



**DET KONGELIGE
FINANSDEPARTEMENT**

Royal Ministry of Finance

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Your ref

Our ref
13/4939 SL GHD/KR

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Subject: Notification of VAT zero rate for electric vehicles

I. Introduction

Pursuant to Part I Article 1 (3) and Part II Article 2 of Protocol 3 to the Surveillance and Court Agreement, the Ministry of Finance (hereafter referred to as the Ministry) on behalf of the Norwegian Government hereby would like to notify to the EFTA Surveillance Authority (hereafter referred to as the Authority) several measures relating to Value Added Tax (VAT) on electric vehicles. The notification comprises:

- Existing VAT legislation regarding the supply and import of electric vehicles

Zero VAT rating for the supply and import of electric vehicles was adopted by the Norwegian Parliament in 2001. The measure entered into force in July 2001, cf. Value Added Tax (VAT) Act section 6-6 and section 7-1. However, this measure has not been notified to the Authority and therefore forms part of the present notification.

- Zero VAT rating for the leasing of electric vehicles and for the sale and import of batteries for electric vehicles

In 2013, the Norwegian Parliament adopted amendments to the VAT Act and the VAT Regulation concerning electric vehicles, which involve an extension of the zero rating to the leasing of electric vehicles and to the sale and import of batteries for electric vehicles. These amendments have not yet entered into in force.

These measures are described in further detail in Part II of the present notification.

It is the Government's principal position that the measures do not constitute state aid according to Article 61 (1) of the EEA Agreement. The measures are notified to secure legal certainty.

In the event the Authority does not share our view we will alternatively argue that the measures are compatible with the functioning of the EEA Agreement according to Article 61(3).

The Ministry's detailed assessment of the notified measures is to be found in Part III of the present notification.

II. FACTS

This section contains a short description of the Norwegian VAT system and of the notified measures.

1. General overview of the Norwegian VAT system

Value Added Tax (VAT) was introduced in Norway with effect from 1 January 1970. The tax is levied on the final consumption of goods and services and is considered as a fiscal tax to secure the State's income.

The VAT provisions are laid down in the Act on Value Added Tax of 19 June 2009 No. 58¹ (hereafter referred to as the VAT Act) and the Regulation concerning Value Added Tax of 15. December 2009 No. 1540² (hereafter referred to as the VAT Regulation).

VAT and the VAT rates are adopted annually by the Parliament³. Exemptions and zero rates are laid down in the VAT Act and are not adopted annually. However, since exemptions and zero rates have economic effects, their adoption and repeal form part of the annual budget process.

Norwegian VAT is collected on the supply of goods and services falling within the scope of the VAT Act. The importation and self-supply of goods and services are also considered taxable events.

Persons engaged in trade or business, whose taxable supplies exceed a financial limit of NOK 50 000 over a period of 12 months, must be registered in the VAT register and are liable to pay the tax.

¹ <http://lovdata.no/dokument/NL/lov/2009-06-19-58>

² <http://lovdata.no/dokument/SF/forskrift/2009-12-15-1540?q=merverdiavgiftsforskriften>

³ The Parliament's decision concerning value added tax for 2014 is here:
<http://lovdata.no/dokument/STV/forskrift/2013-12-05-1485>

A registered person may deduct input VAT on goods and services for use in the business cf. section 8-1 of the VAT Act. The deduction right for businesses implies that VAT is not finally levied until the goods or services are sold to a customer without a right to deduction. Thus, VAT is a tax on the final consumption.

When reporting VAT to the authorities, the input VAT will be set off against the output VAT for the same period. If the input VAT exceeds the output VAT, repayment can be claimed from the tax authorities.

The VAT rates are adopted annually by the Parliament. The general VAT rate is 25 % of the net price (taxable base). The VAT rate on foodstuff is 15 %. Certain services are levied a reduced rate of 8 %, e.g. passenger transport, admission fees to cinemas and museums, hotel accommodation.

Certain supplies, including health care and social services, are exempted from VAT. Exemption means that the supplier of the exempted goods/services with the effect that no output VAT shall be charged, and suppliers are not entitled to deduct input VAT.

Some goods and services, however, are levied output VAT, but the rate is zero. Suppliers of such goods and services are nevertheless entitled to credit for input VAT. Consequently, the supplier is de facto subsidised through the VAT system.

There are only a few domestic supply situations which are subject to the zero VAT rating. Most of them have existed since the introduction of the VAT in Norway (1970), e.g. the zero rating on newspapers, books, periodicals, and electricity for domestic use in northern parts of Norway.

The only zero VAT rating that has been introduced into the Norwegian VAT legislation after the entry into force of the EEA Agreement is the zero rating for electric vehicles, which is the subject of this notification.

2. Zero VAT rating for electric vehicles

2.1 Zero rating for the supply and import of electric vehicles

The Norwegian Parliament adopted the zero VAT rating for the sale and import of electric vehicles in connection with the Parliament's adoption of the budget for 2001, cf. VAT act section 6-6 and section 7-1⁴⁵. The zero VAT rating is one of several measures aimed at stimulating the use of electric vehicles. The measure came into force 1 July 2001, but has not been notified to the Authority.

⁴ Previous VAT Act (Act 19. June 1969 No 66) section 16 (1) No 15

<http://lovdata.no/pro/#document/ROL/lov/1969-06-19-66?searchResultContext=1424>

⁵ Innst. O. nr. 24 (2000-2001) point 11.1

<https://www.stortinget.no/Global/pdf/Innstillinger/Odelstinget/2000-2001/inno-200001-024.pdf>

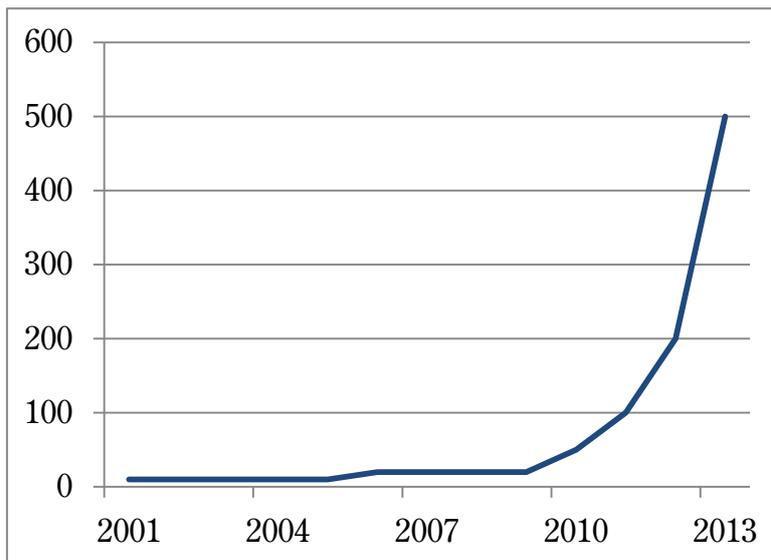
It is the Ministry's position that the measure does not constitute state aid. However, the zero rating for the supply and import of electric vehicles forms part of this notification since the Ministry wishes to obtain legal certainty on this issue.

The zero rating covers the sale and import of all electric vehicles for both public and private use, provided that they are registered in the Central Motor Vehicle Register. All producers, importers and distributors are entitled to supply and import electric vehicles subject to zero rating, i.e. there is no discrimination between different car manufacturers and/or dealers of electric cars.

2.1.1 Budget

The zero rating results in a revenue loss for the state, the size of which depends on the number of electric vehicles sold and their sales price. The value of the zero rating for electric vehicles is estimated to amount to approximately NOK 500 million in 2013, and to approximately NOK 1 billion in 2014. The estimated revenue losses caused by the zero rating for the supply and import of electric vehicles since 2001 are shown in figure 1. The estimates are uncertain.

Figure 1. Estimated yearly revenue loss from zero rating sales of electric vehicles. 2001 to 2013. Million NOK in 2014-prices.



Source: The Ministry of Finance.

2.2 Zero rating for the leasing of electric vehicles and for the sale and import of batteries to electric vehicles

In connection with the Parliament's adoption of the budget for 2014, the Parliament decided to expand the existing zero VAT rating to the leasing of electric vehicles and

the sale and import of batteries to electric vehicles, cf. VAT act sections 6-6 and 7-1⁶ with amendments in *italics*. However, these amendments have not yet entered into force, and will not be implemented unless the Authority considers these measures to be compatible with the EEA Agreement⁷.

The Ministry wishes to notify the zero rating for the leasing of electric vehicles and for the sale and import of batteries to electric vehicles in order to obtain legal certainty as regards their compatibility with the EEA Agreement.

The Ministry is working on a Regulation proposal with detailed rules concerning the zero rating for the leasing of electric vehicles and the sale and import of batteries to electric vehicles. Important issues are the duration of the leasing contract and the use of the batteries. A battery can be used both in electric and hybrid vehicles, but the exemption should apply only to batteries used in electric vehicles.

2.2.1 Budget

The Ministry does not have any information on the number of leased electric vehicles. Since buying electric vehicles is more favourably treated in the VAT system than leasing electric vehicles, it can be assumed that the number of leased electric vehicles is relatively low.

It can be assumed that the value of the zero rating amounts to approximately NOK 10 000 per year per vehicle. Based on an assumption that 2 000 electric vehicles are leased in 2014, the value of zero rating for the leasing of electric vehicles can be estimated to approximately NOK 20 million in 2014.

The sales price and lifetime of batteries for electric vehicles vary. Limited information is available regarding the sales price and the expected lifetime of batteries for electric vehicles. However, based on information from the Norwegian Electric Vehicle Association, we can assume that the average sales price of a battery is NOK 100 000 including VAT. As an example we can assume that approximately 5 per cent of the electric vehicles will change batteries in 2014. The value of the zero rating for the sale and import of batteries to electric vehicles can then be estimated to NOK 35 million in 2014. This value will increase as more electric vehicles get older and need to change batteries.

In general, the value of the zero rating for the leasing of electric vehicles and for the sales of batteries to electric vehicles is expected to increase in line with the number of electric vehicles.

⁶ <https://www.stortinget.no/no/Saker-og-publikasjoner/Publikasjoner/Innstillinger/Stortinget/2013-2014/inns-201314-004/34/>

⁷ <http://www.regjeringen.no/nb/dep/fin/dok/regpubl/prop/2013-2014/Prop-94-LS-2013-2014/12.html?id=761372>

III. Assessment

For the purpose of the State Aid assessment, the Ministry will not differentiate between the existing zero VAT rating for the supply and import of electric vehicles and the proposed extension of the measure to the leasing of electric vehicles and the supply and import of batteries to electric vehicles. This is due to the fact that the Ministry considers the proposed amendments as extensions of the existing zero VAT rating on electric vehicles, which share the purpose of the existing measure.

1. State aid – article 61(1)

Article 61(1) of the EEA Agreement Article reads as follows:

(1) Save as otherwise provided in this Agreement, any aid granted by EC Member States, EFTA States or through state resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Contracting Parties, be incompatible with the functioning of this Agreement.

In order to constitute state aid within the meaning of Article 61(1), a measure must meet the following six cumulative criteria:

1. the measure is an economic advantage for the recipient;
2. the advantage is granted by the State or through state resources;
3. the measure is selective by favouring certain undertakings or the production of certain goods;
4. the advantage is granted to one or several undertakings that engage in economic activity;
5. the measure distorts or threaten to distort competition;
6. the measure has an effect on trade between the Contracting Parties.

1.1 Economic advantage to businesses

The Ministry acknowledges that the zero-rating is a favourable position in the VAT system due to the undertakings' right to deduct input VAT without any output tax. On the other hand the VAT system is designed to levy VAT on the final consumption on goods and services. Thus, usually this type of VAT benefits is shared between buyers

and sellers of the product which benefits from reduced VAT. The allocation of the tax benefit depends on the market conditions amongst other factors. It is difficult to make concrete allocations and we have not attempted to do so in this notification.

Nonetheless, the Ministry acknowledges that the zero rating for electric vehicles will most likely stimulate the demand for electric vehicles. This increased demand for electric vehicles will translate into an indirect advantage for dealers, importers and manufacturers of electric cars as compared to dealers, importers and manufacturers of conventional vehicles. Such indirect advantages may constitute state aid⁸.

Against this background, the Ministry does not rule out that the zero rating for electric vehicles may constitute an indirect economic advantage for the importers and dealers of electric vehicles.

1.2 State resources

As shown in section II.2 above, the zero rating leads to a loss of tax revenue and therefore constitutes a benefit that is granted by the State or through state resources.

1.3 Selectivity

In order to constitute state aid, a measure must be selective by favouring certain undertakings or the production of certain goods. The Ministry acknowledges that the zero rating for electric vehicles constitutes an advantage for the sector supplying electric vehicles, including for those businesses dealing and producing electric vehicles and for businesses using electric vehicles. Consequently, the measure is in principle selective.

1.3.1 Logic of the system

However, a tax advantage cannot be considered as selective if it falls within the nature of the system.

As mentioned in section II.1 above, the Norwegian general VAT rate is 25 % of the net price (taxable base). However, there are several reduced rates, including a zero rate, and some supplies are exempted from VAT altogether.

As explained above, reduced rates and in particular the zero VAT rating for certain goods and services is an integral part of the Norwegian VAT system.

Furthermore, the Ministry would like to draw the Authority's attention to Council directive 2006/112/EC of 28 November 2006 on the common system for value added tax establishes a common system of VAT in EU (hereafter referred to as the VAT directive). The VAT directive reflects the fact that reduced VAT rates form an integral

⁸ N 386/2010 Denmark

part of the national VAT systems of many EU Member States. It stipulates that Member States shall apply a standard VAT rate which shall not be less than 15 %, however Member states may apply one or two reduced rates, which shall not be lower than 5 %. Furthermore, Member States, which as of 1 January 1991 were granting exemptions with deductibility (zero rating) or applying reduced rates, were entitled to continue granting those exemptions or applying those reduced rates, provided they are in accordance with Community law. Member states may not introduce new zero rates.

Given that the widespread practise of levying reduced VAT rates is recognised in the VAT directive by the Council of the European Union, the relevance and weight of the VAT Directive are essential issues in the assessment of whether or not a reduced VAT rating constitutes State Aid within the meaning of Article 108 (1) TFEU. In the Ministry's view, the fact that the VAT directive entitles the EU Member States to apply reduced VAT rates indicates that differentiated VAT rates are compatible with the Treaty on the Functioning of the European Union. Consequently, it is the Ministry's position that rate differentiations fall within the nature of the VAT system and can therefore be considered as not fulfilling the selectivity criterion.

The VAT directive is not a part of the EEA Agreement and Norway is regarded as a third country for the purposes of the VAT directive. However, the Norwegian VAT system is to a large extent based on the same principles as the EU VAT system.

Consequently, reduced VAT rates, including zero rating cannot, in the Ministry's view, constitute state aid in the meaning of Article 61 of the EE Agreement, either. The fact that Norway does not participate in the European Union as regards VAT cannot mean that stricter state aid rules apply in Norway than in the EU Member States.

Against this background, the Ministry takes the view that the zero rating for electric vehicles does not constitute a selective measure, and therefore does not fulfil the selectivity criterion in Article 61 (1) of the EEA Agreement.

1.4 Undertaking – economic activity

The sale and import of electric vehicles as well as the leasing of electric vehicles and the sale and import of batteries are without doubt economic activities, which are carried out in a market.

1.5 Distortion of competition

According to case law and administrative practise the threshold for considering this criterion to be fulfilled is low. Given that conventional vehicles and electric vehicles compete in the same market, the support to electric vehicles has a potential to distort competition.

1.6 Effect on trade

There is no production of electric vehicles in Norway. Electric vehicles sold in Norway are imported from the EU and other countries and consequently there is trade of electric vehicles between Norway and EU. Against this background, the zero rating in question will likely have an effect on trade between the Contracting Parties.

1.7 Conclusion

The Ministry's position is that zero rating for electric vehicles does not fulfil the selectivity criterion and consequently does not constitute state aid within the meaning of article 61 (1) of the EEA Agreement. However, the measures are notified to obtain legal certainty.

2. Compatibility with article 61(3)

In spite of taking the view that the zero VAT rating for electrical vehicles does not constitute state aid within the meaning of article 61(1) of the EEA Agreement, the Ministry will alternatively argue that the measures are compatible with the functioning of the EEA Agreement according to Article 61(3) (c), which reads as follows:

(3) The following may be considered to be compatible with the functioning of this Agreement:

(c) aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest.

2.1 Applicability of the Environmental Guidelines

Article 61(3) (c) of the EEA Agreement is elaborated in different sets of guidelines adopted by the Authority.

Guidelines on state aid for environmental protection and energy 2014-2020 (hereafter referred to as the Environmental Guidelines) were adopted by the Authority on 16 July 2014. According to paragraph 238 of the Environmental Guidelines, *"the Authority will apply these Guidelines to all notified aid measures in respect of which it is called upon to take a decision after their applicability, even where the projects were notified prior to that date."* Accordingly, the zero rating for electric vehicles will be assessed according to these Environmental Guidelines.

According to their section 1.1, paragraph (9) the Environmental Guidelines apply to state aid granted for environmental protection or energy objectives in all sectors governed by the EEA Agreement in so far as measures are covered by section 1.2.

According to section 1.2 paragraph (13) (i), aid in the form of reductions in or exemptions from environmental taxes are covered by the Environmental Guidelines. Section 1.3 paragraph (15) defines an "Environmental tax" as *"a tax with a specific tax*

base that has a clear negative effect on the environment or which seeks to tax certain activities, goods or services so that the environmental costs may be included in their price and/or so that producers and consumers are oriented towards activities which better respect the environment". Aid in the form of reductions in or exemptions from environmental taxes may be considered compatible with the EEA Agreement provided that the conditions in the Environmental Guidelines' section 3.7.1 are fulfilled.

However, VAT is a tax levied on the final consumption of goods and services with the main purpose of securing the State's income, and not based on environmental purposes. Therefore, VAT is no environmental tax, and section 3.7.1 of the Environmental Guidelines does not apply to the zero VAT rating in question.

According to their section 1.2 paragraph (13) (a), the Environmental Guidelines also apply to "*aid measures for going beyond Union standards or increasing the level of environmental protection in the absence of Union standards (including aid for the acquisition of new transport vehicles)*". In this respect "*Union standard*" means (a) a mandatory Union standard setting the levels to be attained in environmental terms by individual undertakings [...]", see section 1.3 (3) of the Environmental Guidelines. The Environmental guidelines specify that "*standards or targets set at Union level which are binding for Contracting Parties but not for individual undertakings are not deemed to be Union standards.*"⁹

For new vehicles, the European Union legislation sets mandatory emission reduction targets¹⁰. All new passenger cars must reduce emissions to maximum 130 grams of CO₂ per kilometre (g/km) by 2015 (target phased in from 2012), and to 95 g/km by 2021 (target phased in from 2020).

In Report No 21 (2011-2012) to the Parliament¹¹ there was a political aim that average CO₂ emissions from new passenger cars do not exceed 85 grams CO₂ per kilometre in 2020. Increased sale of electric and hydrogen vehicles will contribute to reduced emissions from new passenger cars.

In the Ministry's view, any aid to the sale and import of electrical vehicles as well as aid to the leasing of electrical vehicles and the sale and import of batteries for electrical vehicles must therefore be considered as aid for going beyond Union standards within the meaning of section 1.2 paragraph (13) (a) of the Environmental Guidelines. The

⁹ Environmental Guidelines, footnote 19

¹⁰ Regulation (EU) No 333/2014 of the European Parliament and of the Council of 11 March 2014 amending Regulation (EC) No 443/2009 to define the modalities for reaching the 2020 target to reduce CO₂ emissions from new passenger

¹¹ <http://www.regjeringen.no/nb/dep/kld/dok/regpubl/stmeld/2011-2012/report-no-21-2011-2012.html?id=707321>

Ministry would like to reiterate that the said provision explicitly includes aid for the acquisition of new vehicles.

Furthermore, we would like to draw the Authority's attention to the fact that several member states of the European Union have implemented measures in order to support the acquisition of electrical vehicles. In Spain, buyers receive aid of up to 25 % of the purchase price of an electric vehicle, and in the Netherlands purchasers of electric vehicles benefit from a tax release of between 10 % and 12 %.

2.2 Compatibility Assessment

Given that the zero VAT rating for electrical vehicles falls within section 1.2 (13) (a) of the Environmental Guidelines, the compatibility assessment will be carried out in accordance with section 3 of the Environmental Guidelines.

In order to be considered compatible with the EEA Agreement, any environmental aid must comply with the common assessment principles laid down in section 3.1 and with the general compatibility provisions set forth in section 3.2 of the Environmental Guidelines.

According to section 3.1 of the Environmental Guidelines, any State Aid measure must satisfy each of the following criteria in order to be compatible with the functioning of the EEA Agreement:

- 1. contribution to an objective of common interest: a State aid measure aims at an well-defined objective of common interest (Section 3.2.1);*
- 2. need for State intervention: the State aid measure is targeted towards a situation where aid can bring about a material improvement that the market alone cannot deliver, for example by remedying a well-defined market failure; (Section 3.2.2);*
- 3. appropriateness of the aid: the proposed aid measure is an appropriate policy instrument to address the objective of common interest; (Section 3.2.3);*
- 4. incentive effect: the aid changes the behaviour of the undertaking(s) concerned in such a way that it engages in additional activity which it would not carry out without the aid or which it would carry out in a restricted or different manner; (Section 3.2.4);*
- 5. proportionality of the aid : the aid amount is limited to the minimum needed to incentivise the additional investment or activity in the area concerned: (Section 3.2.5);*
- 6. avoidance of undue negative effects on competition and trade: the negative effects of aid are sufficiently limited, so that the overall balance of the measure is positive; (Section 3.2.6);*

7. transparency of aid: Contracting Parties, the Authority, economic operators, and the public, have easy access to all relevant acts and to pertinent information about the aid awarded thereunder; (Section 3.2.7).

2.2.1 Contribution to an objective of common interest (Section 3.2.1 of the Environmental Guidelines)

According to section 3.2.1, paragraph 25 of the Environmental Guidelines *"the general objective of environmental aid is to increase the level of environmental protection compared to the level that would be achieved in the absence of the aid."* Furthermore, the section makes reference to the Europe 2020 strategy, which sets *"targets and objectives for sustainable growth to support the shift towards a resource-efficient, competitive low-carbon economy."*

Conventional vehicles give rise to greenhouse gas (CO₂) emissions, NO_x emissions, air pollution and noise. Electric vehicles do not give CO₂ and NO_x emissions, and air pollution and noise is lower than from conventional vehicles.

The zero VAT rating for supply and import of electric vehicle has an environmental objective, namely to lower greenhouse gas emissions, including CO₂ emissions, and to reduce pollution and noise, see below. The same is true for the proposed extension of the zero VAT rating to the leasing of electric vehicles and the supply and import of batteries to electric vehicles.

As stated above, section 3.2.1 of the Environmental Guidelines explicitly makes reference to the Europe 2020 strategy and its objective to achieve a competitive low-carbon economy. More specifically, Commission decision No N 386/2010 point 57, states that reducing CO₂ emissions from cars remains one of the main objectives of the EU environmental policy.

The Ministry also refers to section 1.5.2 paragraph 44 of the previous Environmental Guidelines (2008), which reads:

Transport is responsible for a large share of overall greenhouse gas emissions (approximately 30%), as well as for local pollution by dust, particulates, NO_x and SO_x. Hence, it is important to encourage lean modes of transport, both in order to fight global climate change and in order to reduce local pollution, in particular in cities. In this context, it is particularly important to encourage the acquisition of clean transport vehicles (including clean ships).

Furthermore, it is well documented by the International Panel on Climate Change (IPCC) and the International Energy Agency (IEA) that the use of fossil reserves must be restricted if we are to limit the average increase in global temperature to 2° C by 2050 (2° C Scenario). The transport sector creates a substantial part of global

greenhouse gas emissions and the increasing economic growth at global level is accompanied by a growth in transport demand. The transport sector is to a large degree dependent on fossil fuels, as almost all vehicles use an internal combustion engine. The IEA points towards electric/plug-in vehicles as a central measure to limit average global temperature rise. There is a well-documented need for a shift towards a low-emission society and a shift within the energy sector from fossil fuels and towards renewable energy sources. Zero emission vehicles combine the two shifts, as they are able to use energy from renewable energy sources and at the same time have zero emissions of greenhouse gases. Hence, electric vehicles, as well as other zero-emission vehicles constitute an important factor in the transition to a low-emission society.

Reduced emissions from the transport sector play an important role in the transition to a low emission society and zero- and low emission vehicles are particularly essential. Norway has chosen zero rating as a mean to encourage customers to buy zero emission vehicles. Increased use of zero emission vehicles will reduce greenhouse gas (CO₂) emissions and NO_x emissions at the same time as addressing local environmental problems such as pollution and noise.

In light of the aforementioned, there can be no doubt that the reduction of greenhouse gas emissions, including CO₂ emissions, from vehicles is a contribution to an objective of common interest.

Furthermore, Norway is required to comply with Directive 2008/50/EC of the European Parliament and of the Council on ambient air quality and cleaner air for Europe. The air quality in some of Norway's largest cities continuing to exceed the limits of local pollutants such as sulphur dioxide and nitrogen dioxide set forth in that directive. Electric vehicles do not cause emissions and can therefore contribute to improving the air quality in the main cities.

2.2.2 Need for State intervention (Section 3.2.2 of the Environmental Guidelines)

Environmental harmful emissions represent a market failure that the economic agents do not take account of in their actions and therefore represents external effects. The existence of such external effects requires Government measures to make agents take the external effects into account.

As mentioned above, the Parliament adopted the zero rating for the *supply and import of electric vehicles* in 2001. The main objective of the measure is to replace the number of conventional vehicles with less polluting vehicles in order to reduce emissions from the transport sector. The zero VAT rating combined with other incentives, which are described below, is expected to contribute to the introduction of new technologies in the market for electric vehicles, where the long term objective would be the development of these new technologies to a commercial stage, in order to finally enter the mass market.

The existing zero rating applies only to electric cars that are sold into the Norwegian market. However, the *leasing of vehicles* has become more common in recent years. There are no environmental reasons why owned electric vehicles should be zero rated, whereas leased electric vehicles should be subject to the full VAT. Against this background the Parliament has decided to extend the existing zero rating to the leasing of electric vehicles. In 2013, more than 25 % of all new vehicles were covered by leasing contracts. By mid-2014, 34 % of all new vehicles are covered by leasing contracts, which constitutes a significant market share.¹² This indicates that many purchasers of vehicles want to lease and not to own the vehicle. Zero rating for the leasing of electric vehicles can hence increase the total number of electric vehicles.

As regards the zero VAT rating for the *sale and import of batteries* to electric vehicles it must be borne in mind that the battery is a major cost factor of an electric vehicle. Furthermore, the battery still prevents electric cars from being fully competitive with diesel and petrol cars, both in terms of total cost of cars and in terms of range. During recent years there has been a rapid technology development, which resulted in bringing down both the cost of the batteries¹³, along with increased mass production of electric cars. In spite of this, batteries to electric vehicles are still expensive and there is still uncertainty about their durability. This may prevent people from buying electric cars. Zero rating for batteries to electric vehicles will increase demand and use of electric vehicles, which in turn will have positive environmental effects.

The Ministry would further like to draw the Authority's attention to the fact that the zero VAT rating on electrical vehicles is only one of several measures aiming at decreasing the emission of greenhouse gases from the Norwegian vehicle fleet and at increasing the number of electrical vehicles. The White paper on Norwegian climate policy of 2001 (St. Meld nr. 54 (2000-2001¹⁴)) first advocated to streamline the use of measures in order to curb the strong growth in greenhouse gas emissions. According to the white paper, the transmission from fossil fuels to alternative fuels, including electricity, should contribute to reducing the greenhouse gas emissions from the transport sector.

Therefore, several cumulative measures were designed in order to complement each other and to overcome barriers such as high prices, due to higher production costs than traditional diesel and petrol cars, and other barriers, such as driving range for electric vehicles. Together, they are expected to result in reductions in greenhouse gas emissions.

¹² Finansieringsselskapenes Forening (the Association of Norwegian Finance Houses).

¹³ According to Bloomberg the cost of Li-Ion batteries for electric cars was reduced by 43% from 2010 to 2014. <http://www.fornybarkonferansen.no/siteassets/dokumenter/michael-liebreich.pdf> (slide 17)

¹⁴ <http://www.regjeringen.no/nb/dep/kld/dok/regpubl/stmeld/20002001/report-no-54-2000-2001-to-the-storting.html?id=454892>

Other policies and measures in place include mandatory emission targets, registration tax reductions, and a lower annual tax rate. Other measures include access to drive in bus lanes, free passing in toll stations, free public parking and public charging stations.

2.2.2.1 Mandatory emission targets

As mentioned in section III.2.1 above, in Report No 21 (2011-2012) to the Parliament there was a political aim that average CO₂ emissions from new passenger cars do not exceed 85 grams CO₂ per kilometre in 2020. Increased sale of electric and hydrogen vehicles will contribute to reduced emissions from new passenger cars.

2.2.2.2 Registration tax¹⁵

All vehicles except large lorries and buses are levied a registration tax when they are registered in the Norwegian Central Motor Vehicles Register. Electric vehicles are exempted from the registration tax in order to stimulate the use of environmentally friendly vehicles¹⁶. The exemption came into force on 1 January 1990.

The registration tax is a fiscal tax, which among other things is based on environmental aspects. Emission of CO₂ is an important base for calculation of the tax rate, and vehicles with low CO₂ emissions are granted tax reductions. The tax rates vary according to the type of vehicle. Without the exemption for electric cars, most electric cars would have been levied the minimum tax rate (NOK 3 637 in 2014), since they get large deductions due to no CO₂ emissions. However, some electric vehicles with high engine power and weight would have been levied a relatively high registration tax without the exemption.

2.2.2.3 Annual tax

The annual tax on motor vehicles is levied on vehicles with a weight below 7 500 kg. The tax varies with different types of vehicles. Gasoline and new diesel passenger vehicles are levied an annual tax of NOK 2 995 in 2014. Older diesel vehicles, without fabric-fitted particle filter, are levied an annual tax NOK 3 490. The differentiation is based on environmental criteria so that older diesel vehicles pay higher taxes because they have higher particle emissions than diesel vehicles with fabric-fitted filters.

¹⁵ The Parliament's decision concerning excise duties for 2014 is here:
<http://lovdata.no/dokument/STV/forskrift/2013-12-05-1486>

¹⁶ St.prp. nr. 1 (1989-90) Skatter og avgifter til statskassen point 5.2 (annex 1)

Electric cars were levied an annual tax of NOK 425 in 2014. The reduced annual tax for electric cars was introduced on 1 January 1996¹⁷ to stimulate the development and use of vehicles that are less polluting than conventional vehicles.

2.2.3 Appropriateness of the aid measure (Section 3.2.3 of the Environmental Guidelines)

As mentioned above, the zero VAT rating on electric vehicles is one of several measures aimed at stimulating the use of electric vehicles. This combination of measures is considered necessary in order to stimulate the use of electric vehicles for customers.

Electric cars have a number of perceived disadvantages as compared to petrol and diesel cars, such as for example a limited range. Therefore, consumers may still choose to buy petrol and diesel cars, even if the prices of electric cars are lower than the prices of petrol and diesel cars. On the other hand, electric cars have lower operating costs than conventional cars.

The Norwegian Authorities are convinced that none of the abovementioned measures alone would have resulted in bringing the prices of electric vehicles down to a level that would enable them to compete with conventional cars.

This can be substantiated with a reference to the price development of electric vehicles in recent years. In general, prices of electric vehicles have decreased considerably.

The Mitsubishi i-MiEV was the most sold electric vehicle in Norway in 2011. According to Opplysningsrådet for veitrafikken (OFV) the guidance price of a Mitsubishi i-MiEV was NOK 240 000 in November 2010. The price of the car was reduced to NOK 160 000 in May 2014. If ordinary VAT on 25 % was levied on electric vehicles the price of the car could have been NOK 300 000 in November 2010 and NOK 200 000 in May 2014.

Nissan Leaf was the most sold electric vehicle in Norway in 2012 and 2013. The guidance price of a Nissan Leaf was NOK 255 000 in November 2011. This price was reduced to NOK 243 000 in May 2014. If ordinary VAT of 25 % had been levied on the Nissan Leaf, prices could have been NOK 319 000 in November 2010 and NOK 304 000 in May 2014.¹⁸

¹⁷ Budsjett-innst. S. nr 13 Tillegg nr. 1 (1995-96) point 2.7.2 (annex 2)

¹⁸ These calculations assume that the VAT is fully passed on to the costumers. Usually, a tax benefit would be shared between seller/producer and buyer/consumer.

Table 1 compares the guiding prices of some of the most popular electric passenger cars to comparable petrol and diesel passenger cars. Nissan Leaf and Tesla Model S were the most sold electric vehicles in Norway in the nine first months of 2014. In 2013 and 2014 Volkswagen also introduced two electric vehicles into the Norwegian market with relatively high sales figures. The table shows that the sales prices of electric cars are almost the same as the prices of similar petrol and diesel cars. Still, the sales of electric cars are still significantly lower than the sales of petrol and diesel cars.

The table shows that for the smallest cars, like i-MiEV and e-up!, the prices of electric cars tend to be higher than those of similar petrol cars. For larger electric cars, like Leaf and e-Golf, prices tend to be at the same level as those of comparable petrol cars. The largest electric car, Tesla Model S, seems to have a price that is equal to or even slightly lower than those of comparable diesel and petrol cars. There is a wide range of petrol and diesel cars and the table only shows some examples. Hence, it is not necessarily representative for all the existing cars.

Table 1. Prices and purchase taxes (VAT and registration tax) of some electric passenger cars and similar cars with combustion engine. Guiding prices May 2014.

Car brand	Car model	Fuel type	CO ₂ emission, g/km	NO _x emission, mg/km	Engine power, kW	Guiding price, NOK	Hereof taxes, kroner
Mitsu.	i-MiEV	El.	0	0	49	160 000	2 400
VW	e-up!	El.	0	0	60	187 000	2 400
VW	up!	Petrol	95	9	44	132 000	49 000
VW	up!	Petrol	113	13	55	170 000	69 000
Nissan	Leaf	El.	0	0	80	243 000	2 400
VW	e-Golf	El.	0	0	85	244 000	2 400
VW	Golf	Petrol	114	60	63	252 000	102 000
VW	Golf	Petrol	116	60	81	305 000	118 000
Tesla	Model S	El.	0	0	270	520 000	2 400
Audi	A6	Diesel	132	143	130	510 000	227 000
Audi	S6	Petrol	225	27	309	1 240 000	768 000

Sources: Opplysningsrådet for veitrafikken and the Ministry of Finance.

Table 1 shows that petrol and diesel cars are levied the ordinary VAT rate of 25 %, the registration tax and the scrapping tax, which is the tax to finance the vehicle scrapping scheme. Electric vehicles are only levied the scrapping tax of 2 400 NOK.

As mentioned earlier, the registration tax has a progressive structure, which is based on weight, engine power, CO₂ and NO_x emissions. Therefore, the registration tax is low for small cars with low emissions, weight and engine power, whereas it tends to be high for cars with high emissions, weight and/or engine power. Electric cars, however, are only levied the scrapping tax.

As can be seen in table 1, even a zero VAT rate only just bring prices for electric vehicles to a price level that is comparable to that of conventional cars.

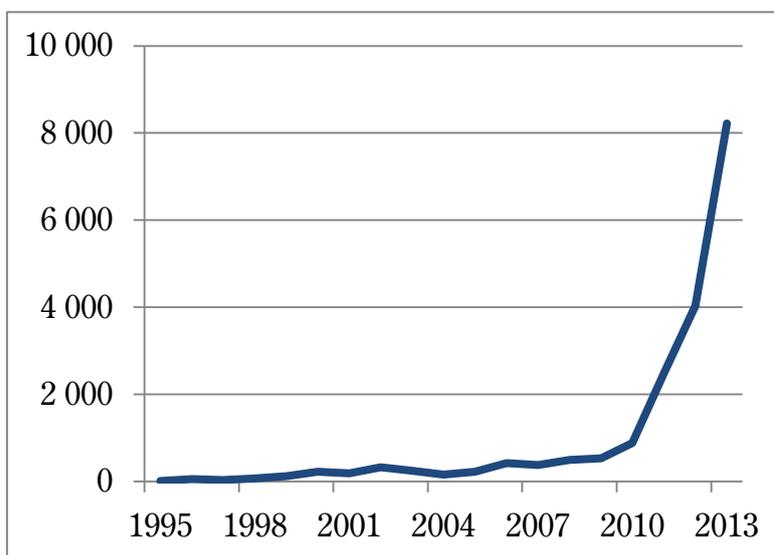
Any flanking measures, such as the access to drive in bus lanes, free passing in toll stations, free public parking and public charging stations are needed in addition to address customer concerns such as the limited range of electric cars.

2.2.4 Incentive effect (section 3.2.4 of the Environmental Guidelines)

According to section 3.2.4.1 of the Environmental Guidelines, “an incentive effect occurs when the aid induces the beneficiary to change its behaviour to increase the level of environmental protection [...].”

The number of electric vehicles that are registered in Norway has increased rapidly recent years. Until 2010, less than 500 electric vehicles were registered each year. The registration of new electric vehicles has increased to over 8 000 vehicles in 2013. In 2013, 5.5 % of all registered new passenger cars were electric. In the first nine months of 2014, 14 000 new electric vehicles were registered, which corresponds to approximately 13 % of all registered new passenger cars.

Figure 2. Number of registered new electric vehicles in Norway. 1995-2013.



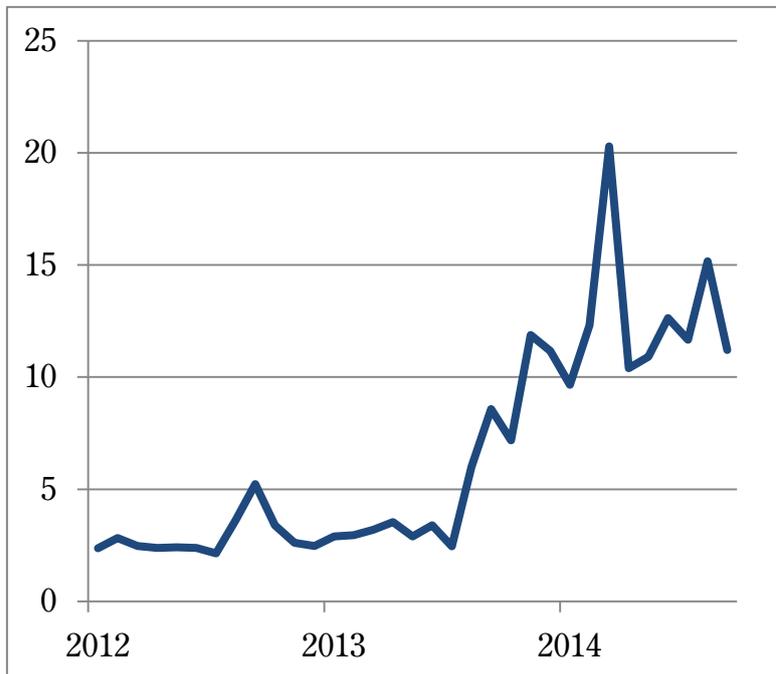
Source: Opplysningsrådet for veitrafikken and The Norwegian Public Roads Administration.

In September 2014, approximately 35 000 electric vehicles were registered in Norway. The total number of passenger cars in Norway is approximately 2.5 million, i.e. 1.4 % of all passenger cars in Norway are electric. It is estimated that Norway has about 5 % of

all electric vehicles in the world, see Meld. St. 2 (2013-2014) Revidert Nasjonalbudsjett 2014 point 5.2.1¹⁹

¹⁹ <http://www.regjeringen.no/nb/dep/fin/dok/regpubl/stmeld/2013-2014/Meld-St-2-2013-2014.html?id=759729>

Figure 3. Share of electric cars of all new passenger cars in Norway. January 2012 to September 2014.



Source: Opplysningsrådet for veitrafikken.

These figures show that the behaviour of car customers has changed in recent years. The Ministry considers the zero VAT rating of electric vehicles and the resulting lower prices of electric vehicles, to be one of the main contributing factors to the increased sales number of electric cars. Therefore, the Ministry considers that the incentive effect of the notified measures is demonstrated by the submitted figures.

2.2.5 Proportionality of the aid (Section 3.2.5 of the Environmental Guidelines)

Pursuant to section 3.2.5.1 of the Environmental Guidelines, “*Environmental and energy aid is considered to be proportionate if the aid amount per beneficiary is limited to the minimum needed to achieve the environmental protection or energy objective aimed for*”.

An analysis from the consulting company Vista, which was carried out in 2011²⁰ shows a positive cross-price elasticity between electric vehicles and fossil fuel vehicles. This means that reduced prices on electric vehicles lead to increased sales of electric vehicles and a corresponding reduction in the sales of conventional vehicles.

²⁰ Vista Analyse, 2011, “Virkninger av endringer i insentiver for kjøp og bruk av ladbare biler”: http://www.bing.com/search?q=Vista+Analyse,+2011,+%E2%80%9CVirkninger+av+endringer+i+insentiver+for+kj%C3%B8p+og+bruk+av+ladbare+biler%E2%80%9D+http%3A%2F%2Fwww.vista-analyse.no%2Fsite%2Fassets%2Ffiles%2F6096%2Fkjop_og_bruk_elbil.pdf&src=IE-TopResult&FORM=IE10TR

The analysis further shows that a re-introduction of the VAT on electric vehicles would result in a reduction in the sales of electric vehicles of between 5 and 16 %. However, the market conditions have changed since 2011. The number of models of electric vehicles has increased, and electric cars tend to be bigger and have an increased range.

The Ministry would also like to point out that the zero VAT rating on electric vehicles is supposed to constitute a temporary measure. As of today, the Norwegian level of support is considered necessary in order to trigger sales. According to the Government's Political platform²¹ the tax advantages for zero emission vehicles are to be continued until 2017.

However, once the zero emission vehicles are competitive and able to challenge fossil fuel cars even without the zero VAT rating, the zero VAT rating could be abolished. A broad cross-party majority of the Parliament has proposed that the tax advantages for electric vehicles should be continued until 2017 or until the number of such vehicles exceeds 50 000, whichever occurs first.²²

As mentioned above, as of September 2014 approximately 35 000 electric vehicles were registered in Norway. Provided that the registration of electric vehicles continues at the same level as in the first nine months of 2014, the number of 50 000 electric vehicles in Norway may be reached already by mid-2015. If so, the zero rating for electric vehicles will be reconsidered.

2.2.6 Avoidance of undue negative effects on competition and trade (Section 3.2.6 of the Environmental Guidelines)

The Ministry takes the view that any negative effects of the aid measure in terms of distortions of competition and impact on trade between Contracting Parties are limited and outweighed by the positive effects of the notified measures.

As explained above, the zero VAT rating for electric vehicles clearly contributes to stimulating the sales and leasing of electric vehicles and the sales of batteries to electric vehicles. Thus, it is a central measure in order to achieve Norway's ambitious goals relating to CO₂ cuts.

It is obvious that the notified measure, by their very nature, favour electric vehicles at the expense of conventional vehicles. However, this cannot constitute an undue distortion of competition, since it is inherently linked to the very objective of the aid.

²¹ Politisk plattform for en regjering utgått av Høyre og Fremskrittspartiet (Sundvolden 7 October 2013) point 13. http://www.regjeringen.no/nb/dep/smk/dok/rappporter_planer/rappporter/2013/politisk-plattform.html?regj_oss=1&id=743014

²² Innst. 390 S (2011-2012) page 22. <https://www.stortinget.no/Global/pdf/Innstillinger/Stortinget/2011-2012/inns-201112-390.pdf>

The Ministry also would like to stress that the notified measures apply without discrimination to the supply and import of any type of electric vehicle from any producer and from any country. The Ministry therefore considers the zero rating for electric vehicles to have limited effect on competition and trade beyond the intentions of the benefit.

2.2.7 Transparency (Section 3.2.7 of the Environmental Guidelines)

The zero VAT rating for supply and import of electric vehicles was adopted by the Norwegian Parliament in 2000 in connection with the Parliament's adoption of the budget for 2001. The VAT Act was amended from 1 July 2001. The Act is published on www.lovdata.no.

The zero VAT rating for the leasing of electric vehicles and for the supply and import of batteries to electric vehicles were adopted by the Norwegian Parliament in 2013 in connection with the Parliament's adoption of the budget for 2014. The VAT Act is amended but the amendments are not yet in force. Prior to entering into force the amendments in the VAT Act and VAT Regulation will be published on www.lovdata.no.

2.3 Conclusion

The Ministry considers the general compatibility provisions as set forth in section 3.2 of the Environmental Guidelines to be fulfilled. Consequently, the Ministry takes the view that the zero VAT rating of the supply and import of electric vehicles, the zero VAT rating of the leasing of electric vehicles and the zero VAT rating of the supply and import batteries to electric vehicles are compatible with the functioning of the EEA Agreement according to Article 61(3)(c).

IV. Conclusion

- It is the Ministry's primary position that the notified measures do not constitute state aid within the meaning of article 61 (1) of the EEA Agreement. The measures are notified in order to obtain legal certainty.
- It is the Ministry's alternative position that the measures are compatible with the functioning of the EEA Agreement according to Article 61(3)(c) as interpreted in the Guidelines on State aid for environmental protection and energy 2014-2020.

The Ministry hopes that the provided information will enable the Authority to start an assessment of the notified measures and to enter into a constructive dialogue with the Norwegian Authorities.

Yours sincerely,

Tor Lande
Deputy Director General

Grethe H. Dahl
Legal Adviser

This document has been signed electronically and it is therefore not signed by hand.

Annexes

- 1) St.prp. nr. 1 (1989-90) point 5.2
- 2) Budsjett-innst. S. nr. 13 Tillegg nr. 1 (1995-96) point 2.7
- 3) Standard notification form

5.2 MILJØVERNILTAK - SÆRAVGIFTER

Generelt

Retningslinjene for utformingen av skatte- og avgiftsopplegget for 1990 og det videre arbeidet med innpassing av avgifter i miljøvernarbeidet er drøftet i kapittel 2 i St.meld.nr.1 (1989-90) Nasjonalbudsjettet 1990. Avgiftsopplegget må ses i sammenheng med skatteopplegget og det økonomiske opplegget for øvrig. Innenfor en slik totalvurdering av skatte- og avgiftsopplegget og det økonomiske opplegget har en lagt vekt på økte særavgifter ut fra helse- og miljøpolitiske hensyn. Forslagene for 1990 er et steg i arbeidet med innpassing av økte avgifter i miljøarbeidet.

Det fremgår av drøftingen i Nasjonalbudsjettet at det er behov for en vesentlig forbedring i eksisterende analysemetoder slik at Storting og Regjering får et best mulig grunnlag for konkrete avgjørelser om hvilke avgiftsendringer som bør gjennomføres. Med sikte på raskt å frembringe et slikt materiale vil Finansdepartementet nedsette en utredningsgruppe som skal gå igjennom og vurdere metoder for analyser av en fremtidig økt bruk av miljøavgifter. I Nasjonalbudsjettet 1990 gis en oversikt over viktige elementer som må inngå i en slik vurdering. Gruppen vil også foreta en vurdering av hvilken miljøeffekt dagens avgiftssystem har, sammenholdt med et system hvor en i mindre grad nytter avgiftene med sikte på å påvirke relative priser.

Nedenfor gjengis hovedtrekkene i forslagene til miljøavgifter i 1990 og den bakenforliggende avgiftsstrategi.

Energi

Som en del av strategien for å flate ut det samlede energiforbruket rundt århundreskiftet, bør prisene på energi til forbrukerne heves gradvis for å synliggjøre miljøkostnadene ved tilgang og bruk av energi. Regjeringen legger i St. meld. nr. 46 (1988-89) - Miljø og utvikling - opp til en pris- og avgiftspolitik som sørger for at miljøkostnadene i større grad blir reflektert i energiprisene. Dette gjelder særlig prisene på fossile brensler (kull, koks, mineraloljer, bensin, gass). Avgiftene må baseres på at de blir høyest på de brenslene som medfører de største miljøbelastningene. Slike avgifter vil bidra til å vri ressursbruken vekk fra fossile brensler med høye miljøkostnader og stimulere til økt energieffektivisering og økt satsing på alternative energikilder med mindre miljøkostnader. Høyere energipriser vil også bidra til å redusere totalletterspørselen etter energi.

Som et første skritt i oppfølgingen av St. meld. nr. 46 (1988-89) og som en del av et helhetlig avgiftssystem på fossile brensler der avgiften differensieres etter forurensingsgrad, foreslås avgiften på mineralolje økt med i gjennomsnitt 46 prosent. Fordi avgiften i dag kun utgjør om lag 11-14 prosent av pris eksklusive mva. for de vanligste lette oljetyper, vil prisstigningen for disse likevel ikke bli høyere enn 4-6 prosent mer enn om avgiften var blitt prisjustert. Forslaget om økt mineraloljeavgift innebærer en økning i grunnavgiften på 10 øre/liter og en økning i tilleggsavgiften med 1 øre pr. liter og pr. 0,25 prosent svovelinhold. Foruten å øke prisen på mineraloljer generelt vil forslaget forsterke avgiftsdifferensieringen etter ulike oljetyper forurensingsgrad.

Det foreslås kun en prisjustering av den generelle elavgiftssatsen. Opplegget vil samlet bidra til en generell økning i energiprisene og til økt avgiftsdifferensiering etter ulike energikilders forurensingsgrad. Miljøverndepartementet skal videre vurdere innføring av avgifter på kull, koks og gass.

Elavgiftsfritaket for tilfeldig kraft foreslås utvidet, slik at det også vil omfatte bruk i elektrokjeler med annen reservefyring enn tungolje og kull. Dette vil stimulere til økt innenlandsk bruk av tilfeldig kraft til erstatning for fyringsolje i perioder med god krafttilgang.

Samferdsel

Innenfor et samlet opplegg for avgifter på fossilt brensel, foreslås bensinavgiften økt med 25 øre/liter for blyholdig bensin og 18 øre/liter for blyfri, hvilket er en økning på om lag 8,5 prosent i gjennomsnitt. Avgiftforskjellen mellom blyfri og blyholdig bensin øker fra 36 til 43 øre/liter.

Den foreslåtte økningen i mineraloljeavgiften vil ha betydning for samferdselssektoren, eksempelvis ved at avgiften på både autodiesel og marine gassolje økes med 11 øre/liter. Økningen i avgiften på autodiesel vil sammen med den foreslåtte prisjusteringen av satsene for km-avgiften, gi om lag samme relative økning i brukskostnadene for mindre dieseldrevne kjøretøy som det bensinavgiftsøkningen gir for bensindrevne.

I tråd med en politikk som går ut på at bilbeskatningen i større grad knyttes så direkte som mulig til bruken av bilene, foreslås realøkningen i avgiftene på bensin og autodiesel kombinert med en realnedgang i årsavgiften og i engangsavgiften på personbiler. Forøvrig vil kjøps-, vedlikeholds- og reparasjonskostnadene for varebiler og lastebiler brukte

næringsvirksomhet blir redusert gjennom forslaget om redusert investeringsavgift.

For å stimulere salget av mer lette og energikonomiske biler og som en oppfølging av Stortingets anmodninger fra forrige budsjettbehandling, legges det opp til en videreføring av omleggingen til vektbasert engangsavgift. Forslaget går ut på å øke vektavgiftens andel fra 28 til 40 prosent for en gjennomsnittsbil.

For å stimulere til utprøving av miljøvennlige biler foreslås det innført et midlertidig kilometeravgiftsfritak for gass- og eldrevne biler og et midlertidig engangsavgiftsfritak for eldrevne biler.

Annet

For å påvirke forbruket av miljøskadelige stoffer gjennom endringer i relative priser, samt ut fra prinsippet om at forurenseren skal betale, har vi i dag avgifter på smøreolje og engangsemballasje. Fra 1. januar 1990 iverksettes avgiften på miljøskadelige batterier. Avgiften på KFK og haloner foreslås iverksatt fra 1. juli 1990 dersom ikke bransjens egne tiltak innen denne tid har vist seg tilstrekkelig effektive.

For å stanse økningen i bruk av ikke-returbar drikkevareemballasje og for å stimulere til innføring av nye typer retursystemer, foreslås emballasjeavgiftene for øl og mineralvann økt fra 2,50 til 3,50 kr. pr. emballasjeenhet.

5.3 AVGIFT PÅ BRENNEVIN OG VIN M.M. (KAP. 5526, POST 71 OG 73)

Produktavgift (post 71)

Produktavgiften på brennevin og vin er sammensatt av en grunnavgift som beregnes pr. volumprosent alkohol og pr. liter og en verdiavgift som regnes i prosent av utsalgspris fratrukket merverdiavgift. Dette innebærer at avgiften pr. liter eller flaske også er avhengig av andre priskomponenter enn avgiftssatsene eksempelvis importpriser, valutakurser, Vinmonopolets kostnadsutvikling o.l.

Vinmonopolets omsetning har i de senere årene utviklet seg slik:

	Omsatt kvantum. Mill. liter			
	Brennevin		Sterkvin	Svakvin
	I alt	Herav eksport	I alt	I alt
1980	19,0	..	3,2	14,8
1981	16,2	..	2,5	14,7
1982*)	12,2	..	1,9	12,0
1983	13,1	..	2,1	14,5
1984	13,3	0,5	2,2	16,0
1985	15,1	0,8	2,5	18,7
1986*)	14,0	0,9	2,5	19,1
1987	14,1	0,6	2,7	22,0
1988	12,7	0,6	2,5	24,5
Jan - august				
1987	8,6	0,4	1,6	13,5
1988	7,8	0,3	1,6	15,2
1989	7,2	0,5	1,5	16,0

*) Streik ved Vinmonopolet.

Av tabellen fremgår det at forbruket av svakvin viser en økende tendens samtidig som det registrerte brennevinsforbruket avtar. Det totale registrerte vin- og brennevinforbruket omregnet til ren alkohol har falt siden 1987.

De nominelle priser på vinmonopolproduktene og deres realpriser (nominelle priser korrigert for utviklingen i konsumprisindeksen) har utviklet seg slik:

Komiteens medlemmer fra Høyre og representanten Stephen Bråthen vil påpeke at nivået på årsavgiften for lette og tunge motorsykler fremstår som særlig urimelig om man sammenligner med nivået for øvrige motorkjøretøyer. Motorsykler er typiske sesongkjøretøy, hvor bruken i all hovedsak er begrenset til sommerhalvåret. De bruker i all hovedsak mindre drivstoff og bidrar til mindre veislitasje enn andre avgiftspliktige kjøretøy. Sett med bakgrunn i dette, mener disse medlemmer det vil være rimelig at motorsykler betaler en relativt sett lavere årsavgift enn for eksempel en personbil. Disse medlemmer vil foreslå at årsavgiften for motorsykler settes ned til 1 000 kroner fra 1 270 kroner som foreslås av Regjeringen for 1996. Disse medlemmer fremmer følgende forslag:

«II. Årsavgift

§ 1 nr. 3 skal lyde:

For 1996 betales i henhold til lov av 19. juni 1959 nr. 2 avgift til statskassen med:
3. kr. 1 000,- av motorsykler, lette og tunge»

Disse medlemmer støtter subsidiært forslaget fra Senterpartiet, Kristelig Folkeparti, Venstre og Rød Valgallianse til § 1 nr. 3.

Disse medlemmer støtter når det gjelder avgiftsvedtakets § 1, nr. 1, 2 og 4 forslaget fra Senterpartiet, Kristelig Folkeparti, Venstre og Rød Valgallianse som innebærer ingen økning ut over Regjeringens foreslåtte prisjustering.

Disse medlemmer fremmer på denne bakgrunn følgende forslag til bevilgning:

Kap. 5536 Avgift på motorvogner m.m.

72 Årsavgift,
økes med
kr 22 000 000
og bevilges med kr 3 332 000 000

Komiteens medlemmer fra Sosialistisk Venstreparti viser til merknad fra disse medlemmer under kap. 2.2.2 i denne innstilling. Disse medlemmer fremmer forslag om at årsavgiften graderes slik at motorvogner i gruppe 1 får en avgift på:

1 705 kroner i arbeidsgiveravgiftssone I,
1 330 kroner i arbeidsgiveravgiftssone II og
955 kroner i arbeidsgiveravgiftssone III-IV.

Disse medlemmer viser til merknad fra disse medlemmer om vrakpantaksjon og om det generelle avgiftsnivået.

Disse medlemmer viser til at dette vil medvirke til at bileiere i arbeidsgiveravgiftssone III-IV ikke får økte totale bilkostnader ved forslag fra disse medlemmer om å øke CO₂-avgiften med 50 øre pr. liter, ved en årlig kjørelengde tilsvarende gjennomsnittet.

Disse medlemmer fremmer følgende forslag:

«II. Årsavgift

§ 1 nr. 1 skal lyde:

For 1996 betales i henhold til lov av 19. juni 1959 nr. 2 avgift til statskassen med:

1. For
 - a) Personbiler
 - b) Varebiler
 - c) Campingbiler med tillatt totalvekt mindre enn 12 000 kg
 - d) Bensindrevne:
 - lastebiler
 - trekkbiler
 - kombinerte biler med tillatt totalvekt mindre enn 12 000 kr
 - e) Ikke bensindrevne kombinerte biler med tillatt totalvekt mindre enn 3 500 kg
 - f) Årsprøvekjennermerker for kjøretøy
- I) med kr 1 705 hvis disse er registrert i kommuner som faller under arbeidsgiveravgiftssone I,
- II) med kr 1 330 hvis disse er registrert i kommuner som faller under arbeidsgiveravgiftssone II,
- III) med kr 955 hvis disse er registrert i kommuner som faller under arbeidsgiveravgiftssone III-IV.
2. kr 825,00 av campinghengere med egenvekt over 350 kg
3. kr 1 270,00 av motorsykler, lette og tunge
4. kr 1 030,00 av ikke bensindrevne:
 - lastebiler
 - trekkbiler
 - kombinerte biler med tillatt totalvekt 3 500 kg eller mer
 - busser under 6 meter med inntil 17 seteplasser (minibusser)
 med tillatt totalvekt mindre enn 12 000 kg.»

Disse medlemmer fremmer følgende forslag til bevilgning:

Kap. 5536 Avgift på motorvogner m.m.

72 Årsavgift,
reduseres med
kr 400 000 000
og bevilges med kr 2 910 000 000

2.7.2 Til § 2

Komiteens merknader

Komiteen mener det er viktig å legge til rette for utvikling og bruk av biler som er mindre forurensende enn dagens biler. Komiteen viser til at biler som drives kun ved hjelp av elektrisitet, såkalte el-biler, er fritatt for engangsavgift. Sammenliknet med biler drevet av fossile drivstoff, forårsaker el-biler lite støy og ubetydelig luftforurensning både lokalt og globalt. Komiteen fremmer forslag om at denne typen biler også fritas for årsavgift. Et slikt fritak vil ha marginale virkninger på prøvenyet.

Komiteen foreslår på denne bakgrunn at det innføres et nytt punkt i) under § 2 som fritar el-

biler for årsavgift. Ordlyden i § 2, punktene a) til og med h) videreføres.

Komiteen fremmer følgende forslag:

II. Årsavgift

§ 2 ny bokstav i skal lyde:

- i) Kjøretøy som drives kun med elektrisk strøm (el-biler).»

2.7.3 Til §§ 3-7

Sammendrag

Under disse paragrafene foreslår Regjeringen å videreføre ordlyden i Stortingets avgiftsvedtak for 1995.

Komiteens merknader

Komiteen slutter seg til Regjeringens forslag.

2.8 III. Vektårsavgift (kap. 5536 post 73)

2.8.1 Til §§ 1-9

Sammendrag

Vektårsavgiften ble innført 1. oktober 1993, og pålegges i dag dieseldrevne kjøretøy på 12 tonn og over. Dersom kjøretøyet skal trekke tilhenger, skal det betales en tilleggsavgift beregnet etter totalvekten for den tyngste tilhenger som ønskes benyttet. Avgiften er gradert etter kjøretøyets/tilhengereens vekt og antall aksler, og satsene er for 1995 kr 910 pr. år for lastebiler mellom 12 og 14 tonn, og øker med bilens vekt til maksimalt kr 10 240 pr. år for de tyngste bilene. For tilhengere varierer avgiften fra kr 2 790 til kr 12 110 pr. år. Det foreslås at satsene for vektårsavgiften prisjusteres.

Komiteens merknader

Komiteen slutter seg til Regjeringens forslag. Komiteen viser for øvrig til merknader foran under pkt. 2.2.2. Komiteen slutter seg videre til Regjeringens forslag til bevilgning under kap. 5536 post 73.

2.9 IV. Omregistreringsavgift (kap. 5536 post 75)

2.9.1 Til §§ 1-3 og 5-7

Sammendrag

Omsetning av brukte motorvogner og tilhengere er fritatt for merverdiavgift. Det betales i stedet en avgift ved omregistrering av alle kjøretøy som tidligere har vært registrert i Norge.

Kjøretøyene som omfattes av avgiftsplikten, er delt inn i fire grupper:

- Mopeder, motorsykler m.v.
- Personbiler og busser
- Lastebiler, varebiler, kombinerte biler m.v.
- Biltilhengere, semitrailere m.v.

Avgiften er gradert etter vekt og for gruppene b-d også etter alder. Satsene for omregistreringsavgiften foreslås gjennomgående prisjustert.

Komiteens merknader

Komiteen slutter seg til Regjeringens forslag til avgiftsvedtak.

Komiteens flertall, medlemmene fra Arbeiderpartiet, Sosialistisk Venstreparti og Rød Valgallianse, viser til merknader under pkt. 2.1 og fremmer følgende forslag til bevilgning:

Kap. 5536 Avgift på motorvogner m.m.
75 Omregistreringsavgift,
økes med
kr 50 000 000
og bevilges med kr 1 180 000 000

Komiteens medlemmer fra Senterpartiet, Høyre, Kristelig Folkeparti, Venstre og representanten Stephen Bråthen fremmer følgende forslag til bevilgning:

Kap. 5536 Avgift på motorvogner m.m.
75 Omregistreringsavgift,
økes med
kr 65 000 000
og bevilges med kr 1 195 000 000

2.9.2 Til § 4

Komiteens merknader

Komiteen viser til at paragrafen åpner muligheten for nedsettelse eller fritak for omregistreringsavgift når det oppstår enkelttilfeller eller tuasjoner som ikke var overveiet da avgiftsvedtak ble truffet og når avgiften i spesielle enkelttilfeller får utilsiktet virkning.

Komiteen er kjent med at det forekommer feller hvor formell omregistrering av kjøretøy skjer innen samme bedriftsorganisasjon f.eks. bindelse med intern omorganisering uten at omregistreringen medfører noe reelt eierskifte. Komiteen mener at søknader om fritak for omregistreringsavgift i slike tilfeller normalt bør kunne tekomes i medhold av § 4.

Komiteen slutter seg til Regjeringens forslag til § 4.

2.10 V. Avgift på bensin (kap. 5536 post 76)

2.10.1 Til § 1

Sammendrag

Bensinavgiften er en kvantumsavgift som innbetales av innenlandsk tilvirker og importør. Bensinavgiften har tidligere vært begrunnet som en veibruksavgift og som en fiskal avgift, men har i de senere årene i større grad også blitt vurdert som et miljøpolitisk virkemiddel. Avgiften har siden 1986 hatt ulike satser for blyholdig og blyfri bensin, og

PART I

GENERAL INFORMATION

STATUS OF THE NOTIFICATION

Does the information transmitted on this form concern:

- a notification pursuant to Article 1(3) in Part I of Protocol 3 to the Surveillance and Court Agreement?**
- a possible unlawful aid ⁽¹⁾?**

If yes, please specify the date of putting into effect of the aid. Please complete this form, as well as the relevant supplementary forms.

- a non-aid measure which is notified to the Authority for reasons of legal certainty?**

Please indicate below the reasons why the notifying EFTA State considers that the measure does not constitute State aid in the meaning of Article 61(1) of the EEA Agreement. Please complete the relevant parts of this form and provide all necessary supporting documentation.

A measure will not constitute State aid if one of the conditions laid down in Article 61(1) of the EEA Agreement is not fulfilled. Please provide a full assessment of the measure in the light of the following criteria focusing in particular on the criterion which you consider not to be met:

- No transfer of public resources (*For example, if you consider the measure is not imputable to the State or where you consider that regulatory measures without transfer of public resources will be put in place*)
- No advantage (*For example, where the private market investor principle is respected*)
- No selectivity/specificity (*For example, where the measure is available to all enterprises, in all sectors of the economy and without any territorial limitation and without discretion*)
- No distortion of competition / no affectation of intra-EEA trade (*For example, where the activity is not of an economic nature or where the economic activity is purely local*)

(1) According to Article 1(f) in Part II of Protocol 3 to the Surveillance and Court Agreement, 'unlawful aid' shall mean new aid put into effect in contravention of Article 1(3) in Part I of Protocol 3 to the Surveillance and Court Agreement.

1. Identification of the aid grantor

- 1.1. EFTA State concerned: Norway
- 1.2. Region(s) concerned (if applicable):
- 1.3. Authority responsible: Ministry of Finance

Responsible contact person:

Name: Grethe H. Dahl
Address: Postbox 8008 DEp., 0030 Oslo
Telephone: + 47 22 24 42 79
Fax: + 47 22 24 95 11
E-mail: ghd@fin.dep.no

- 1.4. Responsible contact person at the Mission to the European Union of the EFTA State concerned or any other contact point designated by the EFTA State.

Name: Astrid Erlingsen
Telephone: + 32 (0) 2 238 74 77
Fax:
E-mail: Astrid.erlingsen@mfa.no

- 1.5. If you wish that a **copy** of the official correspondence sent by the Authority to the EFTA State should be forwarded to other national authorities, please indicate here their name and address:

Name:
Address:

- 1.6. Indicate EFTA State reference you wish to be included in the correspondence from the Authority:

2. Identification of the aid

- 2.1. Title of the aid (or name of company beneficiary in case of individual aid):

VAT zero rating for electric vehicles

- 2.2. Brief description of the objective of the aid: Supply of electric vehicles is zero rated. Leasing of electric vehicles and supply of batteries to electric vehicles will also be zero rated. The purposes of stimulating electric vehicles are to reduce global and local pollution.

Please indicate primary objective and, if applicable, secondary objective(s):

Primary objective
(please tick *one* only)

Secondary objective ⁽²⁾

Regional development	<input type="checkbox"/>	<input type="checkbox"/>
Research and development	<input type="checkbox"/>	<input type="checkbox"/>
Environmental protection	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rescuing firms in difficulty	<input type="checkbox"/>	<input type="checkbox"/>
Restructuring firms in difficulty	<input type="checkbox"/>	<input type="checkbox"/>
SMEs	<input type="checkbox"/>	<input type="checkbox"/>
Employment	<input type="checkbox"/>	<input type="checkbox"/>
Training	<input type="checkbox"/>	<input type="checkbox"/>
Risk capital	<input type="checkbox"/>	<input type="checkbox"/>
Promotion of export and internationalisation	<input type="checkbox"/>	<input type="checkbox"/>
Services of general economic interest	<input type="checkbox"/>	<input type="checkbox"/>
Sectoral development ³	<input type="checkbox"/>	<input type="checkbox"/>
Social support to individual consumers	<input type="checkbox"/>	<input type="checkbox"/>
Compensation of damage caused by natural disasters or exceptional occurrences	<input type="checkbox"/>	<input type="checkbox"/>
Execution of an important project of common European interest	<input type="checkbox"/>	<input type="checkbox"/>
Remedy for a serious disturbance in the economy	<input type="checkbox"/>	<input type="checkbox"/>
Heritage conservation	<input type="checkbox"/>	<input type="checkbox"/>
Culture	<input type="checkbox"/>	<input type="checkbox"/>

2.3. Scheme - Individual aid ⁽⁴⁾

2.3.1. Does the notification relate to an aid scheme?

yes no

- If yes, does the scheme amend an existing aid scheme?

yes no

- If yes, are the conditions laid down for the simplified notification procedure pursuant to Article 4(2) of the EFTA Surveillance Authority Decision No.195/04/COL fulfilled?

⁽²⁾ A secondary objective is one for which, in addition to the primary objective, the aid will be exclusively earmarked. For example, a scheme for which the primary objective is research and development may have as a secondary objective small and medium-sized enterprises (SMEs) if the aid is earmarked exclusively for SMEs. The secondary objective may also be sectoral, in the case for example of a research and development scheme in the steel sector.

⁽³⁾ Please specify sector in point 4.2.

⁽⁴⁾ According to Article 1(e) in Part II of Protocol 3 to the Surveillance and Court Agreement, 'individual aid' shall mean aid that is not awarded on the basis of an aid scheme and notifiable awards of aid on the basis of an aid scheme.

yes no

- If yes, please use and complete the information requested by the simplified notification form (see Annex II).
- If no, please continue with this form and specify whether the original scheme which is being amended was notified to the Authority.

yes no

- If yes, please specify:

Aid number:

Date of Authority approval (reference of the decision of the Authority (Dec. No.: /.../)):

Duration of the original scheme:

Please specify which conditions are being amended in relation to the original scheme and why:

2.3.2. Does the notification relate to individual aid?

yes no

If yes, please tick the following appropriate box

aid based on a scheme which should be individually notified

Reference of the authorised scheme:

Title:

Aid number:

Decision of Authority approval:

individual aid not based on a scheme

2.3.3. Does the notification relate to an individual aid or scheme notified pursuant to an exemption regulation?

yes no

If yes, please tick the following appropriate box:

EC Commission Regulation No. 70/2001 on the application of Articles 87 and 88 EC Treaty to State aid to small and medium-sized

enterprises ⁽⁵⁾, as incorporated into the EEA Agreement by EEA Joint Committee Decision No. 88/2002 of 25 June 2002 ⁽⁶⁾. Please use the supplementary information sheet under part III, 1

- EC Commission Regulation No. 68/2001 on the application of Articles 87 and 88 EC Treaty to training aid ⁽⁷⁾, as incorporated into the EEA Agreement by EEA Joint Committee Decision No. 88/2002 of 25 June 2002 ⁽⁸⁾. Please use the supplementary information sheet under part III, 2
- EC Commission Regulation No. 2204/2002 on the application of Articles 87 and 88 EC Treaty to State aid for employment ⁽⁹⁾, as incorporated into the EEA Agreement by EEA Joint Committee Decision No. 83/2003 of 20 June 2003 ⁽¹⁰⁾. Please use the supplementary information sheet under part III, 3

3. National Legal Basis

- 3.1. Please list the national legal basis including the implementing provisions and their respective sources of references:

Title: VAT Act (19. June 2009 No. 58) section 6-6.

VAT Regulation (15. December 2009 No. 1540) section 6-6

Reference (where applicable):

- 3.2. Please indicate the document(s) enclosed with this notification:

- A copy of the relevant extracts of the final text(s) of the legal basis (and a web link, if possible)
- A copy of the relevant extracts of the draft text(s) of the legal basis (and a web link, if existing)

⁽⁵⁾ EC Commission Regulation No. 70/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium sized enterprises, OJ No. L 10, 13.1.2001, p. 33. The amendments contained in EC Commission Regulation No. 364/2004 as regards the extension of its scope to include aid for research and development, OJ No. 63, 28.2.2004, p. 22 are only applicable once this Regulation has been incorporated into the EEA Agreement.

⁽⁶⁾ OJ No. L 266, 3.10.2002 and EEA Supplement No. 49, cf. point 1f of Annex XV to the EEA Agreement.

⁽⁷⁾ EC Commission Regulation No. 68/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to State aid to training aid, OJ No. L 10, 13.1.2001, p. 20. The amendments contained in EC Commission Regulation No. 363/2004 on the application of Articles 87 and 88 of the EC Treaty to training aid. OJ No. L 63, 28.2.2004, p. 20 are only applicable once this Regulation has been incorporated into the EEA Agreement.

⁽⁸⁾ OJ No. L 266, 3.10.2002 and EEA Supplement No. 49, cf. point 1d of Annex XV to the EEA Agreement.

⁽⁹⁾ EC Commission Regulation No. 2204/2002 of 12 December 2002 on the application of Articles 87 and 88 of the EC Treaty to State aid for employment, OJ No. L 337, 13.12.2002, p. 3 and OJ No. L 349, 24.12.2002, p. 126.

⁽¹⁰⁾ OJ No. L 257, 9.10.2003 and EEA Supplement No. 51, cf. point 1g of Annex XV to the EEA Agreement.

3.3. In case of a final text, does the final text contain a clause whereby the aid granting body can only grant after the Authority has cleared the aid (stand still clause)?

yes no

4. **Beneficiaries**

4.1. Location of the beneficiary(ies)

- in (an) unassisted region(s)
- in (a) region(s) eligible for assistance under Article 61(3)(c) of the EEA Agreement (specify at NUTS-level 3 or lower)
- in (a) region(s) eligible for assistance under Article 61(3)(a) (specify at NUTS-level 2 or lower)
- mixed: specify: Not regionally specified

4.2. Sector(s) of the beneficiary(ies):

- | | | |
|-------------------------------------|------|---|
| <input type="checkbox"/> | | Not sector specific |
| <input type="checkbox"/> | B | Mining and Quarrying |
| <input type="checkbox"/> | 10.1 | Coal |
| <input type="checkbox"/> | C | Manufacturing industry |
| <input type="checkbox"/> | 17 | Textiles |
| <input type="checkbox"/> | 21 | Pulp and paper |
| <input type="checkbox"/> | 24 | Chemical and pharmaceutical industry |
| <input type="checkbox"/> | 24.7 | Man-made fibres |
| <input type="checkbox"/> | 27.1 | Steel ⁽¹¹⁾ |
| <input type="checkbox"/> | 29 | Industrial machinery |
| <input type="checkbox"/> | DL | Electrical and optical equipment |
| <input checked="" type="checkbox"/> | 34.1 | Motor vehicles |
| <input type="checkbox"/> | 35.1 | Shipbuilding |
| <input type="checkbox"/> | | Other Manufacturing sector, please specify: |
| <input type="checkbox"/> | D | Electricity, gas and water supply |
| <input type="checkbox"/> | E | Construction |
| <input checked="" type="checkbox"/> | 52 | Retail Services |
| <input type="checkbox"/> | F | Hotels and restaurants (Tourism) |
| <input type="checkbox"/> | G | Transport |
| <input type="checkbox"/> | 60 | Land transport and transport via pipelines |

⁽¹¹⁾ Annex B of the EFTA Surveillance Authority's Guidelines Chapter 26A on Multisectoral framework on regional aid for large investment projects (not yet published).

- | | | |
|-------------------------------------|---|--|
| <input type="checkbox"/> | 60.1 | Railways |
| <input checked="" type="checkbox"/> | 60.2 | Other land transport |
| <input type="checkbox"/> | 61.1 | Sea and coastal water transport |
| <input type="checkbox"/> | 61.2 | Inland water transport |
| <input type="checkbox"/> | 62 | Air transport |
| <input type="checkbox"/> | 64 | Post and telecommunications |
| <input type="checkbox"/> | H | Financial intermediation |
| <input type="checkbox"/> | 72 | Computer and related activities |
| <input type="checkbox"/> | 92 | Recreational, cultural and sporting activities |
| <input type="checkbox"/> | Other, please specify according to NACE rev. 1.1 classification ⁽¹²⁾ : | |

4.3. In case of an individual aid:

Name of the beneficiary:

Type of beneficiary:

SME

Number of employees:

Annual turnover:

Annual balance-sheet:

Independence:

(please attach a solemn declaration in line with the EC Commission Recommendation on SME ⁽¹³⁾ or provide any other evidence to demonstrate the above criteria):

large enterprise

firm in difficulties ⁽¹⁴⁾

4.4. In case of an aid scheme:

Type of beneficiaries:

all firms (large firms and small and medium-sized enterprises)

only large enterprises

small and medium-sized enterprises

⁽¹²⁾ NACE Rev.1.1 is the Statistical classification of economic activities in the European Community.

⁽¹³⁾ EC Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises, OJ No. L 124, 20.5.2003, p. 36 and EC Commission Regulation No. 364/2004 amending Regulation No. 70/2001 as regards the extension of its scope to include aid for research and development, OJ No. L 63, 28.2.2004, p. 22, only applicable once incorporated into the EEA Agreement.

⁽¹⁴⁾ As defined in the EFTA Surveillance Authority Guidelines Chapter 16 (OJ No. L 274, 26.10.2000 and EEA Supplement No. 48).

- medium-sized enterprises
- small enterprises
- micro enterprises

the following beneficiaries:

Estimated number of beneficiaries:

- under 10
- from 11 to 50
- from 51 to 100
- from 101 to 500
- from 501 to 1000
- over 1000

5. **Amount of aid / Annual expenditure**

In case of an individual aid, indicate the overall amount of each measure concerned:

In case of a scheme, indicate the annual amount of the budget planned and the overall amount (in national currency):

For tax measures, please indicate the estimated annual and overall revenue losses due to tax concessions for the period covered by the notification:
The revenue loss from zero rating sales and import of electric vehicles is estimated to 1 000 million NOK in 2014. The revenue loss from zero rating leasing of electric vehicles and sale and import of batteries for electric vehicles is estimated to 55 million NOK if it was introduced 1st of January 2014. The future revenue loss will among other depend on the future sale of electric vehicles.

If the budget is not adopted annually, please specify what period it covers:

If the notification concerns changes to an existing scheme, please give the budgetary effects of the notified changes to the scheme:

6. **Form of the aid and means of funding**

Specify the form of the aid made available to the beneficiary (where appropriate, for each measure):

- Direct grant
- Soft loan (including details of how the loan is secured)
- Interest subsidy
- Tax advantage (e.g. tax allowance, tax base reduction, tax rate reduction, tax deferment). Please specify: VAT zero rating (exemption with credit)

- Reduction of social security contributions
- Provision of risk capital
- Debt write-off
- Guarantee (including amongst others information on the loan or other financial transaction covered by the guarantee, the security required and the premium to be paid)
- Other. Please specify:

For each instrument of aid, please give a precise description of its rules and conditions of application, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled (if so, please mention the criteria) or whether there is an element of discretion by the awarding authorities:

Specify the financing of the aid: if the aid is not financed through the general budget of the State/region/municipality, please explain its way of financing:

- Through parafiscal charges or taxes affected to a beneficiary, which is not the State. Please provide full details of the charges and the products/activities on which they are levied. Specify in particular whether products imported from other EEA States are liable to the charges. Annex a copy of the legal basis for the imposition of the charges:
- Accumulated reserves
- Public enterprises
- Other (please specify):

7. **Duration**

7.1. In the case of an individual aid:

Indicate the date when the aid will be put into effect (If the aid will be granted in *tranches*, indicate the date of each *tranche*):

Specify the duration of the measure for which the aid is granted, if applicable:

7.2. In the case of a scheme:

Indicate the date from which on the aid may be granted: 1. July 2001

Indicate the last date until which aid may be granted:

If the duration exceeds six years, please demonstrate that a longer time period is indispensable to achieve the objective(s) of the scheme:

8. **Cumulation of different types of aid**

Can the aid be cumulated with aid received from other local, regional, national or Community schemes to cover the same eligible costs?

yes no

If so, describe the mechanisms put in place in order to ensure that the cumulation rules are respected:

9. **Professional Confidentiality**

Does the notification contain confidential information which should not be disclosed to third parties?

yes no

If so, please indicate which parts are confidential and explain why:

If no, the Authority will publish its decision without asking the EFTA State.

10. **Compatibility of the aid**

Please identify which of the existing rules applicable to State aid provide an explicit legal basis for the authorisation of the aid (where appropriate please specify for each measure) and complete the relevant supplementary information sheet(s) in part III

- SME aid
 - Notification of an individual aid pursuant to Article 6 of Regulation (EC) No. 70/2001, as incorporated into the EEA Agreement by EEA Joint Committee Decision No. 88/2002 of 25 June 2002 ⁽¹⁵⁾.
 - Notification for legal certainty
- Training aid
 - Notification of an individual aid pursuant to Article 5 of Regulation (EC) No. 68/2001, as incorporated into the EEA Agreement by EEA Joint Committee Decision No. 88/2002 of 25 June 2002 ⁽¹⁶⁾.
 - Notification for legal certainty
- Employment aid
 - Notification of an individual aid pursuant to Article 9 of Regulation (EC) No. 2204/2002, as incorporated into the EEA

⁽¹⁵⁾ OJ No. L 266, 3.10.2002 and EEA Supplement No. 49, cf. point 1f of Annex XV to the EEA Agreement. EC Commission Regulation No. 70/2001 has been amended by EC Commission Regulation No. 364/2004 as regards the extension of its scope to include aid for research and development only applicable once incorporated into the EEA Agreement.

⁽¹⁶⁾ OJ No. L 266, 3.10.2002 and EEA Supplement No. 49, cf. point 1d of Annex XV to the EEA Agreement. EC Commission Regulation No. 68/2001 has been amended by EC Commission Regulation No. 363/2004 on application of Articles 87 and 88 of the EC Treaty to training aid only applicable once incorporated into the EEA Agreement).

Agreement by EEA Joint Committee Decision No. 83/2003 of 20 June 2003 ⁽¹⁷⁾.

- Notification of a scheme pursuant to Article 9 of Regulation (EC) No. 2204/2002, as incorporated into the EEA Agreement by EEA Joint Committee Decision No. 83/2003 of 20 June 2003 ⁽¹⁸⁾.
- Notification for legal certainty

- Regional aid
- Aid coming under the multisectoral framework on regional aid for large investment projects
- Research and development aid
- Aid for rescuing firms in difficulty
- Aid for restructuring firms in difficulty
- Aid for audio-visual production
- Environmental protection aid
- Risk capital aid
- Aid in the transport sector
- Shipbuilding aid

Where the existing rules applicable to State aid do not provide an explicit basis for the approval of any of the aid covered by this form, please provide a fully reasoned justification as to why the aid could be considered as compatible with the EEA Agreement, referring to the applicable exemption clause of the EEA Agreement (Article 59(2), Article 61(2) (a) or (b) , Article 61(3) (a), (b), (c) as well as other specific provisions relating to Transport.

11. **Outstanding recovery orders**

In the case of individual aid has any potential beneficiary of the measure received state aid which is the subject of an outstanding recovery order by the Authority?

yes no

If yes, please provide complete details:

12. **Other Information**

Please indicate here any other information you consider relevant to the assessment of the measure(s) concerned under State aid rules:
Cf. letter attached

13. **Attachments: 3**

⁽¹⁷⁾ OJ No. L 257, 9.10.2003 and EEA Supplement No. 51, cf. point 1g of Annex XV to the EEA Agreement.

⁽¹⁸⁾ OJ No. L 257, 9.10.2003 and EEA Supplement No. 51, cf. point 1g of Annex XV to the EEA Agreement.

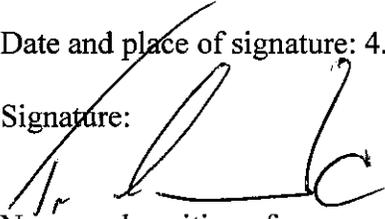
Please list here all documents which are attached to the notification and provide paper copies or direct internet links to the documents concerned.

14. Declaration

I certify that to the best of my knowledge the information provided on this form, its annexes and its attachments is accurate and complete.

Date and place of signature: 4. November 2014

Signature:

A handwritten signature in black ink, appearing to be 'Tor Lande', written over a horizontal line.

Name and position of person signing:
Tor Lande (Deputy Director General)