if the information is not provided the case will be transmitted to the local tax office and a tax audit will be launched. In seven cases during the period under review a person did not provide the information upon request by the EOI Unit and the case was therefore referred to the local tax office. In all these cases the information was subsequently obtained by the local tax office.

ToR B.1.5: Secrecy provisions

184. Jurisdictions should not decline on the basis of its secrecy provisions to respond to a request for information made pursuant to an exchange of information mechanism, unless such disclosure would be in breach of rights and safeguards of taxpayers and third parties as guaranteed under the standard. There are two types of secrecy protection in Norway which are of particular importance in the exchange of information context. These are bank and professional secrecy rules.

Bank secrecy

185. There are no limitations on the ability of Norway's tax authorities to obtain information held by a bank or other financial institution for either civil or criminal tax purposes in response to an exchange of information request. Accordingly the 2011 Report concluded that the scope of bank secrecy is in line with the standard. Since the first round review the TAA came into force, however the rules governing access to banking information remain the same.

186. According to the Act on Financial Undertakings and Financial Groups section 16-2 financial undertakings are under obligation to prevent unauthorised parties from gaining access to or knowledge of information about business or personal circumstances of their clients or other parties which the undertaking receives during the conduct of its business except where the undertaking is required by law or law regulations to disclose such information. As already described in section B.1.1, the tax administration's authority to obtain information protected by banking secrecy is contained in section 10-2 of the TAA and therefore protection of information held by banks does not apply in respect of information requested by the tax administration.

187. In practice there has been no case during the period under review where banking secrecy would prevent the tax authority from accessing the requested banking information. Banking information is normally obtained directly by the EOI Unit through a request letter issued under section 10-2 of the TAA (previously s. 6-2 of the Tax Assessment Act). The request letter contains identification of the account holder, description of the requested information, reference to the domestic law under which the information is requested and a two weeks deadline to provide the information. The identification of the account holder may be done by provision of one or more identificators which allow unique identification of the person. This can be done through provision of his/her Norwegian TIN, name, address, date of birth, a bank account number or a bank card number. Provision of the Norwegian TIN number is the most efficient identifier as it allows to find all bank accounts held by the taxpayer in Norway, including the name of the banks. According to the Norwegian authorities, co-operation with banks is well established over the years and no delays in obtaining the requested banking information have been experienced during the reviewed period. Accordingly, no concerns in respect of access to banking information were raised by peers either.

Professional secrecy

188. The 2011 Report concluded that legal professional privilege as contained in Norway's law is in line with the standard. According to the Criminal Code, attorneys who, contrary to law, reveal any secret which is entrusted to them in their position as an attorney, will be punished either by imposition of a fine or by imprisonment. This has been interpreted to mean that communications between a client and an attorney are, generally, only privileged to the extent that the attorney acts in his or her professional capacity as an attorney. Where an attorney acts in any other capacity other than as an attorney (e.g. as a real estate broker), the attorney-client privilege does not apply. In this case, exchange of information resulting from and relating to any such communications cannot be declined because of the attorney-client privilege. There has been no change in the regulation of professional legal

privilege since the first round review and there is also no practical experience during the period under review which would indicate that legal professional privilege unduly restricts effective exchange of information.

189. Application of legal professional privilege in respect of beneficial ownership information obtained by attorneys pursuant to their AML obligations is less clear. Nevertheless the rules described above granting privilege to confidential communication between a client and an attorney acting in such capacity apply. Protection of information kept by attorneys (or registered lawyers in general) allows for certain exceptions and it is not absolute. However, the inclusion of information required for tax purposes as a criterion for an exception from the protection is not unambiguously provided. Nor has it been tested in practice as the practical need to request information from these professionals has been limited.

190. It appears that ownership information in respect of their clients and beneficial ownership information obtained pursuant to AML obligations in particular does not typically form part of the protected client case files and therefore should be disclosable to the tax authority upon request. Further, notwithstanding the legal professional privilege, lawyers and other third parties are obliged at the request of the tax authority to provide information about remittances, deposits and liabilities, including the parties to the transfers, in their accounts belonging to a taxpayer. (s. 10-2(2) TAA). Nevertheless, taking into account the scope of uncertainty it is recommended that Norway considers measures how to clarify this issue so that it does not unduly restrict access to the tax relevant information. The Norwegian Ministry of Finance appointed a committee in 2017 that will review the possibility of placing further limitations on the privilege on tax related information communicated to legal professionals and tax advisers. The committee shall deliver its report by 31 December 2018.

191. Neither accountants nor auditors can claim professional privilege against the tax authority. There is no specific regulation for tax advisors under the Norwegian law and as such there is no professional privilege granted for persons who provide tax advice. Most professional tax advisors are lawyers or accountants.

192. Information kept by professional participants on securities markets is not protected from being disclosed to the tax authorities upon their request (s. 10-2 TAA).

193. In practice, where the information is not already in the hands of the tax administration the tax administration requests information directly from the taxpayer who is obliged to provide the requested information (or from banks where banking information is requested). Accordingly, there was no case during the period under review where the information needed to be

requested from an attorney, auditor or other professional not acting on behalf of his/her client under the power of attorney and there was also no case when a person refused to provide the information requested because of professional privilege. It is, however, common for the information to be supplied by legal professionals acting on behalf of their clients as their legal representatives.

B.2. Notification requirements, rights and safeguards

The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information.

194. Rights and safeguards contained in Norway's law are compatible with effective exchange of information. Norway's law does not require notification of the persons concerned prior or after providing the requested information to the requesting jurisdiction. There has been no change in this respect since the first round review.

195. Use of access powers to obtain the requested information can be subject to appeal by the person requested to provide it on the grounds that there is no legal obligation to obey the order. Nevertheless, appeal rights are seldom used to object to provision of information to the tax authority given its broad access powers and prevailing compliance culture among Norwegian taxpayers. There has been no change in the rules governing appeal rights in the context of exchange of information and, as already concluded in the 2011 Report, they appear compatible with effective exchange of information.

196. The new table of determinations and ratings is as follows:

Legal and Regulatory Framework
Determination: In Place
Practical implementation of the standard
Rating: Compliant

ToR B.2.1: Rights and safeguards should not unduly prevent or delay effective exchange of information

197. The rights and safeguards that apply to persons in the requested jurisdiction should be compatible with effective exchange of information.

198. There is no requirement to notify the person who is object of the request of any steps in obtaining the requested information unless the person is the information holder from which the information is requested (see further section B.1.1 and C.3.1). There has been no change in the applicable rules since the first round review.

199. In respect of appeal procedures applicable in the context of exchange of information the 2011 Report concluded that they appear compatible with effective exchange of information. Since the first round the TAA came into force, however the main rules concerning appeal rights remain unchanged. Requesting information pursuant to Chapter 10 (including sections 10-1, 10-2 and 10-4) of the TAA can be appealed by the requested person on the grounds that there is no legal obligation to obey the order (s. 10-13(1) TAA). The appeal may be done also verbally and must be made within a week since receiving the tax authority's request to provide the information (s. 10-13(2) TAA). The authority that has issued the request should either agree or as soon as possible present the appeal to the next highest authority for a decision (s. 10-13(3) TAA). In the exchange of information context this is normally the Tax Directorate. In the cases where the Tax Directorate has issued the request the Ministry of Finance is the appeal authority. Decisions on the appeal are typically made within two months of receiving an appeal.

200. There are no further administrative appeal rights after the appeal authority has made a decision. The appeal does not have deferral effect unless the authority that issued the order is of the view that the appeal raises reasonable doubt about its legality. Regardless of the deferral the information may be secured by the tax authorities, sealed and brought to the tax office for safe keeping until the appeal is decided (s. 10-13(4) TAA). The requested person may also bring the case to the civil court (s. 15-1 TAA). Nevertheless regulations regarding safe keeping of the information also apply when the case is brought to the court. A taxpayer can challenge the tax authority's use of access powers by submitting an application to the court for a temporary precautionary measure. The court proceedings in these matters are quicker than ordinary court proceedings and in typical cases the court makes a decision within a few days or weeks. If the court decision is appealed the Appeal court normally make its decision within four to five months. If subsequently an appeal to the Supreme Court is admitted the decision is typically made within six months.

201. During the period under review there was no case where obtaining or providing of the requested information was appealed in administrative or court proceedings. Appeal rights are seldom used to object to the provision of information to the tax authority given its broad access powers and the prevailing compliance culture among Norwegian taxpayers. It can be concluded that appeal rights contained in Norway's law do not unduly prevent or delay exchange of information and are therefore in line with the standard.

Part C: Exchanging information

202. Sections C.1 to C.5 evaluate the effectiveness of Norway's EOIR practice by reviewing its network of EOI mechanisms – whether these EOI mechanisms cover all its relevant partners, whether there were adequate provisions to ensure the confidentiality of information received, whether it respects the rights and safeguards of taxpayers and third parties and whether Norway could request and provide information under its network of agreements in an effective manner.

C.1. Exchange of information mechanisms

Exchange of information mechanisms should provide for effective exchange of information.

203. Norway has a broad network of EOI agreements in line with the standard. At the time of the first round review Norway has signed agreements with 109 jurisdictions, 91 of which were in force. Of these, 106 agreements met the standard. Since then the number of Norway's EOI partners has increased by another 34 jurisdictions covering now 143 partners. All agreements signed after the first round review meet the international standard. The two old DTCs which were found not in line with the standard at the time of the first round review have not yet been renegotiated and therefore remain not in line with the standard.[3] In summary, Norway's EOI network covers 143 jurisdictions through 85 DTCs, 41 TIEAs, the Multilateral Convention and the Nordic Convention. Out of these 143 jurisdictions Norway has an EOI instrument in line with the standard with 141 jurisdictions. Norway has an EOI instrument in force with 136 of 143 jurisdictions.[4]

204. Norway's EOI agreements are in practice applied in line with the standard. No issue in this respect was identified in the first round review and no issue was identified during the current period under review either. Norway

3. These are the DTCs with Côte d'Ivoire and Trinidad and Tobago.
4. The remaining seven jurisdictions are Burkina Faso, Dominican Republic, El Salvador, Gabon, Guatemala, Kuwait and Vanuatu.

provides information to the widest possible extent including information pursuant to group requests as was also confirmed by peers.

205. The new table of determinations and ratings is as follows:

Legal and Regulatory Framework
Determination: In Place
Practical implementation of the standard
Rating: Compliant

ToR C.1.1: Foreseeably relevant standard

206. Exchange of information mechanisms should allow for exchange of information on request where it is foreseeably relevant to the administration and enforcement of the domestic tax laws of the requesting jurisdiction. All of Norway's EOI agreements provide for exchange of information in line with the standard of foreseeable relevance with the exception of three older DTCs.

207. The 2011 Report noted that Norway's DTC with Trinidad and Tobago (signed in October 1969) contains additional language, stating that it applies to "… such information (being information which is at their disposal under their respective taxation laws in the normal course of administration) as is necessary …". As the bracketed text limits the exchange of information article to information already at the parties' disposal under taxation laws and to information which is at their disposal in the normal course of administration the agreement was found not in line with the foreseeably relevant standard. Since the first round review Norway contacted Trinidad and Tobago through diplomatic channels in June 2015 and February 2016 to renegotiate the existing EOI provision to bring it in line with the international standard. However, it has not received a response.

208. Norway's DTC with Côte d'Ivoire (signed in February 1978) limits exchange of information only for the purposes of application of the treaty, i.e. it does not provide for exchange of information to assist in the administration or enforcement of the domestic tax laws of the contracting parties. Therefore, this agreement does not meet the foreseeably relevant standard. As Norway's EOI relation with Côte d'Ivoire is solely based on the DTC it is recommended that Norway brings its EOI relation with this partner in line with the standard.

209. The 2011 Report concluded that Norway implements the foreseeable relevance criteria in line with the standard and that information required by Norway to be included in the request does not go beyond Article 5 paragraph 5 of the Model TIEA and its commentary. No change has been encountered since the first round review in Norway's practice in this respect.

No issue concerning Norway's interpretation of foreseeable relevance was reported by peers either.

210. Norway does not require any particular information to demonstrate foreseeable relevance and does not require a specific template to be used for incoming requests. However, a request must be substantiated by providing the background for the case and explanation why the information is relevant. Identification of the taxpayer can be done by providing a number of indicators e.g. the name, address, TIN, date of birth or other criteria to identify the taxpayer. Frequently more than one identificator is necessary to uniquely identify the taxpayer. Normally name and date of birth would suffice to identify the taxpayer.

211. During the period under review Norway requested clarifications in relation to three requests out of 666 received requests as these requests did not contain sufficient information to establish foreseeable relevance of the requested information. No clarifications were received for two of these requests and these requests were declined. In the remaining case a clarification was provided and the request was processed. In a few cases Norway provided partial responses and requested clarification in order to provide further information.

Group requests

212. None of Norway's EOI agreements contains language prohibiting group requests. No such provision is contained in Norway's domestic law either. Norway interprets its agreements and domestic law as allowing to provide information requested pursuant to group requests in line with Article 26 of the OECD Model Tax Convention and its commentaries.

213. During the period under review Norway received four group requests. No difficulties in answering these requests were encountered by Norway or reported by peers. The same procedures apply as in respect of other requests (see further section C.5.2). For future references the Norwegian Competent Authority would however highlight that it would be preferable for the competent authorities to enter into a dialogue before submitting a group request to facilitate processing of such requests.

ToR C.1.2: Provide for exchange of information in respect of all persons

214. None of Norway's EOI agreements restricts the scope of exchange of information to certain persons with the exception of the DTC with Trinidad and Tobago. The 2011 Report noted that the agreement with Trinidad and Tobago provides for the exchange of information for carrying out the provisions of

the agreement and therefore is only applicable provided one of the persons concerned is resident in one of the Contracting States. As already pointed out, since the first round review Norway has contacted Trinidad and Tobago to renegotiate the existing EOI provision. However, it has not yet received a response.

215. No restriction in respect of persons on whom information can be exchanged has been experienced in practice. Accordingly no issue in this respect has been indicated by peers either.

ToR C.1.3: Obligation to exchange all types of information

216. The 2011 Report noted that all of Norway's DTCs signed or amended by protocol after 2005 contain Article 26(5) of the OECD *Model Taxation Convention* which provides that a contracting state may not decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person. However, as Norway's older DTCs do not contain such a provision it was concluded that Norway should continue to renegotiate its older DTCs to include Model Article 26(5) of the OECD *Model Taxation Convention*.

217. Since the first round review Norway has concluded new agreements replacing older agreements or protocols amending existing treaties in order to include Model Article 26(5) with 18 jurisdictions[5] and negotiations for that purpose are underway with further 13 jurisdictions. The number of jurisdictions covered under the Multilateral Convention which includes Model Article 26(5) has increased from 24 in August 2010 to 111 in May 2017 further limiting the number of jurisdictions whose EOI relation with Norway is based solely on a DTC without Model Article 26(5).

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5. These 18 jurisdictions are Barbados, Belgium, Brazil, Bulgaria, Cyprus[a], Former Yugoslav Republic of Macedonia, Germany, India, Jamaica, Malta, Netherlands, Portugal, Romania, Serbia, South Africa, Switzerland, United Kingdom and Zambia.

a. Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

218. All of Norway's EOI agreements signed since the first round review contain wording akin to Model Article 26(5).

219. As discussed under element B.1, there are no limitations in Norway's laws or practices with respect to access to bank information, information held by nominees, and ownership and identity information and therefore the absence of Model Article 26(5) in the EOI agreement may restrict exchange of information only if such restriction exists in the domestic law of Norway's partner. Such restriction exists in the case of Trinidad and Tobago which is also not a Party to the Multilateral Convention. Norway has already requested re-negotiation of the EOI article with Trinidad and Tobago however it has not received a response yet. Further, there are 15 jurisdictions whose EOI relation with Norway is also solely based on a DTC without Model Article 26(5) and which may have restrictions in respect to access all types of relevant information but have not been reviewed by the Global Forum.[6] This is however not a concern in practice as Norway's powers to access and provide the relevant information are not constraint by a reciprocity requirement and Norway will provide the requested banking information regardless of whether the treaty partner can provide such information reciprocally. It is also noted that significant improvement in updating the EOI network has been already achieved by Norway since the first round review and that Norway is active in updating its treaty network in line with the model wording.

220. In practice, there was no case during the period under review where the requested information was not provided because it was held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person. No issue has been reported by peers in this respect either.

ToR C.1.4: Absence of domestic tax interest

221. The situation in respect of Norway's agreements containing Model Article 26(4) is the same as in respect of obligation to exchange all types of information as required under Model Article 26(5). All of Norway's DTCs signed or amended by protocol after 2005 include Model Article 26(4) containing obligation to provide the requested information regardless of domestic tax interest. However as most of Norway's older DTCs do not contain such a provision the 2011 Report concluded that Norway should continue to renegotiate its older DTCs to include paragraph 26(4) of the OECD *Model Taxation Convention*.

6. These 15 jurisdictions are Bangladesh, Benin, Bosnia and Herzegovina, Egypt, Gambia, Côte d'Ivoire, Montenegro, Nepal, Sierra Leone, Sri Lanka, Tanzania, Thailand, Venezuela, Viet Nam and Zimbabwe.

222. As already mentioned under element C.1.3, since the first round review Norway has concluded 18 new agreements replacing older agreements and protocols amending existing treaties in order to include Model Article 26 and negotiations for that purpose are underway with further 13 jurisdictions. The number of jurisdictions covered under the Multilateral Convention has significantly increased further limiting the number of jurisdictions whose EOI relation with Norway is based solely on a DTC without Model Article 26(4).

223. All of Norway's EOI agreements signed since the first round review contain wording akin to Model Article 26(4).

224. As discussed under element B.1, there are no domestic interest restrictions on Norway's powers to access information in exchange of information cases and therefore the absence of Model Article 26(4) in the EOI agreement may restrict exchange of information only if such restriction exists in the domestic law of Norway's partner. As in the case of obligation to exchange all types of information, such restriction exists in the case of Trinidad and Tobago which is also not a Party to the Multilateral Convention. Further, the same 15 jurisdictions as in the case of obligation to exchange all types of information may have domestic tax interest restrictions in their domestic laws. This is however not a concern in practice as Norway does not require reciprocity in respect of provision of the requested information regardless of domestic tax interest and will provide the information regardless of domestic tax interest restrictions in the treaty partner's law or practice. It is also noted that significant improvement in updating the EOI network has been already achieved by Norway since the first round review and that Norway is active in updating its treaty network in line with the model wording.

225. In practice, there was no case during the period under review where a request was declined by Norway because of the absence of domestic tax interest and no issue has been reported by peers in this respect either.

ToR C.1.5: Absence of dual criminality principles

226. There are no dual criminality provisions in any of Norway's EOI agreements. Accordingly, there has been no case when Norway declined a request because of a dual criminality requirement as has been confirmed by peers.

ToR C.1.6: Exchange information relating to both civil and criminal tax matters

227. All of Norway's EOI agreements provide for exchange of information in both civil and criminal tax matters. At the time of the first round review Norway's DTC with Switzerland did not allow exchange of information for

criminal tax purposes. However, since then the DTC was amended through a Protocol bringing the EOI article in line with the standard.

228. In practice, Norway provides exchange of information assistance in both civil and criminal tax matters. Accordingly, there has been no case over the period under review where Norway declined to provide information because the requested information cannot be provided for criminal tax purposes. Both types of requests are handled by the Competent Authority using the same procedures and no indication from the requesting jurisdiction whether information is sought for criminal or civil tax purposes is required to be included in incoming requests. No concerns regarding the exchange of information relevant to criminal tax proceedings were indicated by peers either.

ToR C.1.7: Provide information in specific form requested

229. As already concluded in the first round review, there are no restrictions in the exchange of information provisions in Norway's EOI agreements that would prevent Norway from providing information in a specific form, as long as this is consistent with its own administrative practices. In addition, several of Norway's DTCs include specific clauses to reinforce the need to provide information in the form requested.

230. Norway's competent authority provides information in the specific form requested to the extent permitted under Norwegian law and administrative practice. Over the reviewed period only a few requests required that information be provided in a specific form (e.g. authenticated copies of original documents). Input received from peers with an exchange of information relationship with Norway confirms that Norway is able to respond to such requests in accordance with the standard and no issue has been indicated.

ToR C.1.8: Signed agreements should be in force

231. Norway's EOI network covers 143 jurisdictions through 85 DTCs, 41 TIEAs, the Multilateral Convention and the Nordic Convention. Out of these 143 jurisdictions Norway has an EOI instrument in force with 136 of them. Out of the seven remaining jurisdictions, five have not yet brought into force the Multilateral Convention[7] and treaties with the other two jurisdictions have been already ratified by Norway but not yet in force.[8]

7. These five jurisdictions are Burkina Faso, Dominican Republic, El Salvador, Gabon and Kuwait.
8. These two are TIEAs with Guatemala and Vanuatu.

232. The 2011 Report noted that at the time of the review Norway's did not have in force one DTC, 17 TIEAs (which were at that time of the review recently signed) and four DTC Protocols. Since then all these agreements and Protocols are in force.

233. There are currently four EOI agreements and one DTC Protocol which are signed but not yet in force. Norway signed new DTCs with Belgium (signed in April 2014 and ratified by Norway in August 2014) and Zambia (signed in December 2015 and ratified by Norway in December 2016) which upon coming into force will replace existing DTCs. Norway has also signed two TIEAs which are not yet in force. As already mentioned, these are the TIEAs with Guatemala (signed in April 2012 and ratified by Norway in February 2013) and Vanuatu (signed in October 2010 and ratified by Norway in March 2011). The DTC Protocol not yet in force is the Protocol with Brazil (signed in February 2012 and ratified by Norway in December 2014).

Bilateral EOI Mechanisms

A	Total Number of DTCs/TIEAs	A = B+C	126
B	Number of DTCs/TIEAs signed but not in force	B = D+E	4
C	Number of DTCs/TIEAs signed and in force	C = F+G	122
D	Number of DTCs/TIEAs signed (but not in force) and to the Standard	D	4
E	Number of DTCs/TIEAs signed (but not in force) and not to the Standard	E	0
F	Number of DTCs/TIEAs in force and to the Standard	F	120
G	Number of DTCs/TIEAs in force and not to the Standard	G	2

ToR C.1.9: Be given effect through domestic law

234. Norway has in place domestic legislation necessary to comply with the terms of its EOI agreements. According to the Norwegian Constitution an Act of Parliament is necessary in order to incorporate a tax treaty into domestic law. This has been done through the Act of 28 July 1949 which incorporates into domestic law any bilateral or multilateral EOI agreement which the Government of Norway enters into, provided, that the Norwegian Parliament has given its approval to the agreement.

235. Effective implementation of EOI agreements in domestic law has been also confirmed in practice as there was no case encountered where Norway was not able to obtain and provide the requested information due to unclear or limited effect of an EOI agreement in Norway's law. Accordingly no issue in this regard was reported by peers.

C.2. Exchange of information mechanisms with all relevant partners

The jurisdiction's network of information exchange mechanisms should cover all relevant partners.

236. Norway has extensive EOI network covering 143 jurisdictions through 85 DTCs, 41 TIEAs, the Multilateral Convention and the Nordic Convention. Norway's's EOI network encompasses a wide range of counterparties, including all of its major trading partners, all EU member states, all the G20 members and all OECD members.

237. During the last decade Norway has taken an active role in collaboration with other Nordic countries to expand its treaty network. Joint Nordic TIEA co-operation began in 2006 with the objective of co-ordinating the Nordic approach for entering into TIEAs with jurisdictions identified as tax havens in the 2000 OECD report *Harmful Tax Competition: An Emerging Global Issue* (2000 Report). The project subsequently grew beyond that original purpose and focused on broadening EOI network of Nordic countries in general. As a result, negotiations were held with a number of other jurisdictions not identified in the 2000 report. The final outcome of the project was that Norway and the other Nordic countries concluded agreements (TIEAs and amending protocols) in line with the standard with all 45 jurisdictions identified as relevant in the project. All these treaties are in force except for the TIEA with Guatemala and Vanuatu which are however already ratified by Norway.

238. The first round review did not identify any issue in respect of the scope of Norway's EOI network or its negotiation policy or processes and Norway was recommended to continue to develop its exchange of information network with all relevant partners.

239. Since the cut-off date of the first round review in August 2010, Norway's treaty network has been broadened from 109 jurisdictions to 143. This is through broadening the network of Norway's bilateral treaties and through significant increase in the number of the Multilateral Convention parties. Since the first round review Norway has signed 21 bilateral treaties with jurisdictions previously without EOI relation. These are 19 TIEAs and two DTCs.[9] The number of signatories to the Multilateral Convention rose from 24 in August 2010 to 111 in May 2017 which further broadened Norway's treaty network by 13 jurisdictions.

9. 19 new TIEAs are with Bahrain, Belize, Botswana, Brunei, Costa Rica, Guatemala, Hong Kong (China), Liberia, Liechtenstein, Macau (China), Marshall Islands, Mauritius, Monserrat, Niue, Panama, Seychelles, United Arab Emirates, Uruguay and Vanuatu. The two new DTCs are with Georgia and Former Yugoslav Republic of Macedonia.

240. Norway's has in place a robust negotiation programme which includes renegotiating existing DTCs to ensure that they are up to date and in line with international standards and expansion of Norway's treaty network so that all relevant partners are covered. Negotiations of new bilateral treaties or amending protocols to existing treaties are currently ongoing with 13 jurisdictions and requests for re-negotiations of already existing treaties have been sent to additional two jurisdictions. In addition, Norway is in the process of considering negotiations or re-negotiations with another fourteen jurisdictions. As the standard ultimately requires that jurisdictions establish an EOI relation up to the standard with all partners who are interested in entering into such relation Norway is recommended to maintain its negotiation programme so that its exchange of information network continues to cover all relevant partners.

241. Norway's willingness to enter into EOI agreements without insisting on additional conditions was also confirmed by peers as no jurisdiction has indicated that Norway had refused to enter into, or delayed negotiations of, an EOI agreement.

242. The new table of determinations and ratings is as follows:

Legal and Regulatory Framework
Determination: In Place
Practical implementation of the standard
Rating: Compliant

C.3. Confidentiality

The jurisdiction's information exchange mechanisms should have adequate provisions to ensure the confidentiality of information received.

243. The 2011 Report concluded that all of Norway's EOI agreements have confidentiality provisions in line with the standard and that the applicable confidentiality rules are properly implemented in practice to ensure that the exchanged information is protected in line with the standard. This continues to be the case also in the second round review.

244. All of Norway's EOI agreements signed since the first round review contain provisions in line with Article 26(2) of the OECD Model Tax Convention. Norway has also recently adopted the TAA which replaces confidentiality provisions contained in the Tax Assessment Act reviewed in the 2011 Report. The TAA nevertheless contains confidentiality rules which are similar to those in the Tax Assessment Act. Application of the TAA's provisions in the exchange of information context is subject to confidentiality rules contained in the respective EOI agreement pursuant to which the information

was exchanged and therefore ensure that the exchanged information is handled in accordance with the standard.

245. Rules governing disclosure of information kept by the tax authority in respect of a specific taxpayer are in line with the standard and allow only for disclosure of factual information relevant for the particular tax case which disclosure will not hamper ongoing investigation. Contact details and personal information regarding the requesting Competent Authority do not represent such information and will not be disclosed as was also confirmed by the Norwegian Authorities. Further, notices to information holders requesting provision of information do not contain information which goes beyond what is necessary for obtaining it and are therefore in line with the standard.

246. The applicable rules are properly implemented in practice to ensure confidentiality of the received information. All EOI material is scanned and archived electronically. Physical originals are kept for a limited period necessary for handling the case before being shredded. All information obtained through EOI is classified as confidential. Access to information is limited by access control per user and access to information received under an EOI mechanism needs specific access rights (on a need-to-know basis). Accordingly, no case of breach of confidentiality has been encountered by the Norwegian authorities and no such case or concern has been indicated by peers either.

247. The new table of determinations and ratings is as follows:

Legal and Regulatory Framework
Determination: In Place
Practical implementation of the standard
Rating: Compliant

ToR C.3.1: Information received: disclosure, use and safeguards

248. The 2011 Report concluded that all of Norway's EOI agreements have confidentiality provisions in line with Article 26(2) of the OECD Model Tax Convention. This is also the case for all Norway's EOI agreements and Protocols signed since the first round review.

249. After the first round review a Protocol to the DTC with Germany came into force in February 2015. The Protocol contains additional personal data protection safeguards. Mainly the taxpayer has a right to be informed of the information stored on him, and its planned use, to the extent this is allowed under the domestic law of the party where the taxpayer applied for this right. Further, such disclosure is not obligatory if on balance it appears that the public interest in withholding it outweighs the interest of the person

concerned in receiving it. It appears that the Protocol does not create additional obligations to personal data protection rules already contained in domestic laws of contracting parties and therefore that the information received by Norway will be treated in accordance with the rules contained in its domestic law (see below). This view was also confirmed by the Norwegian authorities. In practice Norway and Germany exchanged several requests for information since coming into force of the Protocol and no issue with relation to application of the 2013 Protocol was identified.

Domestic law rules

250. As already discussed, since the first round review Norway has adopted the TAA which replaces confidentiality provisions contained in the Tax Assessment Act. The TAA contains confidentiality rules which are the same as those in the Tax Assessment Act. According to the TAA anyone who has had duties, a position or a commission related to the tax authorities shall prevent unauthorised access to, or knowledge of, what he in his work has been informed of in regards to someone's wealth or income conditions or other economic, business or personal relationships. The obligated persons shall submit a written declaration that they are aware of and will comply with their duty of confidentiality (s. 3-1(1) TAA). The duty of confidentiality does not include sharing of the protected information with various public authorities and bodies such as to public authorities who may use the information in their work on taxes, customs, social security, grants, contributions from public funds, or enforcement of legislation on working environment, occupational pension schemes, import and export of goods or accounting obligations (s. 3-3 TAA). Although these disclosure rules go beyond what is allowed under Model Article 26(2), application of provisions of the TAA in the exchange of information context is subject to confidentiality rules contained in the applicable EOI agreement pursuant to which the information was exchanged. The Norwegian Authorities confirmed that confidentiality of exchanged information pursuant to an EOI agreement may only be lifted when this is allowed under the respective EOI agreement.

251. In the case of breach of confidentiality obligations the tax authority can directly impose various administrative sanctions and penalties such as written reprimand, temporary or permanent salary reduction, or dismissal of position. Under the Penal Code any person who wilfully or through gross negligence violates a duty of secrecy is liable to fines or imprisonment for a term not exceeding one year. If there are especially aggravating circumstances he or she shall be liable to imprisonment for a term not exceeding three years (ss.209 and 210 Penal Code). These sanctions are applicable also in respect of breach of confidentiality rules covering information exchanged pursuant to an EOI agreement.

252. General rules governing disclosure of information kept by government authorities are contained in the Open Files Act. According to the Act documents can be made available to the public unless (i) they are subject to confidentiality in other legislation or (ii) their disclosure would be contrary to Norway's international obligations. Consequently, due to rules on confidentiality in the TAA the public has no access to a taxpayer's case file including the exchanged information. The other legislation in the case of the taxpayer's access to information relevant for tax purposes is the TAA. Under the TAA any taxpayer has the right to acquaint themselves with case documents in their own case (s. 5-4(1) TAA). However, the tax authorities can withhold documents (i) that have been prepared for a case litigation by the tax authority or its adviser, or (ii) in the interest of the tax authorities' auditing work (s. 5-4(2) TAA). As explained by the Norwegian authorities if a requesting jurisdiction indicates that informing the taxpayer about the request would hamper its investigation the relevant documents such as the EOI request and supporting documentation will not be disclosed.

253. In cases where no indication is received from the requesting jurisdiction and the taxpayer requests access to his/her file the contents of the EOI request letter will not be disclosed unless it contains factual information relevant for the case. Contact details and personal information regarding the requesting Competent Authority do not represent such information and will not be disclosed as was also confirmed by the Norwegian Authorities. Further, according to the Norwegian Authorities disclosure of information which would not be in line with the confidentiality rules contained in the respective EOI agreement would be against Norway's international obligations and therefore contrary to the Open Files Act (s. 20(1)(a) Open Files Act). The decision not to disclose certain documents can be appealed within three weeks of its notification (s. 5-4(8) TAA). The normal appeal rules apply as described in section B.2. Court hearings are generally public in Norway and information relevant for the case may be presented during the public court proceedings. However, the court may decide that the hearing should be held in chambers which are not public.

254. The above considerations were also confirmed in practice. During the period under review there were less than five cases where a Norwegian taxpayer previously subject of exchange of information requested to see his/her tax file. In all these cases only the information relevant to his/her domestic tax assessment was disclosed which did not include the EOI request letter.

255. Notices to information holders issued either by the EOI Unit or local tax offices include reference to the Norwegian domestic law pursuant to which the information is requested (i.e. typically sections 10-1, 10-2 or 10-4 TAA) and description of the requested information. The notices do not refer to the fact that the information is requested pursuant to an EOI request and

do not contain reference to an EOI agreement under which the information is requested as the same powers and procedure is used as in domestic cases.

Practical measures to ensure confidentiality of the information received

256. All EOI material is scanned and archived electronically. Physical originals are kept for a limited period necessary for handling the case before being shredded. Where hard copies exist, requirements apply for secure storage in zones, individual rooms and safes/secure cabinets. The offices are locked when left for the day and every EOI staff member has his or her own office key. A clean desk policy is applied. The tax authority buildings are closed off and with alarm systems at all times. Tax Authority's buildings are only accessible with an ID card and personal code which every employee have to enter to access to the building. The building is regularly visited by security guards.

257. Norway has well-established practices in place for Information Security Planning and risk assessments. Data classification policy applies in respect of all data, on paper or electronic, as reflected in the Information Security Management System (ISMS). ISMS is based on the internationally accepted ISO/IEC 27000-series. Data classification follows a three tier system, each with different levels of protection. All information obtained through EOI is classified as confidential. This information is stored centrally with other tax information, but the information is logically separated. Access to the information in the tax system is limited by access control per user and access to information received under an EOI mechanism needs specific access rights (on a need-to-know basis).

258. Accordingly, the EOI file is accessible only to the head of the EOI Unit, the EOI Unit officer handling the request and if the request is allocated to the local tax office to the EOI contact person of the local tax office and the tax auditor responsible for obtaining the requested information. Electronic access control is governed by the tax authority's ISMS, which provides for an identity management policy requiring that all systems access be fully documented and traceable. The tax authority assigns access rights based on the requirements of the employee's role (the principle of least privilege).

259. Managers in the tax authority are required to confirm the access privileges of all the employees for whom they are responsible. Authorised users and their access authorisations are subject to internal control annually. Checks are performed by managers and by the security unit. Remote access to systems is allowed, but only via two-factor authentication. Procedures are in place to ensure identification and authentication of users of information systems. Specified formats for user identities and requirements for passwords also exist. Upon termination of contract employees and consultants access rights to IT-systems are removed immediately. Key cards for physical access to premises and workstations are withdrawn.

260. No case of breach of confidentiality obligation in respect of exchanged information has been encountered by the Norwegian authorities and no such case or concern in this respect has been indicated by peers either.

ToR C.3.2: Confidentiality of other information

261. The confidentiality provisions in Norway's exchange of information agreements and domestic law do not draw a distinction between information received in response to requests or information forming part of the requests themselves. As such, these provisions apply equally to all requests for such information, background documents to such requests, and any other document reflecting such information, including communications between the requesting and requested jurisdictions and communications within the tax authorities of either jurisdiction. In practice, the same confidentiality rules apply in respect of all information received from Norway's treaty partners.

C.4. Rights and safeguards of taxpayers and third parties

The information exchange mechanisms should respect the rights and safeguards of taxpayers and third parties.

ToR C.4.1: Exceptions to requirement to provide information

262. The first round review concluded that Norway's legal framework and practices concerning rights and safeguards of taxpayers and third parties are in line with the standard. There has been no change in this area reported since then.

263. All Norway's EOI relations including 12 new DTCs, 19 TIEAs and seven DTC Protocols signed after the first round review allow for exception from the obligation to provide the requested information akin to the exemption in article 26 (3) of the OECD Model Tax Convention. As discussed in Part B of this report, the scope of protection of information covered by this exception in Norway's domestic law is consistent with the international standard.

264. As discussed in section B.1.5, there was no case during the period under review where a person refused to provide the requested information because of professional privilege. Norway also did not decline to provide the requested information during the period under review because it is covered by legal professional privilege or any other professional secret and no peer indicated any issue in this respect.

265. The table of determinations and ratings therefore remains unchanged as follows:

Legal and Regulatory Framework
Determination: In Place
Practical implementation of the standard
Rating: Compliant

C.5. Requesting and providing information in an effective manner

The jurisdiction should request and provide information under its network of agreements in an effective manner.

266. In order for exchange of information to be effective, jurisdictions should request and provide information under its network of EOI mechanisms in an effective manner. In particular:

- *Responding to requests*: Jurisdictions should be able to respond to requests within 90 days of receipt by providing the information requested or provide an update on the status of the request.
- *Organisational processes and resources*: Jurisdictions should have appropriate organisational processes and resources in place to ensure quality of requests and quality and timeliness of responses.
- *Restrictive conditions*: EOI assistance should not be subject to unreasonable, disproportionate, or unduly restrictive conditions

267. The 2011 Report identified three areas where improvement was recommended. These areas related to (i) provision of status updates, (ii) stipulation of timeframes for handling incoming requests and to (iii) the co-ordination between the competent authority and regional tax offices.

268. Since the first round review Norway has taken measures to address all three recommendations. These measures mainly include:

- setting up routines for systematic provision of status updates;
- clear stipulation of deadlines for handling incoming requests and provision of the requested information in an annual management letters issued by the Tax Directorate to COFTA;
- establishment of a network of contact persons for handling EOI cases; and
- significant increase of the number of cases where the requested information is obtained directly by the EOI Unit.

269. Measures taken by Norway since the first round review have been very effective and address the recommendations made in the first round review. The efficiency of Norway's EOI processes in respect of incoming as well as outgoing requests as assessed against 2016 ToR has been demonstrated in Norway's EOI practice during the current review period and confirmed by peers. The sections below summarise Norway's current practices in handling incoming and outgoing requests.

270. The new table of determinations and ratings is as follows:

Legal and Regulatory Framework
Determination: The assessment team is not in a position to evaluate whether this element is in place, as it involves issues of practice that are dealt with in the implementation of EOIR in practice.
Practical implementation of the standard
Rating: Compliant

ToR C.5.1: Timeliness of responses to requests for information

271. Over the period under review (1 April 2013 to 31 March 2016), Norway received a total of 666 requests for information. For these years, the number of requests where Norway answered within 90 days, 180 days, one year or more than one year, are tabulated below.

	1st year		2nd year		3rd year		Total	
	Num.	%	Num.	%	Num.	%	Num.	%
Total number of requests received	257	100	168	100	241	100	666	100
Full response: ≤ 90 days	245	95.3	135	80.3	219	90.9	599	89.9
≤ 180 days (cumulative)	248	96.4	135	80.3	221	91.7	604	90.6
≤ 1 year (cumulative)	249	96.8	137	81.5	222	92.1	608	91.3
> 1 year	1	0.4	1	0.6	0	0	2	0.3
Declined for valid reasons	4	1.5	11	6.6	9	3.7	24	3.6
Status update provided within 90 days (for responses sent after 90 days)	4	50	2	9	2	15.3	8	18.6
Requests withdrawn by requesting jurisdiction	1	0.4	0	0	0	0	1	0.15
Failure to obtain and provide information requested	2	0.8	18	10.7	10	4.2	30	4.5
Requests still pending at date of review	0	0	1	0.6	0	0	1	0.15

Norway counts written request from an EOI partner as one EOI request even where more than one person is the subject of an inquiry and/or more than one piece of information is requested. However if the requested information is obtained through the local tax office the request is counted as per the number of persons subject of the inquiry/request.

The time periods in this table are counted from the date of receipt of the request to the date on which the final and complete response was issued.

272. Although average response times in the first round of review were already short the time needed to respond to requests has been even shortened from about 75% of received requests responded within 90 days in the first round to 90% in the current period under review. If the response time is counted based on the total of requests which were considered valid and therefore processed it is 93% of requests responded within 90 days. The response times were improved despite a 12% increase in the number of incoming requests from 587 requests received in the first round review period to the current 666 of received requests.

273. During the period under review Norway declined 24 requests representing 4% of received requests. Twenty-two of these requests were declined because they were not sent by the authorised competent authority. In these cases Norway had checked the Competent Authority lists received from Norway's treaty partners and the Global Forum's database of competent authorities and informed the sender of the reason why the request was declined. In two cases requests were declined as they did not contain sufficient information to establish foreseeable relevance of the requested information and the requesting jurisdiction did not respond to Norway's requests for clarification (see also section C.1.1). Declined requests can be reopened if the requesting jurisdiction provides clarifications which are required to process the request.

274. The 2011 Report noted that Norway had recently established an action plan for establishing a process to provide status updates to requesting jurisdictions and Norway was recommended to follow through with it. Norway implemented routines during the reviewed period ensuring systematic provision of status updates in cases where the requested information cannot be provided within 90 days. The obligation to provide status updates is also confirmed in the annual management letters by the Tax Directorate. If the information is not provided by the regional tax office within 60 days since the case was transferred to it by the EOI Unit, the EOI Unit sends a letter to the regional tax office reminding them about the timeframe of 70 days to provide the information. If the requested information cannot be provided within this timeframe a status update is sent to the requesting Competent Authority explaining the reason for the delay, steps taken to obtain the requested information and expected date of delivery of the requested information. In cases where the complete response cannot be provided within 90 days partial responses containing information which is already at the disposal are provided. Further, in limited number of cases where upon receipt of the request it is already clear that the requested information may not be provided within 90 days the acknowledgment letter also informs the requesting jurisdiction accordingly together with stating the reasons thereof and expected time of provision of the information (see further section C.5.2). Considering short response times there was only a limited number of cases where status update

was needed. Out of 12 cases which were processed but not responded to within 90 days by the provision of the requested information or by a final response, a status update as required under the standard was provided in eight cases. This means that a final response or a status update was provided within 90 days in 95% of requests processed during the reviewed period. In the remaining four out of 12 cases where status update was needed, status update was not provided due to omission. Norway always provides status update also if requested by the requesting jurisdiction. Given that the measures to provide status updates were introduced recently and the limited number of cases where status update was needed and provided Norway should consider monitoring of implementation of the routine on provision of status updates so that they are provided in all cases where the requested information cannot be provided within 90 days.

275. In one case during the period under review a received request was withdrawn by the requesting jurisdiction. The request was withdrawn due to IT problems on Norway's side which caused communication delay. Since then, the problem has been fixed and measures have been taken to prevent it from happening again.

276. Norway did not provide the requested information in 30 cases during the period under review representing 4% of received requests. In the majority of these cases the request did not contain sufficient information to identify the taxpayer subject of the request or the information holder in order to identify and locate the requested information. In these cases there was typically no person registered with the indicated name or the name did not match the other identifiers given in the request such as the date of birth or address. In a few cases the information holder was not present in Norway. In cases where Norway was not in a position to provide the requested information it has informed the requesting jurisdiction accordingly.

277. In one case reported by a peer, Norway failed to provide underlying accounting documents of a liquidated company. The information was not provided because the company was in breach of its accounting obligations also during its existence. As a consequence of the breach of its accounting obligations the company was unable to file a tax return with the tax authority and penalty was imposed. Another case reported by a peer related to a failure to provide some technical documentation which was considered relevant for tax purposes in the requesting jurisdiction. Norway provided partial response from publicly available sources. However the requested specific technical documentation was not provided because of difficulties to locate the information despite contacting the former distributor.

278. One request received during the period under review is still being processed. The request relates to complex information which has to be

obtained through a tax audit. The Norwegian competent authority is monitoring the case and is contact with the requesting jurisdiction.

ToR C.5.2: Organisational processes and resources

279. The 2011 Report identified two areas where improvement in organisational processes and resources was recommended. These areas related to (i) provision of timeframes for each key step in the processing of requests and retrieval of information and (ii) co-ordination between the competent authority and regional tax offices including appropriate prioritisation of the exchange of information case work so that responses to EOI requests are provided in a timely manner in all cases.

280. Since the first round review Norway has taken measures to address the recommendations:

- Deadlines for provision of the requested information are stipulated in an annual management letter issued by the Tax Directorate to COFTA. Since 2010 the Tax Directorate requires that the requested information is provided in all cases within 90 days. If the requested information cannot be provided directly by the EOI Unit within COFTA the regional tax office requested by the EOI Unit to obtain the information should be given 70 days to provide the information to the EOI Unit. If the information is not provided by the regional tax office within 60 days the EOI Unit will send a letter to the regional tax office reminding them about the timeframe of 70 days to provide the information.
- A network of contact persons for handling EOI cases was established in 2011. In each of five regional tax offices a contact person is appointed who is responsible for co-ordination between the regional tax office and the EOI Unit and allocation of the EOI case to a particular tax auditor. The EOI Unit is then directly in contact with the tax auditor handling the case. The timeframe for obtaining the information is monitored by the EOI Unit as well as by the contact person in the regional tax office.
- The EOI Unit has significantly increased the number of cases where it obtains and provides the requested information directly. In respect of requests received in 2010 the requested information was provided directly by the EOI Unit in 66% of the cases. In respect of requests received in 2015 the proportion of such requests increased to 90% of the received requests.

281. Measures taken by Norway since the first round review have been very effective and fully address recommendations made in the first round review. Efficiency of Norway's EOI processes has been also demonstrated

in Norway's EOI practice during the current review period and confirmed by peers. The following sections summarise Norway's current practices in handling incoming and outgoing requests.

Incoming requests

Processing incoming requests

282. COFTA serves as the Competent Authority responsible for practical handling of EOI cases and therefore all incoming requests should be addressed to it. All EOI requests are practically handled by the EOI Unit established within COFTA. The EOI Unit is staffed with five full time officials. Upon receipt by COFTA, all EOI requests are scanned by the EOI Unit and filed in the tax administration's electronic filing system (ELARK). When entered in ELARK, each request receives a unique reference number and is allocated to an EOI Unit official who will process the case. The same reference number is used through all steps of handling the request and therefore ensures that the EOI request and stages in its processing can be traced through the ELARK system. The reference number is also contained in the response letter and its provision may significantly facilitate any subsequent communication between the Competent Authorities. In addition to registration in the ELARK system, all incoming requests are also noted in the EOI Unit spreadsheet which contains further information regarding the request including steps taken to address the request and on provision of status updates.

283. After registration of the request, the EOI Unit official responsible for handling the request checks whether the request meets the requirements as provided under Article 5(5) of the Model TIEA and its commentary including verification whether the sending person is delegated as the Competent Authority. Norway does not require a specific template to be used for incoming requests as long as the information necessary to process the request is included.

284. Upon verification of the request acknowledgement of receipt is provided. This is however frequently done together with provision of the requested information as in cases where the information is already at the disposal of the tax administration the information can be obtained and provided very quickly and normally within seven days of receipt.

285. In the vast majority of the cases the requested information is obtained directly by the EOI Unit. The EOI Unit can access information held in the tax databases, obtains information requested from banks and can approach a taxpayer directly to provide the information. If more complex information is requested or the taxpayer does not co-operate the EOI request is allocated to the local office where the Norwegian taxpayer to whom the request relates

is registered. This is done through allocation of the EOI case to the contact person in the respective regional tax office in ELARK. The contact person is responsible for transferring the case to the tax auditor who will obtain the information. The EOI Unit continues to monitor progress of the case in ELARK system and can directly follow-up through emails or phone calls with the tax auditor handling the case.

286. In cases where the requested information is obtained by a local office the obtained information is transferred to the EOI Unit using the ELARK system. No physical documents are transferred. The transfer of the document is done by making the document available for the EOI Unit in the ELARK system only. When the requested information is obtained the EOI Unit officer checks whether it is complete and that all questions in the EOI request are properly responded. If this is the case he/she prepares the response letter which is subsequently reviewed by the head of the EOI Unit, as appropriate, and sent to the requesting Competent Authority.

Internal deadlines

287. As already mentioned above, the applicable internal rules contained in the Tax Directorate management letters require that the requested information is provided within 90 days of receipt of the request. If the requested information cannot be provided directly by the EOI Unit the regional tax office is given 70 days to provide the information to the EOI Unit. If the information is not provided by the regional tax office within 60 days the EOI Unit will send a letter to the regional tax office reminding them about the timeframe of 70 days to provide the information. If the requested information cannot be provided within 90 days since receipt of the request status update has to be provided to the requesting Competent Authority explaining reason for the delay, steps taken to obtain the requested information and expected delivery of the requested information. In cases where the complete response cannot be provided within 90 days partial responses containing information which was already obtained should be provided.

288. Monitoring of deadlines is the primary responsibility of the EOI Unit officer handling the case. If the case is allocated to the regional tax office it is also the responsibility of the local contact person to ensure that the deadline is met. Monitoring at the level of the EOI Unit is done on a continuous basis through checking of the EOI Unit's spreadsheet containing received requests. Further, the EOI Unit holds weekly meetings where outstanding cases are discussed and all open requests are reviewed monthly.

289. Overview of the annual EOI performance including on timeliness of responses is contained in the COFTA's annual report to the Directorate of Taxes and is also subject of annual reporting by the Directorate of Taxes to the Ministry of Finance.

Outgoing requests

290. The 2016 ToR cover also requirement to ensure the quality of requests made by the assessed jurisdiction.

291. Norway has a substantive experience with requesting information pursuant to its EOI instruments which spans over several decades. EOIR is routinely used to obtain the tax relevant information and Norway has developed robust and efficient EOI programme for that purpose. During the period under review Norway sent about 1 000 requests for information related to direct taxes. The number of requests is counted per the number of letters irrespective of the number of taxpayers concerned. About 700 of these requests related to simple identification information concerning Norwegian taxpayers. Of the remaining requests, about 17% requested ownership information, about 50% accounting information and about 33% requested banking information.

Processing outgoing requests

292. The process for sending out requests is organised in a similar way as provision of responses to received requests. The rules for the process are formalised in the guidance note issued by the Tax Directorate. A case handling officer in the regional tax office sends a completed form to the Competent Authority in COFTA using a template prepared by COFTA for that purpose. In order to assist the case officer with completing the form an instruction manual is available on the Tax Administration's intranet site. The completed form ensures that all the necessary information for preparing a valid request is forwarded to the Competent Authority. If some information is missing the EOI Unit will work closely together with the case officer to complete the information and prepare the request. Upon obtaining the necessary information which includes verification of the requested Competent Authority and its contact details the EOI Unit officer prepares the EOI request. The EOI request letter together with the supporting documentation (if any) is reviewed by the head of the EOI Unit, as appropriate, and then transmitted to the requested Competent Authority.

293. In cases where the requested jurisdiction asks for a clarification, the EOI Unit officer who prepared the request is tasked with providing the response immediately after receipt of such request. As in majority of the cases the information can be promptly retrieved from the tax databases the clarification is usually provided in a few days. In limited number of cases where clarification cannot be provided directly by the EOI Unit the officer contacts local case officer requesting the information. This is usually done through internal communication network or phone calls. In these cases provision of the requested clarification usually takes up to one or two weeks.

Information to be included in outgoing requests

294. The Norwegian Competent Authority has developed a template for outgoing requests which is akin to the model request developed by the OECD and requires that information as outlined in Article 5(5) of the Model TIEA is included in its outgoing requests. Use of this template is also prescribed in the guidance note issued by the Tax Directorate. Upon request by several treaty partners the Competent Authority uses also jurisdiction specific template letters when requesting information from these treaty partners.

295. During the period under review Norway received requests for clarification in about 10% of outgoing requests. Most of these clarifications related to simple requests requesting identification or contact details of Norwegian taxpayers. The relatively high percentage of cases where clarification was requested in relation to these simple requests was also pointed out by two peers. It is understood that Norway has already taken steps to address this concern in co-operation with its treaty partners and that the number of such requests where clarification is needed will decrease. Despite that Norway is able to provide the requested clarifications promptly the necessity to ask for clarifications may have negative impact on efficiency of the exchange of information. It is therefore recommended that Norway considers further steps to improve efficiency of exchange of information in cases where simple taxpayer information is requested to make the process more straightforward and limit the number of cases where clarifications are needed. Clarifications were requested also in about ten other cases where ownership, accounting or banking information was requested, however, there appears to be no systemic issue causing the need for these clarifications. These ten clarifications related to identification of the taxpayer under investigation, foreseeable relevance criteria, verification of the Competent Authority requesting the information and clarification of the legal basis under which the information was requested. Based on the available information the requested clarifications were not provided only in two cases during the period under review representing less than 1% of outgoing requests. The quality of Norway's requests was also confirmed by peers.

Communication

296. Norway accepts requests in English, Danish or Swedish. If the request is not in one of these languages the requesting competent authority will be asked to translate the request. Requests received in one of these languages do not need to be translated and are immediately processed by the EOI Unit or if necessary by the regional tax office. Norway sends outgoing requests in English or in Norwegian if addressed to a Nordic partner (with exception of Finland, to which requests are sent in English).

297. Internal communication within the tax administration is carried through the ELARK system, emails within internal communication network or phone calls.

298. Communication tools used for external communication with other Competent Authorities differ depending on the partner jurisdiction. Secured communication network is used within the Nordic group. Norway has applied to gain access to the CCN system for communication with EU members however so far communication takes place mainly through emails with secured attachments or regular or registered post or fax. Communication with all other jurisdictions is carried out mainly through regular post or by encrypted e-mails. Use of standard post may delay receipt of the communication and does not protect confidentiality of exchanged information in all cases. Norway is therefore recommended to further strengthen use of more effective communication tools with its treaty partners outside of the Nordic group for example through more frequent use of emails with encrypted attachments or registered post. Norway plans to start using PGP for exchange of information on a regular basis in the second half of 2017. The necessary software has been installed and is now tested.

Training

299. The EOI Unit officials are well trained and experienced to handle the volume and complexity of EOI requests Norway is sending and receiving. Their educational qualification varies with backgrounds in legal, language, accounting and administration fields. All officers involved in EOI have considerable experience within the Norwegian tax administration.

300. The EOI staff attends regularly various domestic and international courses including courses provided by IOTA, NAIS (the Nordic Working Group against Tax Evasions), the Global Forum and others. NAIS organises seminars for the staff in the Nordic tax authorities aimed at training, sharing of experiences and development of best practices. In addition, the group organises meetings with the Competent Authorities from jurisdictions outside of the Nordic group where these jurisdictions make presentations on the organisation of the competent authority and the jurisdiction's system for exchange of information. The EOI Unit also receives regular updates from the Directorate of Taxes on international developments in the EOI field.

301. To strengthen and further develop co-operation between the EOI unit, as well as amongst the regional contact persons, an annual meeting is organised which brings together COFTA's EOI Unit, the Directorate of Taxes and local contact persons including tax auditors. The main focus of these meetings is to discuss practical experiences with EOI cases handled during the year and general policy and legal developments in the EOI field.

ToR C.5.3: Unreasonable, disproportionate or unduly restrictive conditions for EOI

302. Exchange of information should not be subject to unreasonable, disproportionate or unduly restrictive conditions. There are no factors or issues identified that could unreasonably, disproportionately or unduly restrict effective EOI in Norway.

Annex 1: Jurisdiction's response to the review report[10]

Norway believes the report gives a fair and balanced view of the Norwegian legal framework and practise for exchange of information during the review period. We will continue to further improve our legal system and practise where necessary to ensure effective exchange of information in all cases. This peer review process have created a good focus on the important work of exchange of information and have raised awareness of and inspiration for the work we are doing in this field.

Norway has a long history of supporting and promoting transparency and exchange of tax information. The Norwegian government have had, and continues to have, a strong commitment to international standards on transparency and exchange of information, including transparency of beneficial ownership information. This is reflected not only in Norway's participation in the Global Forum, but also in our long and active participation in the FATF and the OECD.

Ensuring good cooperation with our EOI partners continues to be of great significance to us. Through the NAIS project and together with our other Nordic partners, Norway continues to work with partner jurisdictions to ensure a good cooperation, enhanced understanding and effectiveness of EOIR. We are also taking active steps to improve timeliness of responses and ensure a high quality of outgoing requests. We will continue to seek to improve all of these areas and to ensure that transparency and exchange of information remains a priority and works effectively with all relevant partners also on the future.

Norway has a comprehensive tax system and multiple sources of information available relevant for tax and other purposes. As highlighted in the report, there are certain gaps in the Norwegian legal framework in relation to beneficial ownership information. We acknowledge these gaps and would like to underscore that we are working on addressing these deficiencies by amending our legal framework and practise.

10. This Annex presents the Jurisdiction's response to the review report and shall not be deemed to represent the Global Forum's views.

Norway wishes to reiterate both our commitment to the work of the Global Forum and the fundamental importance of international cooperation and communication in the area of taxation. We would also like to thank all of our EOI partners both for their contribution to the peer review of Norway and, even more importantly, for the good working relationship and the excellent cooperation to ensure effective exchange of information in practise.

Annex 2: List of Jurisdiction's EOI mechanisms

1. Bilateral international agreements for the exchange of information

EOI partner	Type of agreement	Date signed	Date entered into force
Albania	DTC	14-Oct-98	13-Aug-99
Andorra	TIEA	24-Feb-10	18-Jun-11
Anguilla	TIEA	14-Dec-09	10-Apr-11
Antigua & Barbuda	TIEA	19-May-10	15-Jan-11
Argentina	DTC	08-Oct-97	30-Nov-01
Aruba	TIEA	10-Sep-09	01-Aug-11
Australia	DTC	08-Aug-06	12-Sep-07
Austria	DTC EOI Protocol	28-Nov-95 16-Sep-09	01-Dec-96 01-Jun-13
Azerbaijan	DTC	24-Apr-96	20-Sep-96
Bahamas	TIEA	10-Mar-10	09-Sep-10
Bahrain	TIEA	14-Oct 11	12-Jul-12
Bangladesh	DTC	15-Sep-04	22-Dec-05
Barbados	DTC EOI Protocol	15-Nov-90 03-Nov-11	30-Jul-91 01-Jun-13
Belgium	New DTC	23-Apr-14	Not yet in force
	DTC EOI Protocol	14-Apr-88 10-Sep-09	04-Oct-91 17-Jul-13
Belize	TIEA	15-Sep-10	26-Feb-11
Benin	DTC	29-May-79	24-Jun-82
Bermuda	TIEA	16-Apr-09	22-Jan-10
Bosnia and Herzegovina	DTC	01-Sep-83	20-Aug-08
Botswana	TIEA	20-Feb-13	10-Jan-16
Brazil	DTC EOI Protocol	21-Aug-80 20-Feb-14	26-Nov-81 Not yet in force
British Virgin Islands	TIEA	18-May-09	03-Dec-10
Brunei	TIEA	27-Jun-12	27-Apr-15

EOI partner	Type of agreement	Date signed	Date entered into force
Bulgaria	DTC	22-Jul-14	30-Jul-15
Canada	DTC	12-Jul-02	19-Dec-02
Cayman Islands	TIEA	01-Apr-09	04-Mar-10
Chile	DTC	26-Oct-01	22-Jul-03
China (People's Rep.)	DTC	25-Feb-86	21-Dec-86
Cook Islands	TIEA	16-Dec-09	06-Oct-11
Costa Rica	TIEA	29-Jun-11	13-Apr-14
Croatia	DTC	01-Sep-83	06-Mar-96
Curacao	DTC EOI Protocol	11-Nov-89 10-Sep-09	07-Dec-90 01-Sep-11
Cyprus [1]	DTC	24-Feb-14	08-Jul-14
Czech Republic	DTC	19-Oct-04	09-Sep-05
Dominica	TIEA	19-May-10	22-Jan-12
Egypt	DTC	20-Oct-64	30-Jul-65
Estonia	DTC	14-May-93	30-Dec-93
France	DTC	19-Dec-80	10-Sep-81
Gambia	DTC	27-Apr-94	20-Mar-97
Georgia	DTC	10-Nov-11	23-Jul-12
Germany	DTC EOI Protocol	04-Oct-91 24-Jun-13	07-Oct-93 03-Feb-15
Gibraltar	TIEA	16-Dec-09	08-Sep-10
Greece	DTC	27-Apr-88	16-Sep-91
Grenada	TIEA	19-May-10	09-Feb-12
Guatemala	TIEA	15-May-12	Not yet in force
Guernsey	TIEA	28-Oct-08	07-Oct-09
Hong Kong, China	TIEA	22-Aug-14	04-Dec-15
Hungary	DTC	21-Oct-80	20-Sep-81
India	DTC	02-Feb-11	20-Dec-11
Indonesia	DTC	19-Jul-88	16-May-90
Ireland	DTC	22-Nov-00	27-Nov-01
Isle of Man	TIEA	30-Oct-07	06-Sep-08
Israel	DTC	02-Nov-66	11-Jan-68
Italy	DTC	17-Jun-85	25-May-87

EOI partner	Type of agreement	Date signed	Date entered into force
Côte d'Ivoire	DTC	15-Feb-78	25-Jan-80
Jamaica	DTC EOI Protocol	30-Sep-91 01-Dec-12	01-Oct-92 08-Jul-13
Japan	DTC	04-Mar-92	16-Dec-92
Jersey	TIEA	28-Oct-08	07-Oct-09
Kazakhstan	DTC	03-Apr-01	24-Jan-06
Kenya	DTC	13-Dec-72	10-Sep-73
Korea (Rep.)	DTC	05-Oct-82	01-Mar-84
Latvia	DTC	19-Jul-93	30-Dec-93
Liberia	TIEA	10-Nov-10	17-May-12
Liechtenstein	TIEA	17-Dec-10	31-Mar-12
Lithuania	DTC	27-Apr-93	30-Dec-93
Luxembourg	DTC EOI Protocol	06-May-83 07-Jul-09	27-Feb-85 12-Apr-10
Former Yugoslav Republic of Macedonia (FYROM)	DTC	19-Apr-11	01-Nov-11
Macao, China	TIEA	29-Apr-11	18-Dec-11
Malawi	DTC	08-Dec-09	10-Dec-12
Malaysia	DTC	23-Dec-70	09-Sep-71
Malta	DTC	30-Mar-12	14-Feb-13
Marshall Islands	TIEA	28-Sep-10	19-Jun-11
Mauritius	TIEA	01-Dec-11	26-May-12
Mexico	DTC	23-Mar-95	23-Jan-96
Monaco	TIEA	23-Jun-10	31-Jan-11
Montenegro	DTC	01-Sep-83	31-Oct-11
Montserrat	TIEA	22-Nov-10	19-Dec-11
Morocco	DTC	05-May-72	18-Dec-75
Nepal	DTC	13-May-96	19-Jun-97
Netherlands[2]	DTC EOI Protocol	12-Jan-90 23-Apr-13	31-Dec-90 30-Nov-13
New Zealand	DTC	20-Apr-82	31-Mar-83
Niue	TIEA	19-Sep-13	28-May-14
Pakistan	DTC	07-Oct-86	18-Feb-87
Panama	TIEA	12-Nov-12	20-Dec-13

EOI partner	Type of agreement	Date signed	Date entered into force
Philippines	DTC	09-Jul-87	23-Oct-97
Poland	DTC	09-Sep-09	25-May-10
Portugal	DTC	10-Mar-11	15-Jun-12
Qatar	DTC	29-Jun-09	30-Dec-09
Romania	DTC	27-Apr-15	01-Apr-16
Russia	DTC	26-Mar-96	20-Dec-02
Samoa	TIEA	16-Dec-09	19-Oct-12
San Marino	TIEA	12-Jan-10	22-Jul-10
Senegal	DTC	04-Jul-94	28-Feb-97
Serbia	DTC	14-Jun-15	18-Dec-15
Seychelles	TIEA	30-Mar-11	11-Aug-12
Sierra Leone	DTC	02-May-51	18-May-55
Singapore	DTC EOI Protocol	19-Dec-97 18-Sep-09	20-Apr-98 04-Apr-10
Sint Maarten	DTC EOI Protocol	11-Nov-89 10-Sep-09	07-Dec-90 04-Apr-10
Slovak Republic	DTC	27-Jun-79	28-Dec-79
Slovenia	DTC	18-Feb-08	10-Dec-09
South Africa	DTC EOI Protocol	12-Feb-96 16-Jul-12	12-Sep-96 20-Nov-15
Spain	DTC	06-Oct-99	18-Dec-00
Sri Lanka	DTC	04-Dec-86	08-Mar-88
St. Kitts and Nevis	TIEA	24-Mar-10	12-Jan-11
St. Lucia	TIEA	19-May-10	01-Dec-11
St. Vincent and the Grenadines	TIEA	24-Mar-10	20-Apr-11
Switzerland	DTC EOI Protocol EOI Protocol EOI Protocol	07-Sep-87 12-Apr-05 31-Aug-09 04-Sep-15	02-May-89 20-Dec-05 22-Dec-10 06-Dec-16
Tanzania	DTC	28-Apr-76	04-Aug-78
Thailand	DTC	30-Jul-03	29-Dec-03
Trinidad and Tobago	DTC	29-Oct-69	07-Aug-70
Tunisia	DTC	31-May-78	28-Dec-79
Turkey	DTC	15-Jan-10	15-Jun-11

EOI partner	Type of agreement	Date signed	Date entered into force
Turks and Caicos Islands	TIEA	16-Dec-09	09-Apr-11
Uganda	DTC	07-Sep-99	16-May-01
Ukraine	DTC	07-Mar-96	18-Sep-96
United Arab Emirates	TIEA	03-Nov-15	15-Feb-17
United Kingdom	DTC	14-Mar-13	17-Dec-13
United States	DTC	03-Dec-71	19-Nov-72
Uruguay	TIEA	14-Dec-11	30-Jan-14
Vanuatu	TIEA	13-Oct-10	Not yet in force
Venezuela	DTC	29-Oct-97	08-Oct-98
Viet Nam	DTC	01-Jun-95	14-Apr-96
Zambia	New DTC	17-Dec-15	Not yet in force
	DTC	14-Jul-71	22-Mar-73
Zimbabwe	DTC	09-Mar-89	28-Aug-91

Note: 1. Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

2. There is also a separate DTC with the Kingdom of the Netherlands covering Bonaire, Sint Eustatius and Saba (BES islands).

2. Convention on Mutual Administrative Assistance in Tax Matters (amended)

The Convention on Mutual Administrative Assistance in Tax Matters was developed jointly by the OECD and the Council of Europe in 1988 and amended in 2010 (the amended Convention).[11] The Convention is the most

11. The amendments to the 1988 Convention were embodied into two separate instruments achieving the same purpose: the amended Convention which integrates the amendments into a consolidated text, and the Protocol amending the 1988 Convention which sets out the amendments separately.

comprehensive multilateral instrument available for all forms of tax co-operation to tackle tax evasion and avoidance, a top priority for all jurisdictions.

The 1988 Convention was amended to respond to the call of the G20 at its April 2009 London Summit to align it to the international standard on exchange of information on request and to open it to all countries, in particular to ensure that developing countries could benefit from the new more transparent environment. The amended Convention was opened for signature on 1st June 2011.

Norway signed the 1988 Convention on 5 May 1989 and deposited the instrument of ratification on 13 June 1989. The 1988 Convention entered into force for Norway on 1 April 1995. Norway signed the Protocol amending the 1988 Convention on 27 May 2010 and deposited the instrument of ratification on 18 February 2011. The amending Protocol entered into force for Norway on 1 June 2011.

Currently, the amended Convention is in force in respect of the following jurisdictions:[12] Albania, Andorra, Anguilla (extension by the United Kingdom), Argentina, Aruba (extension by the Kingdom of the Netherlands), Australia, Austria, Azerbaijan, Barbados, Belgium, Belize, Bermuda (extension by the United Kingdom), Brazil, British Virgin Islands (extension by the United Kingdom), Bulgaria, Cameroon, Canada, Cayman Islands (extension by the United Kingdom), Chile, China (People's Republic of), Colombia, Costa Rica, Croatia, Curacao (extension by the Kingdom of the Netherlands; Curaçao used to be a constituent of the "Netherlands Antilles", to which the original Convention applies as from 01-02-1997), Cyprus, Czech Republic, Denmark, Estonia, Faroe Islands (extension by the Kingdom of Denmark), Finland, France, Georgia, Germany, Ghana, Gibraltar (extension by the United Kingdom), Greece, Greenland (extension by the Kingdom of Denmark), Guernsey (extension by the United Kingdom), Hungary, Iceland, India, Indonesia, Ireland, Isle of Man (extension by the United Kingdom), Israel, Italy, Japan, Jersey (extension by the United Kingdom), Kazakhstan, Korea, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Marshall Islands, Mauritius, Mexico, Moldova, Monaco, Montserrat (extension by the United Kingdom), Nauru, the Netherlands, New Zealand, Nigeria, Niue, Norway, Pakistan, Panama, Poland, Portugal, Romania, Russia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Samoa, San Marino, Saudi Arabia, Senegal, Seychelles, Singapore, Sint Maarten (extension by the Kingdom of the Netherlands; Sint Maarten used to be a

12. This list includes State Parties to the Convention, as well as jurisdictions, which are members of the GFTEI or that have been listed in Annex B naming a competent authority, to which the application of the Convention has been extended pursuant to Article 29 of the Convention.

constituent of the "Netherlands Antilles", to which the original Convention applies as from 01-02-1997), Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Tunisia, Turks and Caicos Islands (extension by the United Kingdom), Uganda, Ukraine, United Kingdom and Uruguay.

In addition, the following are the jurisdictions that have signed the amended Convention, but where it is not yet in force: Burkina Faso, Cook Islands, Dominican Republic, El Salvador, Gabon, Guatemala, Jamaica, Kenya, Kuwait, Morocco, Philippines, Saint Lucia, Turkey, United Arab Emirates and the United States (the 1988 Convention in force on 1 April 1995, the amending Protocol signed on 27 April 2010).

3. Nordic Multilateral Convention on Mutual Administrative Assistance in Tax Matters

Norway is a signatory to the Nordic Multilateral Convention on Mutual Administrative Assistance in Tax Matters (the Nordic Convention). The Nordic Convention covers Denmark, Finland, Faroe Islands, Greenland, Iceland, Norway and Sweden. The first Nordic Multilateral Convention on Mutual Assistance in Tax Matters was signed by Denmark, Finland, Iceland, Norway and Sweden in 1972 and was amended several times over the following decades. The current Nordic Convention was opened for signatures in 1989 and provides for all forms of administrative assistance in tax matters including automatic, spontaneous and upon request exchange of information, assistance in recovery of taxes and notification assistance. Norway signed the Nordic Convention on 7 December 1989 and ratified the agreement on 23 March 1990. The Nordic Convention entered into force on 8 May 1991.

Annex 3: List of laws, regulations and other material received

Commercial laws

Limited Companies Act

Public Limited Companies Act

Partnership Act

Foundations Act

Securities Register Act

Business Enterprise Registration Act

Taxation laws

Tax Act

Tax Administration Act

Tax Assessment Act

Value Added Tax Act

Act on Payment and Collecting of Taxes

Accounting laws

Bookkeeping Act

Accounting Act

Act on Auditing and Auditors

Banking laws

Commercial Banks Act

Savings Bank Act

Financial Institutions Act

Anti-money laundering

Anti-Money Laundering Act

Annex 4: Authorities interviewed during on-site visit

Brønnøysund Register Centre

Central Office of Foreign Tax Affairs

Central Securities Depository

Directorate of Taxes

Financial Supervisory Authority

Gambling and Foundation Authority

Ministry of Finance

Ministry of Justice

The National Authority for Investigation and Prosecution of Economic and Environmental Crime (ØKOKRIM, Financial Intelligence Unit)

Supervisory Council for Legal Practice

Annex 5: List of in-text recommendations

The assessment team or the PRG may identify issues that have not had and are unlikely in the current circumstances to have more than a negligible impact on EOIR in practice. Nevertheless, there may be a concern that the circumstances may change and the relevance of the issue may increase. In these cases, a recommendation may be made; however, such recommendations should not be placed in the same box as more substantive recommendations. Rather, these recommendations can be mentioned in the text of the report. A list of such recommendations is presented below.

- Sections A.1.1, A.1.3, A.1.4 and A.1.5: Norway should monitor efficiency of AML supervision in practice and continue to enhance its AML supervisory system where necessary.
- Section A.1.3: Norway is recommended to take measures to limit the number of partnerships which ceased to provide their statements to the tax authority.
- Section A.1.5: Norway should consider strengthening the Foundation Authority's enforcement powers.
- Section A.3.1: Norway should address a concern regarding extra-territorial application of the third party obligation to provide the underlying documentation relating to the CDD requirements upon relying party's request.
- Section A.3.1: Norway should monitor efficiency of AML supervision in practice and continue to enhance its supervisory system where necessary.
- Section B.1.5: Norway should consider measures how to clarify the uncertainty concerning scope of professional legal privilege so that it does not unduly restrict access to the tax relevant information.
- Section C.1.1: Norway is recommended to bring its EOI relation with Côte d'Ivoire in line with the standard.
- Section C.2: Norway is recommended to maintain its negotiation programme so that its exchange of information network continues to cover all relevant partners.
- Section C.5.1: Norway should consider monitoring of implementation of the routine on provision of status updates.

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GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

Peer Review Report on the Exchange of Information on Request NORWAY 2017 (Second Round)

The Global Forum on Transparency and Exchange of Information for Tax Purposes is a multilateral framework for tax transparency and information sharing, within which over 140 jurisdictions participate on an equal footing.

The Global Forum monitors and peer reviews the implementation of international standard of exchange of information on request (EOIR) and automatic exchange of information. The EOIR provides for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. All Global Forum members have agreed to have their implementation of the EOIR standard be assessed by peer review. In addition, non-members that are relevant to the Global Forum's work are also subject to review. The legal and regulatory framework of each jurisdiction is assessed as is the implementation of the EOIR framework in practice. The final result is a rating for each of the essential elements and an overall rating.

The first round of reviews was conducted from 2010 to 2016. The Global Forum has agreed that all members and relevant non-members should be subject to a second round of review starting in 2016, to ensure continued compliance with and implementation of the EOIR standard. Whereas the first round of reviews was generally conducted as separate reviews for Phase 1 (review of the legal framework) and Phase 2 (review of EOIR in practice), the EOIR reviews commencing in 2016 combine both Phase 1 and Phase 2 aspects into one review. Final review reports are published and reviewed jurisdictions are expected to follow up on any recommendations made. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

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This report contains the 2017 Peer Review Report on the Exchange of Information on Request of Norway.

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