

The Norwegian Government's (preliminary) emergency plan for handling the consequences of COVID-19

Last updated 2 April 2020

General information

- The following slides set out a thematic overview of the Norwegian Government's (preliminary) emergency package for handling the consequences of the coronavirus in Norway.
- Substantive parts of the package can be enacted by the Government alone, through secondary regulations or general Parliamentary decisions, and have already been decided.
- Certain measures require legislative amendment(s), and need to go through a Parliamentary vote(s) before being finally passed.
- The measures mentioned in this overview are those that are already decided or where reports indicate majority in the Parliament, thus we find it likely that they will be passed. The details and enforcement of the measures may still be debated.
- We note that these are just some of the measures and temporary amendments implemented to handle COVID-19 and its consequences.

The summary was last updated on Thursday 2 April 2020.

We also refer to the Norwegian Government's own thematic overview for national measures related to the COVID-19 pandemic, which is available [here](#) (in Norwegian only).

Latest news – the Government's measures of 2 April

NB: Not finally decided

- On 2 April, the Government presented further details on its proposal for a new temporary cash support scheme in order to save jobs in Norway:
 - The scheme covers companies that have at least 30% decline in turnover compared to the same month the year before and will initially cover March, April and May (for March the rate will be 20%).
 - Payments will be made in arrears based on actual sales in the months in question.
 - The compensation calculation is two-fold:
 - Companies that have been required to close down will receive coverage of up to 90% of the *unavoidable fixed costs*.
 - Other companies that still experience a qualified decline in turnover receive coverage of up to 80% of *unavoidable fixed costs* (minus NOK 10,000 in deductibles).
 - The upper limit for support per company is proposed at NOK 30 million per month, as well as a higher maximum limit for corporations/groups.
 - Some sectors are excluded, such as the financial industry, oil and gas extraction and airlines, as well as companies with no activity or who are in bankruptcy proceedings.
- The proposal will be considered by the Parliament on 3 April 2020, and must be approved by ESA before possible implementation.

Banking and finance

- Parliament have asked the Government to establish loan guarantees for all affected industries.
- The countercyclical capital buffer requirement for banks has been reduced from 2.5 to 1 percent with immediate effect.
- The Central Bank of Norway has offered additional extraordinary NOK F-loans, with a maturity of one week, one month, three months, six months and twelve months.
- The new act on a state guarantee scheme for loans to small and medium-sized enterprises (SMEs) has now come into force.
 - The scheme has been extended to companies larger than SMEs.
- The Government Bond Fund has been reinstated.
- Investinor's investment capital has been increased by NOK 1 billion to improve access to capital for early stage companies.

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Taxes and duties

- Postponed deadlines for:
 - The payment of VAT return due 15 April, until 10 June 2020.
 - The payment of advance tax due 15 April, until 1 September 2020.
 - The payroll tax due 15 May, until 15 August 2020.
 - The finance tax due 15 May, until 15 August 2020.
- Reduction of low VAT rate from 12 to 6 percent for 1 April – 31 October 2020.
- The deadline for self-employed persons to pay advance tax postponed from 15 March to 1 May.
- Companies will be temporarily offered the opportunity to return up to NOK 30 million of company losses in 2020 against taxed profits in the previous two years.
- Private owners will be given the opportunity to use a temporary scheme with deferred payment of wealth tax on business assets for the financial year 2020.
- Parliament agree to temporary cut the employer's payroll tax by four percentage points for the next two months. (Separate compensation for Nord-Troms and Finnmark.) Government is yet to present a specific proposal.

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Employment

- Persons who have been temporarily laid-off shall receive full salaries (up to 6G, approx. NOK 600 000) for 20 days. Employer shall cover the two first days, whilst the state will cover day 3 to 20.
- New scheme to ensure for persons who have been laid-off an income of min. 80% of the unemployment benefit up to 3G, and 62.4% of the unemployment benefit over 3G and up to 6G after day 20 during the lay-off period. Most likely, the same or a corresponding scheme will apply for unemployed.
- The limit of income for entitlement to unemployment benefit is reduced to 0.75 G.
- The number of care days are doubled for most parents from 10 to 20 days per parent. The period covered by the employer is reduced to 3 days.
- The period to be covered by the employer for sickness benefits due to the corona outbreak and care benefits is reduced to 3 days.
- Self-employed and freelancers shall receive care and sickness benefits from day 4 of their absence from work.
- Self-employed and freelancers who lose all/part of their income base as a result of the corona pandemic shall receive a compensation scheme where the coverage rate is approx. 80% of the average of the last three years' income (upwards limited to 6G). The compensation is covered from the 17th day after the loss of income occurred.
- The Government will enable temporary laid-off personnel to receive unemployment benefits over Easter.

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Other measures

- The Government has been asked to take the necessary initiatives to secure critical infrastructure such as aviation.
- The Ministries' have agreed on a list of critical functions for society that should be offered school or kindergarten.
- The transport sector has been granted exemptions from the Competition Act to cooperate as necessary to ensure the maintenance of critical functions in connection with the COVID-19 pandemic. Any cooperation must be reported to the Competition Authority.
- The Companies Act, as well as several other acts, have been amended to allow online annual meetings.
- The Parliament has adopted a crisis package of NOK 1 billion for maintenance and investment projects to stimulate the construction sector.

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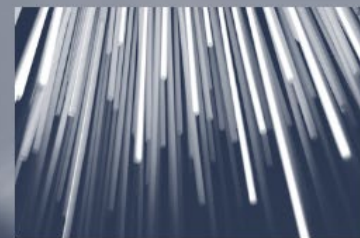
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Updates on the legal implications of COVID-19

- To help all of our clients manage through this unprecedented time, we have dedicated a section on [our local website](#) to keep you updated on the legal implications of COVID-19.
- For clients with global reach we also recommend to visit our [Coronavirus Resource Center](#) where you will find information that is immediately actionable and which helps you consider how to plan ahead.



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