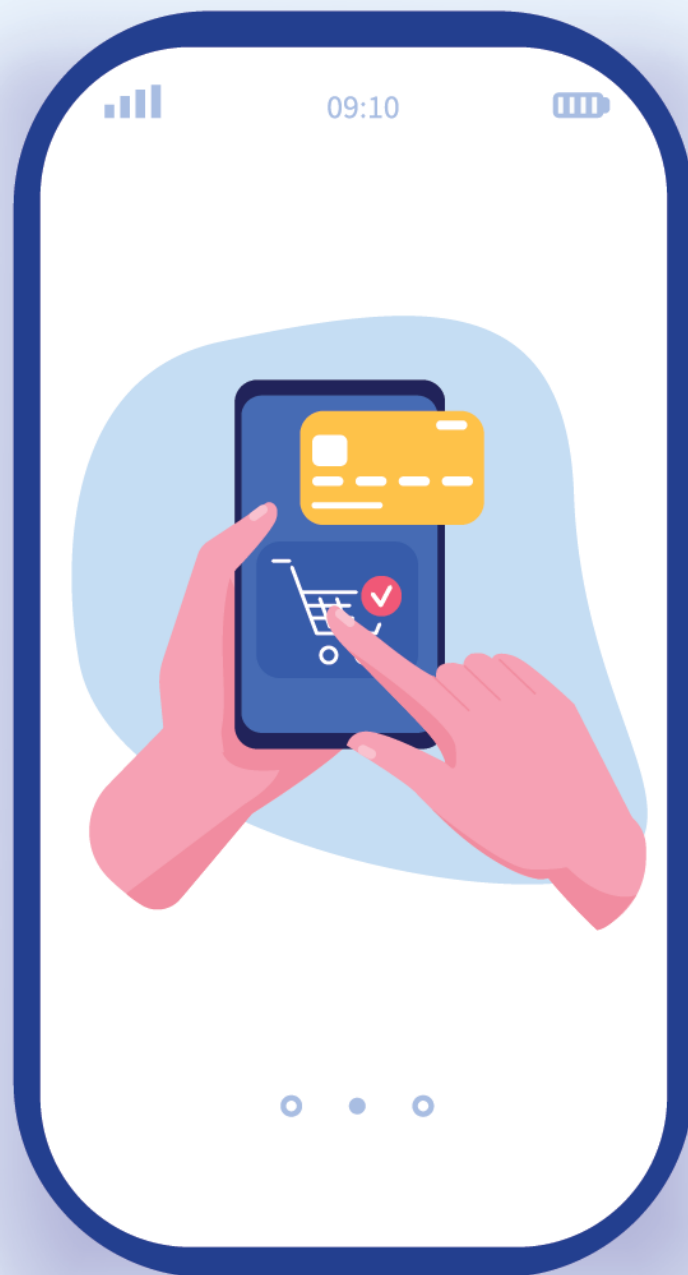


Sell, charge and ship goods to Norway

- how to get compliant with the Norwegian VOEC scheme

Guidelines - VAT on e-Commerce



Guidelines for VAT On Electronic Commerce (VOEC)

- Guidelines for VAT On Electronic Commerce (VOEC) 2
- 1 Introduction 3
- 2 Background..... 3
 - 2.1 Overview – the Norwegian VAT system 4
 - 2.2 VOEC scheme – VAT on low value goods 5
- 3 VOEC scheme – key features 5
- 4 More on the term “low value goods” 7
 - 4.1 Low value goods – The NOK 3,000 threshold 7
 - 4.2 Low value goods – multiple goods in one order – bundling 8
- 5 Goods outside of VOEC-scope 8
- 6 Basis for calculation of VAT on low value goods..... 9
- 7 Who is liable for VAT – “supplier” of goods 9
- 8 Safeguards – "good faith" – limited compliance risks 11
- 9 Preventing double taxation – shipment information and labelling of shipments 11
- 10 VOEC scheme – administrative details 13
 - 10.1 Who are entitled to register in the VOEC scheme 13
 - 10.2 How to register 13
 - 10.3 When to register 14
 - 10.4 Reporting and payment..... 14
 - 10.5 Currency conversion – determining whether VAT applies to a supply 14
 - 10.6 Currency conversion – determining the amount of VAT payable 15
 - 10.7 Corrections – refunds – returns of goods..... 15
 - 10.8 Point of sale..... 16
 - 10.9 VAT deductions..... 16
 - 10.10 Documentation and compliance requirements..... 16
 - 10.11 Deletion from the simplified registration system 17
 - 10.12 Administrative provisions – sanctions 17
- 11 Transitional provisions – sales that are made before 1 April 2020 17
- 12 Advance registration in the VOEC scheme 17
- 13 Suppliers that chooses ordinary registration in the VAT Registry 18
- 14 More information – contact information 18
 - Appendix: Examples of foodstuffs, restricted goods and goods subject to excise duties in Norway 19
 - Appendix: Import Guide to Norway 21
 - Appendix: Definition of "books" 22

1 Introduction

Norway will abolish the exemption of VAT and other indirect taxes on low value goods sent from foreign sellers to consumers in Norway. Norway is introducing a simplified VAT scheme for sellers and intermediaries such as online marketplaces. The suppliers will be liable for VAT on cross-border sales of low value goods to final consumers in Norway.

The simplified VAT scheme will enter into force as from **1 April 2020**.

The scheme is open for registration from **17 February 2020**.

The simplified scheme – called VOEC (VAT On E-Commerce) – is established for sellers and online marketplaces to register, declare and pay VAT on business-to-consumer (B2C) supplies of low value goods.

The scheme is an extension of the existing VOES scheme (simplified scheme for VAT on cross border B2C sales of electronic services – VAT On Electronic Services). The VOEC scheme applies to both sales of goods and electronic services. Going forward, the simplified scheme for both electronic services and low value goods will be named VOEC.

Sellers and marketplaces that already are registered in the VOES scheme, can use their current registration for reporting and payment of VAT on low value goods.

2 Background

The VOEC scheme is in accordance with principles in the OECD Guidelines on cross-border trade, especially the guidelines from 2017¹, and more recently, the report from March 2019 on the Role of Digital Platforms in the Collection of VAT/GST on Online Sales.

The VOEC scheme has similarities with the EU VAT e-commerce package that enters into force 1 January 2021. In particular, the extension of the scope of the EU MOSS-scheme to encompass distance sales of low value goods imported from third countries, and the abolition of the current VAT exemption for imports of small consignments. The scheme also has similarities with the Australian and New Zealand introduction of GST on low value imported goods from 1 July 2018 and 1 December 2019 respectively. All of these models are simplified schemes that have been put in place for sellers and online marketplaces to register, report and pay VAT/GST.

¹ OECD (2017) *International VAT/GST Guidelines*, OECD Publishing. Paris.

2.1 Overview – the Norwegian VAT system

Norway is not a member of the EU. Thus, the comprehensive secondary legislation as regards to VAT, especially the VAT directive Dir. 2006/112/EC, is not binding for Norway. Even so, the Norwegian system is largely based on the same principles as in the EU.

VAT is payable on all goods and services unless specifically exempted, e.g. financial services, health and social services and letting of real property, or zero-rated, e.g. books, newspapers etc.

Foreign businesses with business activities in Norway must calculate and pay VAT to the same extent as Norwegian businesses.

As regards to VAT on international transactions, the Norwegian system is highly influenced by the OECD work, both as regards the destination principle and as regards mechanisms for the effective collection of VAT. Norway was among the first countries to introduce a simplified vendor regime for B2C transactions of electronic services.

Cross-border sales of goods and services are treated in accordance with the destination principle. Hence, imports to Norway are in principle VAT liable – except for the current exemption/threshold of low value goods – through either border collection or use of the reverse charge mechanism or the VOES scheme, while exports from Norway are zero-rated.

The VAT rate structure is:

- 25% – Standard VAT rate
- 15% – Foodstuffs
- 12% – Personal transport, letting of rooms in hotels etc.
- 0% – Books, newspapers etc.

Foreign businesses are liable to registration in the Norwegian VAT Registry when VAT liable turnover exceeds the registration threshold. The VAT registration threshold is 50,000 Norwegian Kroner (NOK) (approx. EUR 5,000, USD 5,500, CNY 38,000) during a 12 months period.

Foreign businesses without place of business in Norway can register directly in the VAT Registry. However, if the country of establishment and Norway do not have an agreement on mutual administrative assistance, the foreign business must register through a representative.

The VOEC-scheme is an extension of the current scheme for electronic services called VOES (Vat On Electronic Services). The VOES scheme is a simplified alternative to this ordinary registration process, and is provided to foreign businesses supplying electronic services to consumers in Norway. The

VOES scheme provides such businesses a simplified registration process, and simpler terms for charging, collecting and remitting VAT to the Norwegian tax authorities. The VOES scheme is, broadly, an equivalent to the EU MOSS-scheme.

2.2 VOEC scheme – VAT on low value goods

The main element of the new scheme is that foreign sellers and intermediaries with a total turnover in Norway exceeding NOK 50,000 will be liable to pay Norwegian VAT when selling low value goods to consumers in Norway. Zero rated goods – e.g. books – are to be included in the calculation of the turnover limit. If a seller uses an electronic marketplace to sell low value goods, only the operator of the marketplace will be regarded as the supplier for VAT purposes. This corresponds to the existing simplified scheme for electronic services. For more information on when an intermediary shall be regarded as the supplier of goods, see point 7 “Who is liable for VAT –“supplier” of goods”.

Foreign suppliers with turnover exceeding the NOK 50,000 threshold will be allowed to manage their VAT liability on sales of low value goods through the VOEC scheme, instead of through an ordinary registration in the Norwegian VAT Registry. For information about registration in the VAT Registry, see point 10.1 and 14.

Suppliers who do not exceed the registration threshold, and who are therefore not liable to pay Norwegian VAT, but otherwise meet the requirements (i.e. carries out supply of goods comprised by the VOEC scheme), may choose to register in the simplified registration system. The alternative for such supplies of goods is border collection of Norwegian VAT.

3 VOEC scheme – key features

The key features of the VOEC scheme are:

- The VOEC scheme will be only applicable for the collection of VAT.
- The VAT liability on sales of low value goods (physical goods valued at less than NOK 3000) is shifted from the Norwegian consumer to the foreign supplier of the goods.
- Instead of the consumers paying VAT at the point of importation (border collection), the supplier must collect Norwegian VAT at the point of sale and report and pay the VAT to Norwegian tax authorities.
- The VOEC scheme is a simplified “pay only”-system. VOEC-suppliers are not entitled to VAT deductions
- The VOEC-goods are subject to simplified customs procedures, with no customs declaration. However, in order to avoid a second collection of VAT at the border the supplier must provide

VOEC-information, showing that VAT has been collected at the point of sale. See point 9 “Preventing double taxation – shipment – information and labelling of shipments”

The VOEC scheme includes all goods, except:

- Foodstuffs, which are any goods meant for human consumption, including nutritional and dietary supplements that are not medicinal drugs. Importation of medicinal drugs is restricted
- Goods subject to excise duties, including tobacco products and alcoholic beverages. See here for information on excise duties <https://www.skatteetaten.no/en/business-and-organisation/vat-and-duties/excise-duties/>
- Restricted or illegal goods according to Norwegian law. See here for information on restricted goods <https://www.toll.no/en/corporate/import/goods-with-import-restrictions/>

Zero-rated goods (newspapers, periodicals, books etc.) are included in the VOEC scheme. More on the definition of "books" can be found in the appendix.

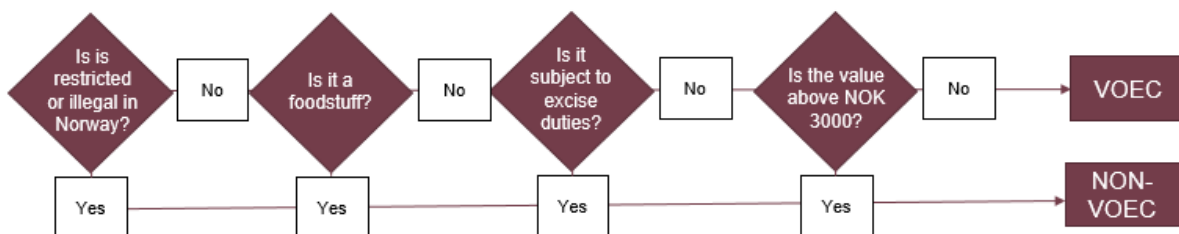
The threshold for customs duties has been raised from NOK 350 to NOK 3,000 for goods where the obligation to collect Norwegian VAT is handled through the VOEC scheme. This means that no good within the scope of the VOEC scheme will be subject to excise duties or customs duties.

The VOEC scheme entails a simplified registration process, with simpler reporting requirements and fewer administrative burdens in general than an ordinary VAT registration.

A supplier with an existing registration in the VOES scheme may use the same registration and “vendor ID” (registration number) for both electronic services and low value goods.

Flow chart:

Is this item within the VOEC scheme?



4 More on the term “low value goods”

The VOEC scheme is only applicable for sales of low value goods (and electronic services).

Low value goods means:

- Physical goods valued at less than NOK 3,000. (NOK 3,000 is equivalent to approx. EUR 300, USD 330, and CNY 2,300).

4.1 Low value goods – The NOK 3,000 threshold

The less than NOK 3,000 threshold is applied per item – not per consignment. The value of the item at “point of sale” is decisive. Additional costs and fees – e.g. shipping and insurance costs – are excluded when determining if the value is within the NOK 3,000 threshold (but to be included when calculating the VAT, see point 6 «Basis for calculation of VAT on low value goods”).

Point of sale is when the consumer purchases the good, i.e. on checkout, when the customer accepts the total price and commits to the payment for the item.

For the purpose of determining whether goods are individually valued less than NOK 3000, the supplier must convert the sales price in foreign currency to NOK at the point of sale. See guidance for currency conversion below in point 10.5 “Currency conversion – determining whether VAT applies to a supply”.

Example 1:

Customer A buys a guitar for NOK 2,999 from Supplier B. The shipping charge is NOK 300. Supplier B must collect VAT according to the provisions on low value goods, as the value of the guitar excluding the shipping charge is below the threshold. The shipping charge is to be included when calculating the amount of VAT to be collected.

Example 2:

Customer A buys a sports item with retail price NOK 2,999 following currency conversion at the point of sale according to the provisions for currency conversion. In the period between the point of sale and the point of importation, the exchange rate fluctuates which leads to the sports item’s value rising to NOK 3,049 at the point of importation. The sports item is still within VOEC-scope, as the value was below the threshold at the point of sale.

Example 3:

An underlying supplier misstates the value in e.g. transportation documents, which leads to the value exceeding the threshold in the transport documents. The item is still within the VOEC-scope, as the value at point of sale is decisive.

4.2 Low value goods – multiple goods in one order – bundling

A supply of multiple goods that individually has a value of less than NOK 3,000, is still considered a "supply of low value goods", even if the total value of the consignment exceeds the NOK 3,000 threshold. The supplier must collect VAT on each item.

On the other hand, if a supply of multiple goods consists of one or more goods valued above the NOK 3,000 threshold, or one or more goods that fall outside of the VOEC scheme (e.g. foodstuffs or restricted goods), the consignment must be split into separate consignments in order to avoid ordinary customs declaration of the low value goods.

The same applies if a good within the VOEC scheme is bundled with goods outside the VOEC scheme and combined into one item.

Any unbundling or separation of goods that are offered and sold as one unit to avoid passing the value limit of the VOEC scheme is prohibited.

Example 4: Customer A buys a T-shirt for NOK 499, a jacket for NOK 1,999 and a pair of shoes for NOK 899 from Supplier B. Supplier B must collect VAT on all items even if the total price exceeds NOK 3,000, as the value of each of the items is below the threshold.

Example 5: Customer A buys a serving tray combined with foodstuffs. Presumed this make up a single supply of foodstuff; in this case the whole item is outside of the VOEC scheme. VAT, and any excise duties or custom duties, is subject to border collection.

Example 6: Customer A in Example 1 adds a sports item worth 3,500 to the purchase ("items in basket"). The items with an individual value below the threshold should form one supply, and Supplier B must collect VAT on these items. The sports item falls outside of the VOEC scheme and will be subject to border collection of VAT.

5 Goods outside of VOEC-scope

Goods valued above the NOK 3,000 threshold, as well as foodstuffs, restricted goods and goods subject to excise duties are treated according to current rules for importation of goods. Starting point for comprehensive information on customs legislation and procedures can be found here:

<https://www.toll.no/en/corporate/import/>

6 Basis for calculation of VAT on low value goods

The basis for calculation of VAT on low value goods is the consideration. The VAT itself shall not be included in the basis of calculation. All costs relating to the performance of the agreement are included in the basis for calculation of VAT, regardless of whether such costs are included in the consideration or are subject to a separate payment claim. For example, freight and insurance costs are included in the basis for calculation of VAT. Discounts and Rebates that are pre-agreed and given directly in connection with the sale, is subtracted from the basis of calculation.

All reporting and payment must be done in NOK. See point 10.6 “Currency conversion – determining the amount of VAT payable” for guidance on determining the VAT payable amount.

Example 7:

Customer A buys a T-shirt for NOK 499, a jacket for NOK 1,999 and a pair of shoes for NOK 899 from Supplier B. In addition, Supplier B charges NOK 299 for freight of the goods. The basis for calculation of VAT is NOK 3,696. The amount of VAT collected is NOK 924.

7 Who is liable for VAT – “supplier” of goods

If a supplier of goods sells goods through its own online store etc., the supplier shall calculate and pay VAT on the supplies.

If the supply of the goods is facilitated with the use of an intermediary, the intermediary shall be regarded as the supplier for VAT purposes, instead of the underlying supplier of the goods. This, effectively, means that an operator of an online marketplace facilitating the distance sales of low value goods to consumers in Norway through the use of an electronic interface (e.g., marketplace, platform, app, portal), for VAT purposes will be regarded to have supplied those goods himself.

The supplier provision is mandatory. This means that where an online marketplace (intermediary) is facilitating the sale of low value goods, the underlying supplier cannot be registered for the sale through the online marketplace. The underlying supplier and intermediary cannot freely choose who shall be VAT liable for the supply.

A supplier that sells goods within the VOEK-segment without the use of an intermediary – typically from its own web store – is liable for VAT and may use the VOEK scheme. If a supplier sells goods both via its own web store and through an intermediary who is regarded as the supplier for VAT purposes, the supplier is VAT liable for the sales via its own web store but not for the sales through the intermediary. For the latter, the intermediary shall calculate and pay VAT.

Where low value goods are sold through an intermediary, it must be decided whether the underlying supplier or the intermediary shall be regarded as the supplier". A general guideline for this assessment is to determine which subject the consumer primarily deals with to buy the particular good. Generally, if the intermediary facilitates the sale of goods through an electronic interface, the intermediary shall be regarded as the supplier of goods. Facilitate means that the intermediary, through the electronic interface, allows the customer and underlying supplier to enter into contact that results in a supply of goods through the electronic interface to that customer. When carrying out this assessment, especially the following elements should be taken into account:

- It is not decisive whether underlying agreements between the parties classify the relationship as involving a subcontractor, intermediary, agent or commissioner etc.
- It is not necessarily decisive who is contractually responsible for the supply of goods.
- An important factor is who, from the standpoint of the consumer, appears to be the seller, and who is responsible for the actual delivery.

However, an intermediary shall not be regarded as the supplier if all of the following conditions are met:

- The intermediary does not set, either directly or indirectly, the general terms under which the supply of goods is made;
- The intermediary is not, either directly or indirectly, involved in charging the customer in respect of the payment made;
- The intermediary is not, either directly or indirectly, involved in the ordering or delivery of the goods.

Additionally, an intermediary shall not be regarded as the supplier if the intermediary only provides any of the following:

- the processing of payments in relation to the supply of goods;
- the listing or advertising of goods;
- the redirecting or transferring of customers to other electronic interfaces where goods are offered for sale, without any further intervention in the supply.

This assessment is similar to the assessment made in the VOES-system in determining the responsible party for VAT on sales of electronic services B2C, and is also designed in a similar way as in the EU system that enters into force 1 January 2021.

A supplier with an existing VOES registration may use this registration to fulfil its obligations under the simplified VOEC scheme for both low value goods and electronic services.

8 Safeguards – "good faith" – limited compliance risks

An intermediary who is regarded as the supplier is fully liable for VAT on the supply of goods.

The intermediary is in many cases dependent on information provided by underlying suppliers and third parties to comply with the VAT obligations. The intermediary shall not be held liable for the payment of VAT in excess of the VAT, which is declared and paid on the supplies, where all of the following conditions are met:

- the taxable person (the intermediary) is dependent on information provided by suppliers selling goods through an electronic interface or by other third parties in order to correctly declare and pay the VAT on those supplies;
- the information received by the taxable person is erroneous; and
- the taxable person can demonstrate that he did not and could not reasonably know that this information was incorrect.

The customer shall be presumed to be a non-taxable person. This presumption releases the interface from the burden of having to prove the status of the customer.

9 Preventing double taxation – shipment information and labelling of shipments

The VOEC scheme is based on VAT collection at the point of sale, not border collection as in regular cross-border trade of goods B2C. Further, VOEC-goods are free of excise duties and customs duties. Consequently, there is no border collection of VAT, excise duties or customs duties for VOEC-goods.

However, the border crossing may affect shipments within the VOEC-segment, as goods outside the scheme is subject to border collection of VAT, excise duties and customs duties. If the VOEC-goods cannot be easily identified, there are risks of delayed border crossing and double taxation. Thus, to secure simplified importation and to avoid the risk of double taxation, the suppliers of VOEC-goods must take steps to ensure that relevant information about the VOEC-goods is available to the transporter and, subsequently, the Norwegian Customs. The relevant information consists of the supplier's registration number (VOEC-number), which is assigned to the supplier upon registration in the simplified VOEC scheme. This unique number must accompany the shipment as described below. It is vital that the information requirements are met in a way that secures that the information can be read, either digitally or physically, by the transporters and Norwegian Customs.

The steps to provide relevant information are:

Goods shipped by postal service:

- Preferable:
 - Provide the seven digit VOEC-number via electronic advance data (M33/ITMATT) when you book the shipment from your local postal service.
 - Make sure this information is attached to a UPU standard S-10 barcode on the item; and
 - Use labels CN 22 / 23 and provide the seven digit VOEC-number in the *sender's* address field. The VOEC-number must be labelled as "Sender's customs reference no" or "VOEC no". Ensure there is 2 mm clear space between the VOEC No and the line above.
- If ITMATT is not possible:
 - Use labels CN 22 / 23 and provide the seven digit VOEC-number in the *sender's* address field. The VOEC-number must be labelled as "Sender's customs reference no" or "VOEC no". Ensure there is 2 mm clear space between the VOEC No and the line above.

Goods shipped by other carriers (courier, express shipping carriers):

- Provide the seven digit VOEC-number via EDI message or labelling as instructed by the shipping carrier.

The transporters must make sure that the VOEC-information is available to the Norwegian Customs, preferably in a prenotification in digital form, alternatively – at the latest – upon presentation of the goods at the border.

If the above required VOEC-information is not included, the goods may still be submitted if the package includes proof (i.e. invoice including VAT) that VAT has been paid. This will however lead to a delay of delivery of the goods as well as risk of double taxation, and shall not replace the steps to provide information required above.²

A supplier or transporter in good faith is not held responsible for misuse of VOEC-numbers, see point 8.

² UPU (Universal Postal Union) member countries and their designated operators can provide the ITMATT ver. 1.5.0 (both M33-11 and M33-12) with the assigned VOEC-number as the ITMATT reference – “sender.identification.reference”. If your designated operator uses the old ITMATT ver.1.2.1 (M33-8G) the respective field is “item.submitter-party.ID”.

10 VOEC scheme – administrative details

The VOEC scheme is an extension of the VOES scheme, and shares the requirements and administrative provisions that are described below. These schemes are simplified vendor registration schemes for the effective collection of VAT for suppliers who has no registered business address or residence in Norway and shall only calculate and pay VAT on low value goods and electronic services.

10.1 Who are entitled to register in the VOEC scheme

The term “supplier” is discussed above in point 7 “Who is liable for VAT – ‘supplier’ of goods”. Besides the definitions and distinctions discussed in that chapter, there are formal requirements for registration in the VOEC scheme.

The VOEC scheme is only applicable to suppliers that have no registered business address or residence in Norway. Further, the VOEC scheme is only applicable to suppliers that shall only calculate and pay VAT on electronic services and low value goods.

If a supplier has a registered business address or residence in Norway, or is VAT liable for any other supplies of goods or services, the supplier must register in the ordinary VAT Registry for all of the supplier’s taxable supplies, including low value goods. Such suppliers cannot opt for the simplified VOEC scheme.

Only supplies to private individuals and non-business customers (B2C) can be calculated and reported via the VOEC scheme. Note, however, that a supplier will not disqualify for the VOEC scheme if the supplier also make similar supplies to businesses and public sector bodies (B2B). For B2B-supplies, the recipient is liable to calculate and pay VAT.

For example, if a Norwegian underlying supplier, i.e. a Norwegian supplier that sells goods to consumers in Norway through an intermediary, e.g. the operator of an electronic marketplace, is a “taxable person”, the sales from the underlying supplier through the electronic marketplace are outside the scope of VOEC. Such supplies are considered as domestic supplies. Consequently, the underlying seller shall calculate and pay VAT on the supplies. The underlying seller is considered a “taxable person” if the underlying supplier is or should be registered in the ordinary VAT Registry. This would be the case e.g. if the underlying supplier also sells goods through a physical store in Norway.

10.2 How to register

The simplified registration, reporting and payment-process take place through a Norwegian Tax Administration www.skatteetaten.no/voec

After initial registration, the supplier is assigned an identification number (VOEC-number) and password.

10.3 When to register

The obligation to register arises when the total value of deliveries to consumers in Norway exceeds NOK 50,000 during a period of 12 months. Suppliers who do not exceed this threshold but otherwise meet the requirements may choose to register in the simplified registration system.

A VOEC-registered supplier that has supplies to consumers in Norway below the amount limit of NOK 50,000 and who has not been deleted from the simplified registration system, will remain registered for a period of two calendar years and calculate and pay VAT and submit VAT returns during this period, unless the supplier applies for a de-registration from the VOEC-scheme.

A supplier that is liable to VOES-registration may use this registration to fulfil its VOEC-obligations.

10.4 Reporting and payment

VAT must be declared and paid by the same deadlines as apply to the existing VOES scheme for electronic services, i.e. quarterly, with a deadline for the submission of returns and payment 20 days after the end of the period.

The reporting periods, VAT declaration and payment due by:

Reporting period	VAT declaration and payment due by
1 January to 31 March	20 April
1 April to 30 June	20 July
1 July to 30 September	20 October
1 October to 31 December	20 January

10.5 Currency conversion – determining whether VAT applies to a supply

To determine whether VAT applies to a supply, the value of the good shall be measured at the point of sale according to the principles set out in point 4.1 “Low value goods – The NOK 3,000 threshold”. If the good in question is listed in foreign currency, the supplier must convert the foreign currency amount to NOK at the point of sale. The supplier may use any of the following exchange rates:

- the rate provided by [Norwegian Customs](#) (fixed weekly rate);
- [the Central Bank of Norway rate](#), or a reference rate published by another central bank;
- an exchange rate provided by a foreign exchange organisation or foreign exchange data vendor.

The exchange rate to be used for conversion must have been published within 30 [...] days of the conversion time (point of sale). If a rate other than the most recently published rate is used, the practice for sourcing the rate must be consistent.

10.6 Currency conversion – determining the amount of VAT payable

All reporting and payment must be done in NOK. When converting foreign currency to NOK to determine the amount of VAT to be returned, a supplier may use the chosen exchange rate mentioned above at:

- the point of sale;
- the last day of the taxable period;
- the time of filing the tax return but at the latest the deadline day for the submission of returns and payment of VAT;
- another time as agreed with the Norwegian Tax Administration.

Once the supplier chooses a method other than expressing amounts in NOK at the point of sale, the chosen method must be used consistently for a period of 24 months, unless otherwise agreed with the Norwegian Tax Administration.

10.7 Corrections – refunds – returns of goods

The supply may be subject to double taxation (VAT may be charged at the point of sale and the supply may be subject to border collection of VAT) if sufficient information about the shipment is not provided, or if a supplier charges VAT on the sale of goods that are not low value goods and therefore subject to border collection.

The need for corrections may also arise from return of goods and bad debt relief.

In these situations, the supplier may decrease payable VAT due to reimbursement of VAT to the customer.

Corrections, including refunds related to return of goods, can be made in subsequent VAT returns in a designated field for "corrections to previous VAT returns".

There are no formal procedures or requirements for making corrections to previous VAT returns, besides the declaration of the corrected amount in the VAT return. This also applies to corrections caused by refunds related to returns of goods. However, the explanation and basis for the correction must be documented – see point 10.10 below – where particularly documentation mentioned in letter (D) and (K) is relevant (that is: information on subsequent increase or reduction of taxable amount, and: proof of possible returns of goods, including the taxable amount and VAT rate applied).

The regular rules on bad debt relief in the Norwegian VAT Act applies to the VOEC-scheme: When the customer does not pay the platform/supplier, the platform/supplier may be entitled to bad debt relief. In such cases, the taxable amount should be reduced accordingly if the platform/supplier has made reasonable effort to ensure payment. Please contact the tax administration – see point 14 – for guidance on what constitutes reasonable steps to recover the debt.

10.8 Point of sale

The VAT is payable at the point of sale. Point of sale is when the consumer purchases the goods, i.e. on checkout, when the customer accepts the total price and commits to the payment for the item. Failure in delivery to customer/no importation to Norway of the goods entitles corrections of “the VAT on point of sale”.

10.9 VAT deductions

VOEC is a "pay only"-scheme, and VOEC-suppliers are not entitled to VAT deductions. However, Norway has, similar to other countries, a general refund scheme for traders not established in Norway if these suppliers have VAT expenses in Norway related to their business activity here. More information on VAT refund here: www.skatteetaten.no/vatrefund/

10.10 Documentation and compliance requirements

A VOEC-registration carries fewer documentation requirements than an ordinary VAT registration. In the simplified registration system, the supplier must keep a list of transactions that concerns the sale of low value goods to Norwegian consumers. The list of transactions must be sufficiently detailed for it to be compared with the VAT return and thereby function as a means of control.

The transaction record shall at least contain the following information

- (a) the description and quantity of goods supplied;
- (b) the date of the supply of goods;
- (c) the taxable amount indicating the currency used;
- (d) any subsequent increase or reduction of the taxable amount;
- (e) the VAT rate applied;
- (f) the amount of VAT payable indicating the currency used, and method of currency exchange;
- (g) the date and amount of payments received;
- (h) any payments on account received before the supply of goods, if available;
- (i) where an invoice is issued, the information contained on the invoice;
- (j) the information used to determine the place where the dispatch or the transport of the goods to the customer begins and ends;

- (k) proof of possible returns of goods, including the taxable amount and VAT rate applied;
- (l) the unique consignment number or unique transaction number.

The list of transactions must be stored for 5 years and, at the Norwegian tax authorities' request, it must be made available electronically within three weeks.

10.11 Deletion from the simplified registration system

A supplier will be deleted from the simplified registration system when the enterprise ceases trading or when the conditions for using the simplified registration system are no longer met. A supplier that repeatedly fails to fulfil the obligations pursuant to the Value Added Tax Act and the Tax Administration Act may also be deleted.

Deleted suppliers who still engage in activities that are liable for VAT are obliged to register in the Norwegian VAT Registry.

10.12 Administrative provisions – sanctions

As regards compliance with the regulations, suppliers in the simplified registration system will be subject to most of the general administrative provisions that apply for ordinary VAT registration. Among other things, this means that the suppliers will have a general duty to disclose information that has a bearing on VAT control, and that the VAT authorities can obtain information about the suppliers from third parties.

It also means that the VAT authorities can stipulate VAT by discretionary judgement and impose sanctions such as additional tax or penal sanctions if a supplier provides incorrect or incomplete information or fails to submit a VAT return.

11 Transitional provisions – sales that are made before 1 April 2020

The new VOEC scheme applies to goods purchased on or after 1 April 2020. It will not apply to sales made prior to 1 April 2020.

12 Advance registration in the VOEC scheme

Advance registration in the VOEC scheme opens at 17 February 2020.

13 Suppliers that chooses ordinary registration in the VAT Registry

Information can be found at

<https://www.skatteetaten.no/en/business-and-organisation/vat-and-duties/vat/>

14 More information – contact information

Read more here:

The Norwegian Tax Administration: www.skatteetaten.no/voec

Norwegian Customs: <https://www.toll.no/en/corporate/import/>

Appendix: Examples of foodstuffs, restricted goods and goods subject to excise duties in Norway

From 1 January 2020, the VAT exemptions for low value goods (goods with a value below 350 NOK) are abolished for foodstuffs, restricted goods and goods subject to excise duties. These goods will now be charged with taxes when imported to Norway.

The following is a list of examples of such goods, by category. Please note that these lists are not complete or exhaustive. They are meant as examples of goods that will be charged with taxes upon crossing the Norwegian border, and are not a part of the new VEOC scheme (read more about the VEOC scheme in the enclosed guidelines).

Examples: Excise duties

- Alcoholic beverages
- Non-alcoholic beverages
- Beverage packaging
- Sugar
- Chocolate and sugar products
- Technical ethanol
- Tobacco products
- Lubricating oil
- Mineral products
- Products that use or produce gasses such as HFC, PFC, NO_x, TRI or PER, or the gasses/mixtures of gasses themselves

The list is not comprehensive or complete. Read more at <https://www.skatteetaten.no/en/business-andorganisation/vat-and-duties/excise-duties/>

Examples: Restricted goods

- Alcohol
- Tobacco
- Foodstuffs, plants, seeds, animals
- Endangered animal and plant species (CITES goods)
- Medicines
- Waste
- Explosives, fireworks and hazardous substances
- Weapons, weapons parts, and ammunition
- Cultural monuments, antiques

The list is not comprehensive or complete. Read more at <https://www.toll.no/en/corporate/import/goods-withimport-restrictions/>

Examples: Foodstuffs

(in any form – fresh, chilled, dried, frozen, preserved or powderized, or otherwise)

- Any meats, poultry, fish, shellfish and such.
- Tripe, edible offal.
- Animal biproducts like dairy, honey, and such
- Fruit and Vegetables
- Legumes, nuts and seeds
- Tea and coffee and other plant based beverages
- Spices and herbs
- Grains, such as rice, quinoa, oats and such
- Flours
- Oils, juices, squashes and extracts (plant based or animal)
- Plant mucus and thickeners
- Plant based biproducts
- Fats, lard, fish oils and their fractions, and such
- Glycerol
- Sugars, such as raw, sirups, granulated, fructose, by itself or as a biproduct
- Candy, sweets, and confectionery including gum, pastilles and such
- Cocoa, chocolate and chocolate products
- Prepared foods for children
- Prepared foods
- Malt extract
- Pasta products
- Cakes and cake mixes
- Baked goods
- Pickels, jams and preserves
- Yeast
- Products for the production of beverages (like sirups and such)
- Pastilles and chewing gum, including those containing nicotine
- Drinking water
- Non-alcoholic beverages
- Alcoholic beverages
- Salts and vinegars
- Vanillin, Ethylvanillin
- Sucralose
- Heterocyclic compounds
- Vitamins and their derivatives
- Dietary supplements, health foods, protein powders and such

The list is not comprehensive or complete. Please contact Norwegian Customs if you are uncertain whether the product you are exporting / importing to Norway is a foodstuff.

Appendix: Import Guide to Norway

- When you send goods into Norway, you must declare to Norwegian Customs at the border what you are bringing in, and how much.
- Usually, a forwarding agent or a customs broker can deliver a customs declaration on your behalf. A forwarding agent or a customs broker is a person or company that can provide transport, customs clearance, and the like on behalf of others. The forwarding agent declares the goods electronically by submitting information to Norwegian Customs' customs clearance system. The declaration from the forwarding agent and response from Norwegian Customs are both electronic. Neither the importer nor the forwarding agent needs to meet physically with Norwegian Customs to declare the goods, unless requested by Customs
- Even if you use a forwarding agent, you as the importer are responsible for ensuring that the customs clearance are carried out in accordance with the regulations.
- There are essentially three types of tax that may be payable on imports:
1) VAT 2) duty 3) excise duties
- You, as the importer, are responsible for paying and reporting duties and taxes. If you are registered in the Norwegian VAT register or the VEOC scheme, you must calculate and report the import VAT to the Norwegian Tax Administration by way of the new tax return. If you are not registered in either of these (private individuals, non-registered foreign companies, etc.) you must pay import VAT, any excise duties and customs duties to Norwegian Customs on import.
- You will generally report and pay VAT on all goods you import into Norway, even if you do not pay customs duty on the goods. The Norwegian government sets the rate of VAT each year. VAT is currently 25 per cent. One exception is foodstuffs, for which the rate is 15 per cent.
- Most goods are free of customs duty. In broad terms, customs duties only apply to textiles (e.g. clothing), agricultural products and foodstuffs (food and drink). If duty is to be paid on the goods, this must be paid upon import.
- Excise duties are due on some goods. The Norwegian government sets the rates each year. The excise duties rates and how to calculate them vary. If an excise duty is due on the goods you are importing, you must familiarise yourself with the regulations for this excise duty.
- The import of some goods may be prohibited or restricted. The Norwegian authorities may require documentation or permits to import these goods into Norway. Check the regulations from the competent Norwegian authority before trading such goods. There may also be restrictions in the exporting country that require you to have an export licence permit. This must be checked with the seller or the authorities in the country of export.
- In some cases you can apply for a refund of duties and taxes. For example, if you return a consignment, cancels a purchase, or return damaged goods.

Read more at <https://www.toll.no/en/corporate/import/import-guide-for-beginners/>

Appendix: Definition of "books"

Section 6-3 Books

Section 6-3-1 Books

"Books" means publications that are not newspapers or periodicals.

Section 6-3-1 Publications that are not books

The following publications are not books:

- a) printed documents for completion, insertion, sticking, binding or tearing out/off
- b) small printed documents such as circulars, circular letters, brochures, prospectuses, folders, etc.
- c) regulations, instructions, articles of association, laws treaties, agreements, parliamentary documents, announcements from public institutions
- d) printed minutes of negotiations
- e) prints of verdicts, judgments, registers, land registries, etc.
- f) school and study plans, lecture and course catalogues
- g) organisation and regulation plans and similar
- h) almanacs, annual calendars, and other publications with a calendar
- i) programs for exhibitions, gatherings, lectures, meetings and other events,
- j) lists or tables of numerical circumstances for the calculation of amounts or other numerically expressed entities such as prices salaries, discounts, points, fees, taxes, coins, dimensions, weight, etc.
- k) sheets, booklets and books of music and song books shall nevertheless considered as books even if they contain music
- l) traffic routes
- m) loose covers and folders if the cover or folder is not intended to enclose a book or a particular publication which is exempt from value added tax
- n) collections of printed images, etc. if the pages are without text or only state the name of the location or persons or give a description, brief instructions or similar
- o) lists of properties, products, fixed assets, exhibition objects, stocks and other movables
- p) lottery lists
- q) address and company lists
- r) lists of streets and service locations
- s) lists of subscribers
- t) lists of rates, prices, fees, freight charges, share prices and exchange rates, etc.
- u) maps other than atlases; "atlas" means a stapled or bound series of maps covering at least one country
- v) printed advertising, including printed documents which are distributed free of charge and attract attention towards the products or services of a number of companies, a trade or an industry
- w) other printed publications which in accordance with a special printing assignment are supplied for internal use by a company