

February 15, 2013
2013-034

**Norway – Resident
Permits for Foreign
Workers Undergoing
Changes**

by Unn Kristin Mardal, KPMG
Law Advokatfirma DA, Oslo
(KPMG Law Advokatfirma DA in
Norway is a KPMG International
member firm)

flash International Executive Alert

A Publication for Global Mobility and Tax Professionals by KPMG's International Executive Services Practice

There have been some important changes in Norway to existing statutes concerning applying for and obtaining residence and work permits for foreign workers.¹ Some previously available permits have been abolished.

Regime for Specialists Abolished from 15 January 2013

The Specialist-Directive (*Spesialisttillatelse*) came into force in 2010. The directive provided for a residence permit for a foreign worker who was offered an annual employment income of at least NOK 500,000. The stated goal of this directive was to simplify and expedite the recruitment of highly skilled workers for Norwegian employers. After three years, it appears that employers do make use of this regime for recruitment purposes, but only to a minor degree. Furthermore, the Norwegian police departments and Norwegian Directorate of Immigration have observed abuse and inadvertent use of the directive, i.e., wages and compensation workers claimed to receive have not been trustworthy.²

Transitional Rules

Transitional rules have been issued that will help ensure that a person with a valid residence permit as a specialist can extend his or her residence presuming the conditions for being considered as a specialist are still met. However, at this stage, persons who have applied for this permit will have their applications rejected. In circumstances where the application was submitted up until 15 January 2013, applicants will be able to get the case processing fee refunded. A new application can be submitted under the existing "skilled worker" directive (see below), if the person qualifies for this.

Regime for Skilled Job-seekers Also Abolished

The directive for skilled job-seekers (*bestemmelser for faglært arbeidssøker*) was also abolished as of 15 January 2013. Only a minority of those applicants who had been granted residence permits allowing them to seek jobs in Norway had actually been offered relevant work in Norway. The competent departments of the Ministry of Foreign Affairs that had received most applications have registered a broad and growing use of faked documents, i.e., an increasing number of applicants had in reality not achieved the qualification as "skilled worker."³ Generally, the person first applies for a permit as a job-seeker (which allows him to stay in Norway during the job hunting process). He then applies for jobs as a "skilled worker" (he must be qualified as such). When a job offer is in place, then the person applies for a permit as a skilled worker.

Regime for Skilled Workers Is Unchanged

No changes have been made to the directive for skilled workers (*bestemmelser for faglært*).

KPMG Note

For future applications under the directive for skilled workers, it is important to make sure that the employees meet the requirements related to education and work experience in order to be regarded as a skilled worker. Interested parties may wish to refer to the Norwegian Directorate for Immigration's Web page on "Skilled Workers" for an overview of the specific requirements.⁴

Residence Permits for Service Providers Get an Extended Period

Oppholdstillatelse for tjenesteytere, or residence permits for qualifying service providers, as defined, will be extended from four to a maximum of six years. Residence permits will be issued for two years at a time, but will not last longer than the duration of the underlying service contract. The residence permit cannot be used as a basis for a permanent residence permit in Norway.

The changes to this directive will become effective as of 1 April 2013.

Footnotes:

1 See: <http://www.regjeringen.no/nb/dep/ad/presSESenter/pressemeldinger/2013/misbrukt-spesialistbestemmelse-oppheves.html?id=711844> .

2 Ibid.

3 Ibid.

4 See: <http://www.udi.no/Norwegian-Directorate-of-Immigration/Central-topics/Work-and-residence/Apply-for-a-residence-permit/Skilled-workers/> .

* * * *

The information contained in this newsletter was submitted by the KPMG International member firm in Norway. The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

Flash International Executive Alert is an IES publication of KPMG LLP's Washington National Tax practice. To view this publication or recent prior issues online, please click [here](#). To learn more about our IES practice, please visit us on the Internet: click [here](#) or go to <http://www.kpmg.com> .