

NEWSLETTER**EU/EEA and Competition Law**

The Service Directive implemented in Norway as the Norwegian Service Act

The Service Directive has been implemented into Norwegian law as the Norwegian Service Act. The Act entered into force on 28 December 2009. The Service Act will make it easier for service providers from the EEA to become established and provide services in Norway.

HOW DOES THE SERVICE ACT FACILITATE CROSS-BORDER PROVISION OF SERVICES?

The purpose of the Service Act is to facilitate the establishment and provision of services in Norway, provided by service providers from the EEA. For that purpose the Norwegian authorities have reviewed and simplified administrative procedures for service providers.

According to the Act, Norway shall set up "points of single contact", i.e. one-stop shops through which service providers can obtain all relevant information and complete all procedures relating to their activities. Altinn (an internet portal for public reporting with more than 120 forms and services from 20 Norwegian government agencies) has been appointed as the national contact point and both Norwegian and overseas service providers will be able to use Altinn to apply for the necessary permits.

For service providers from the EEA area this entails that it will be easier to import services to Norway.

WHICH SERVICES FALL UNDER THE SCOPE OF THE NORWEGIAN SERVICE ACT – AND WHICH SERVICES FALL OUTSIDE?

The Service Act lists a number of services that are covered, for example:

- Various advisory services, including legal and tax advice, accountants, recruitment services, real estate brokering
- Advertising and marketing
- Installation and maintenance services
- Distribution
- Construction and planning services, including architectural services
- Consumer services within tourism, sports centres and amusement parks.

The Service Act does not apply to services that are offered without payment, for example, in education, culture, church affairs and the legal system. Financial services, electronic communications services, transport, audiovisual services, radio broadcasting and gambling operations have been exempted. Private and public health care services and employment law regulations are also exempted.

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BACKGROUND

The trade in services within the EEA has been characterised by unclear national legal rules, lack of mutual trust and protectionist measures. The services sector generates 70 percent of BNP and employment within the EEA. However, trading in services constitutes only 20 percent of all cross-border trade. The objective of the Service Directive and the Norwegian Service Act is to change this.

The implementation of the Service Directive into Norwegian law has been disputed since the initial proposal of the Directive created doubt about the right to protect the host country's wage and employment conditions. However, now the Services Directive explicitly states that it will not apply to employment law in the EEA states, whether by law, contract or tariff agreements. The Norwegian Act states the same.

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