

## **Leasing in Norway post-VAT package/ important notice for anyone leasing out goods to Norway.**

Leasing out of goods to Norway may, under certain conditions, trigger an obligation to register for VAT purposes in Norway.

### **Background:**

Norway is not a part of the EU, and thus the new rules given in the VAT package does not apply for Norway. The following information is not news, but an important reminder for anyone leasing out goods to Norway.

### **VAT and leasing of goods to Norway**

The leasing out of goods is considered a VAT liable service in Norway. In this respect, the term "leasing of goods" could for instance refer to the leasing of motor vehicles, construction machines, ships, all types of engines etc.

As long as the leased goods are physically present in Norway, the leasing out of goods to Norway is considered a service continually being performed in Norway. In our contact with the Norwegian tax authorities, our experience is that they put decisive emphasis on the physical presence of the goods in Norway (unlike the treatment of supply of labour services to Norway). This approach will make it hard to argue that the leasing out of goods is a service which is capable of remote delivery.

The Tax Authority's argumentation is based on the assumption that an obligation to register is triggered on the basis of time the goods will spend in Norway. This will normally apply for long time leasing contract, thus downplaying the importance of where the lease contract is entered into or the contractual place of delivery of the goods.

Accordingly, anyone leasing out goods which are intended to be physically present in Norway for a long term runs the risk of having an obligation to register for VAT purposes.

### **Possible adaptation**

Arguably, a leasing structure more similar to a sale could be a possible way to avoid the issue. Sale made on export conditions will in most cases not trigger an obligation to register for VAT purposes in Norway, and in this respect we draw experience from the fact that "sales like leasing schemes" have been treated as sales for tax purposes.

However it remains uncertain whether this will, under any circumstances, be the treatment for VAT purposes.

### **What action should be taken?**

Anyone leasing out goods to Norway on “normal” leasing conditions should assess whether they are obliged to register for VAT in Norway.

## **Contact**

For more information, please contact one of our VAT specialists

Yngvar Solheim, partner/lawyer  
Tel: +47 95 26 06 57  
E-mail: [yngvar.solheim@no.pwc.com](mailto:yngvar.solheim@no.pwc.com)

Lars Moen Flatåker, associate lawyer  
Tel: +47 95 26 05 25  
E-mail: [lars.moen@no.pwc.com](mailto:lars.moen@no.pwc.com)

Håkon Bryge, associate lawyer  
Tel: +47 91 66 22 78  
E-mail: [haakon.bryge@no.pwc.com](mailto:haakon.bryge@no.pwc.com)