

Provisions on the management of the Government Pension Fund

As of 8 October 2012

Unofficial translation from Norwegian. For information purposes only.

Government Pension Fund Act (no. 123 of 21 December 2005)

Section 1 The Government Pension Fund shall support government saving to finance the National Insurance Scheme's expenditure on pensions and support long-term considerations in the use of petroleum revenues.

Section 2 The Government Pension Fund is managed by the Ministry of Finance. The Fund comprises the Government Pension Fund Global and the Government Pension Fund Norway.

The Government Pension Fund Global is deposited in an account at Norges Bank. The countervalue is managed under rules laid down by the Ministry, see section 7.

The Government Pension Fund Norway is deposited with Folketrygdfondet. The countervalue is managed under rules laid down by the Ministry, see section 7.

Section 3 Income to the Government Pension Fund Global consists of the net cash flow from petroleum activities, which is transferred from the central government budget, the net results of financial transactions associated with petroleum activities and the return on the Fund's capital.

The net cash flow from petroleum activities consists of the gross revenues in the third paragraph minus the expenses in the fourth paragraph.

The following gross revenues are part of the cash flow from petroleum activities:

1. total tax revenues and royalties deriving from petroleum activities collected pursuant to the Petroleum Taxation Act (no. 35 of 13 June 1975) and the Petroleum Activities Act (no. 72 of 29 November 1996),
2. revenues deriving from tax on CO₂ emissions due to petroleum activities on the continental shelf pursuant to Act relating to CO₂ tax in the petroleum activity on the continental shelf (no. 72 of 21 December 1990),
3. revenues deriving from tax on NO_x emissions due to petroleum activities on the continental shelf,
4. operating income and other revenues deriving from the State's direct financial interest in petroleum activities,
5. state revenues from net surplus agreements associated with certain production licences,
6. dividends from Statoil ASA,

7. government revenues deriving from the removal or alternative use of installations on the continental shelf,
8. any government sale of stakes representing the State's direct financial interest in petroleum activities,

The following expenses shall be deducted from the gross revenues in the third paragraph:

1. government's direct investments in commercial petroleum activities (the State's direct financial interest),
2. operating costs and other costs directly related to the State's direct financial interest,
3. government expenses in connection with the removal or alternative use of installations on the continental shelf,
4. any government purchase of stakes as part of the State's direct financial interest in petroleum activities.

Net results of financial transactions associated with petroleum activities are gross revenues from government sale of shares in Statoil ASA less government purchase of shares in Statoil ASA, defined as the market price paid by the government for the shares, and less government capital contributions to Statoil ASA and companies attending to government interests in petroleum activities, as well as financial transactions connected to companies in the petroleum sector in which the Government has ownership.

Section 4 Income to the Government Pension Fund Norway consists of the return on the capital under management.

Section 5 The capital of the Government Pension Fund may only be used for transfers to the central government budget pursuant to a resolution by the Storting (the Norwegian parliament).

Section 6 The Government Pension Fund itself has no rights or obligations vis-à-vis private-sector entities or public authorities and may not institute legal proceedings or be subjected to legal proceedings.

Section 7 The Ministry may issue supplementary provisions to implement this Act.

Section 8 The Act enters into force at such time as the King decides. The King may bring the individual provisions into force at different times. The Ministry may make transitional rules.

Section 9 The following amendments to other Acts become effective as from the entry into force of this Act:

1. Repeal of the Government Petroleum Fund Act (no. 36 of 22 June 1990).