

Act relating to Tax Administration (the Tax Administration Act)

Uofisiell engelsk oversettelse/unofficial translation

Section 4-12. Duty to specify and document controlled transactions, etc.

1. Any company or entity with a duty to file a tax return pursuant to Section 4-2, No. 1, shall file a specification as to the nature and scope of transactions and accounts outstanding with associated companies or entities. This shall apply correspondingly to any company with a duty to file a company return pursuant to Section 4-9, No. 1.

2. Any company or entity mentioned in No. 1 shall prepare written documentation that provides a basis for evaluating whether the prices and terms of their transactions and accounts outstanding with associated companies and entities are in conformity with those that would have been adopted for transactions and accounts outstanding established between independent parties under comparable conditions and circumstances. The documentation shall be presented, submitted or sent within 45 days after a request having been made by the tax authorities, and shall be retained by the party obliged to prepare the documentation for a minimum of 10 years after the end of the income year.

3. Exempted from the duty to prepare and file documentation pursuant to No. 2 is any company or entity mentioned in No. 1 that has, in the relevant financial year and together with associated enterprises,

- fewer than 250 employees; and either
- sales income not exceeding 400 million kroner; or
- total assets not exceeding 350 million kroner.

Any company or entity mentioned in No. 1 that has transactions or accounts outstanding with an associated company or entity that is resident in a state from which Norway cannot demand information concerning the income and wealth of such other contracting party pursuant to an international law agreement, shall prepare written documentation in respect of such transactions and accounts outstanding irrespective of the limitations stipulated in the preceding sentence. Nor shall the said sentence apply to any company or entity liable to pay special tax pursuant to the Petroleum Taxation Act.

4. The following shall be deemed to be associated entities for purposes of Nos. 1, 2 and 3:

a. any company or entity that, directly or indirectly, is at least 50 percent owned or controlled by the entity obliged to specify or document;

- b. any individual, company or entity that, directly or indirectly, has at least 50 percent ownership of, or control over, the entity obliged to specify or document;
- c. any company or entity that, directly or indirectly, is at least 50 percent owned or controlled by any entity that is deemed to be an associated party pursuant to Item b; and
- d. any parent, sibling, child, grandchild, spouse, cohabitant, parent of a spouse and parent of a cohabitant of any individual who is deemed to be an associated party pursuant to Item b, as well as any company or entity that, directly or indirectly, is at least 50 percent owned or controlled by such individuals.

5. The duty to specify and document as stipulated in Nos. 1-4 above shall apply correspondingly to any dealings effected between

- a. any company or entity that is resident in Norway and its permanent establishments abroad.
- b. any company or entity that is resident abroad and its permanent establishments in Norway.

6. The Ministry may lay down more detailed Regulations and Guidelines to supplement and implement the present provision, hereunder stipulate exemptions from the duty to specify and document.