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to the United Nations
Convention against Corruption**

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Executive summary

Note by the Secretariat

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II. Executive summary

Norway

1. Introduction: overview of the legal and institutional framework of Norway in the context of implementation of the United Nations Convention against Corruption

Norway signed the United Nations Convention against Corruption on 9 December 2003 and ratified it on 29 June 2006.

The implementation by Norway of chapters III and IV of the Convention was reviewed in the second year of the first review cycle. The executive summary of that review was published on 10 December 2013 ([CAC/COSP/IRG/II/2/1/Add.25](#)).

According to its Constitution, Norway is a monarchy with a multi-party parliamentary system. The King is the Head of State, whose role is symbolic and ceremonial. He does not have an active or regular role in governmental functions. The parliament of Norway (i.e. the Storting) is a unicameral national parliament that exercises supreme legislative authority.

The main sources of law in Norway are the Constitution, acts of parliament, royal decrees, European Union law and international law, as well as preparatory works and case law.¹ International treaties are not self-executing and have to be implemented in Norwegian legislation.

Relevant legislation includes the Constitution, the Public Administration Act, the Competition Act, the Working Environment Act, the Civil Service Act, the Election Act, the Political Parties Act, the Act on Registration of the Appointments and Financial Interests of Members of the Government, the Act on Public Procurement, the Freedom of Information Act, the Act relating to Measures to Combat Money-Laundering and Terrorist Financing, the Criminal Procedure Act, the Penal Code, the Act on the Transfer of Sentenced Persons and the Extradition Act.

Institutions with mandates relevant to preventing and countering corruption include the Ministry of Justice and Public Security, the Ministry of Finance, the Ministry of Local Government and Regional Development, the Ministry of Foreign Affairs, the Prosecuting Authority, the National Authority for the Investigation and Prosecution of Economic and Environmental Crime, the Financial Intelligence Unit, the Financial Supervisory Authority, the Norwegian Agency for Public and Financial Management, the Competition Authority and its Appeals Board, the Parliamentary Ombud for Scrutiny of the Public Administration and the Office of the Auditor General.

2. Chapter II: preventive measures

2.1. Observations on the implementation of the articles under review

Preventive anti-corruption policies and practices; preventive anti-corruption body or bodies (arts. 5 and 6)

Norway adopted a “whole-of-government” approach to preventing and combating corruption, implemented mainly through a 2011 government action plan to combat financial crime, sectoral strategies on work-related crime and money-laundering, non-statutory administrative principles that set integrity standards for the public administration, and codes of conduct and ethical guidelines for various authorities, such as the Ethical Guidelines for the Civil Service, the Ethical Guidelines for the State Sector, the Ethical Principles for Judges, the Code of Conduct for the Police and the Code of Ethics for Prosecutors. No national assessments of the effectiveness of

¹ Preparatory works and case law are significant sources of law in the legal system of Norway. According to established legal tradition, explanations in the preparatory works are regarded as a reliable source of clarification of legal texts, as is case law. That method makes it possible to give clarifications beyond what is possible in the legislation itself.

that approach have been conducted, but Norway regularly takes part in international review mechanisms through which those measures are evaluated.

While civil society organizations are not directly involved in policymaking processes, they are normally consulted in line with the Instructions for Official Studies. They also publish tools for preventing corruption and updates on corruption cases online.

The Ministry of Justice and Public Security has a particular responsibility for coordinating the implementation of anti-corruption policies and has established a forum for cooperation among relevant authorities to maintain a coordinated and strategic approach. There is no national monitoring and reporting mechanism for the implementation of anti-corruption policies. Norway relies primarily on international monitoring mechanisms.

Norway takes steps to raise awareness and strengthen the prevention of corruption, including by modifying laws and regulations in cooperation with stakeholders and adopting integrity standards and principles in various institutions. The prevention of corruption is promoted through the enforcement of relevant provisions of the Penal Code by the National Authority for the Investigation and Prosecution of Economic and Environmental Crime and by other police bodies, and those measures were indicated as having a deterrent effect. The National Authority plays a key role by investigating and prosecuting corruption cases and enabling other stakeholders, such as municipalities and companies, to prevent corruption more effectively by raising awareness of corruption risks and possible mitigation measures through seminars, the media and publications. There is no formal review of the effectiveness of preventive measures.

Evaluations of relevant legal instruments and administrative measures against corruption are conducted as necessary and may be initiated by ministries, the judiciary or recommendations from international bodies. Policies for law-making are regulated in the Instructions for Official Studies and in the booklet on legal technique and the preparation of laws.

Other bodies with preventive functions include supervisory authorities, such as the Financial Supervisory Authority, the tax authorities and the Competition Authority, and control bodies, such as the Parliamentary Ombud for Scrutiny of the Public Administration and the Office of the Auditor General. Those bodies are adequately staffed and funded, and their staff are civil servants. Of the above-mentioned agencies, only the Parliamentary Ombud for Scrutiny of the Public Administration and the Office of the Auditor General are considered fully independent.

Public sector; codes of conduct for public officials; measures relating to the judiciary and prosecution services (arts. 7, 8 and 11)

The Working Environment Act regulates all employment relationships, while the Civil Service Act regulates the employment relationships of civil servants. Vacancies are generally publicly announced and published. Under the Civil Service Act, a civil servant shall either be appointed by the King or, if the King so directs, by a ministry, by one or more appointment committees or by the board of an entity or group of entities. The King's authority is delegated to individual ministries. There are no positions formally classified as vulnerable to corruption, but within the police, those who work with informants are identified as such. Appointments to higher positions are made by the King in Council upon the recommendation of the responsible minister. On commencing employment, the civil servant is placed in the remuneration grade with the salary announced for the position; separate arrangements apply to some senior civil servants. Wage contracts for managers are public and open to inspection, with some exceptions. The Civil Service Act provides that civil servants can exercise authority without risk of reprisal and protects civil servants from dismissal with or without notice and suspension. Special requirements exist for civil servants with regard to loyalty, integrity, professional independence and party-political neutrality.

Under the Civil Service Act, disciplinary measures may be imposed for the infringement of or failure to fulfil official duties. Corruption always gives rise to disciplinary measures, although special circumstances or the scale of the case may be taken into account. Although there are no clear rules or practices regarding grounds for the removal of higher-level public officials, decisions on appointments to and removal from such positions have to be made by the King in Council upon the recommendation of the responsible minister. Appeals against disciplinary measures, dismissal with or without notice, or suspensions may be submitted in writing to the ministry that made the decision. Appeals are addressed to the King. The procedures are regulated by the Public Administration Act.

The criteria concerning candidature for and election to public office, including eligibility and disqualification criteria in connection with elections of representatives to the parliament, county councils and municipal councils, are regulated in the Election Act. Any person entitled to vote in elections who is not disqualified or exempt is eligible to stand for parliamentary elections. Members of staff in the ministries (except for ministers, State secretaries and political advisers), justices of the Supreme Court and members of the diplomatic corps or of the consular service are disqualified from standing for election to the parliament. For persons who have committed criminal acts, the Penal Code stipulates the loss of the right to function as an elected official for the duration of the electoral term.

The funding of political parties and candidatures for public office is regulated by the Political Parties Act. The Regulation on the Political Parties Act sets out the duties of political parties concerning, inter alia, accounting and bookkeeping. Political parties and party units are required to report the value of all monetary and in-kind donations. Donations exceeding certain threshold levels set out in the Act must be reported separately, and such reports must include the name and address of the benefactor. A central register exists for reporting donations, and there is an independent committee for the monitoring, sanctioning and control of party funding and the processing of appeals. There are special provisions on the auditing of political parties. Administrative sanctions, confiscations and fines or criminal penalties may be imposed for violations of the Act. In 2013, Norway adopted legislative amendments to strengthen the Act.

Norway has laws, regulations and guidelines that promote transparency and prevent conflicts of interest, including the Ethical Guidelines for the State Sector, which are applicable to all central government bodies. The top management of ministries and subordinate organizations bear a special responsibility for follow-up, and the guidelines are subject to review. In addition, there are special guidelines for civil servants, parliamentarians, judges, prosecutors and the police, in addition to rules on impartiality contained in section 6 of the Public Administration Act, rules on holding second jobs, quarantine provisions governing transfers to other organizations contained in the Act on the Duty of Disclosure, Quarantine and Recusal for Politicians, Civil Servants and Public Servants and in the Guidelines on Gifts in an Official Capacity, issued by the Ministry of Local Government and Modernization. Training and awareness-raising on ethics are provided, and the introductory training for new employees in the ministries focuses on ethical behaviour. The current rules on conflicts of interest for parliamentarians and members of the Government could benefit from further clarification and elaboration, and applicable standards could be updated and their application strengthened.

Norway has measures and systems in place to protect whistle-blowers from retaliation for reporting illegal activity or corruption. The right to notify became statutory in the Working Environment Act of 2007. In addition, employers are required to prepare internal whistle-blowing procedures. The Ethical Guidelines for the State Sector contain a chapter on reporting. Procedures for government agencies contained in the personnel handbook in the Guidelines address embezzlement, corruption, theft, fraud and breach of trust in the civil service. Norway is developing additional guidelines on whistle-blowing procedures in the civil service, the Ministry of Foreign Affairs and the Norwegian Agency for Development Cooperation.

The registration and reporting of outside activities and financial interests for members of the Government is mandatory, as established in the Act on Registration of Appointments and Financial Interests. In addition, Norway has adopted the Regulation on the Register of Appointments and Economic Interests of Members of the Storting. To follow up on a recommendation from the Council of Europe Group of States against Corruption, the Ministry of Local Government and Regional Development is currently working on draft legislation to amend the Act.

Data on income are also publicly available through the taxation register. A proposed amendment to the Act on Registration of Appointments and Financial Interests would strengthen the registration of the private interests of State secretaries and political advisers. Disclosures are filed electronically by members of parliament and manually by government ministers. The system is currently under revision.

Norway has procedures to impose disciplinary measures on civil servants who violate general and administration-specific codes. Disciplinary sanctions are regulated in the Civil Service Act.

The Judicial Appointments Board, an independent body, considers applications and makes recommendations regarding the appointment of judges. Its members are appointed by the Government (King in Council). All vacancies for judicial positions are publicly announced, and official application lists are available online.

Pursuant to the Courts Act, cases are assigned to judges largely at random by the president of the court. Training on ethics is provided to professional judges, and some ethics training is provided to lay judges and court personnel. There is a trust-based system for the declaration of assets, income, liabilities and interests by judges. The Courts Administration is responsible for maintaining a register of the extrajudicial activities of judges.

The Prosecuting Authority is independent and cannot receive or act on any instructions in handling individual criminal cases. The principle of the independence of the Authority was explicitly legislated by an amendment to the Criminal Procedure Act (sect. 55 of the amended Act, adopted in 2019). Public prosecutors are senior civil servants who, according to the Constitution of Norway, cannot be removed without a verdict. That legal protection contributes to ensuring their independence and protects them against improper influence or pressure. The Director of Public Prosecutions, however, is among the senior civil servants who are considered removable under section 22 of the Civil Service Act and can therefore be dismissed by a decision of the King in Council with no prior verdict. This arrangement implies that the public prosecution service, in principle, is not beyond political control.

The Ethical Guidelines for the State Sector, the Guidelines on Gifts in an Official Capacity, the Ethical Guidelines for Personnel in Public Prosecution and the Working Environment Act also apply to the prosecution service.

Public procurement and management of public finances (art. 9)

Norway transposed European Union directives 2014/24/EU on public procurement, 2014/23/EU on the award of concession contracts, 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors, and 2007/66/EC with regard to improving the effectiveness of review procedures concerning the award of public contracts into its law on public procurement and in three separate regulations governing public procurement, the utilities sector and the award of concession contracts. The regulations are applicable to procurements with an estimated value equal to or above 100,000 Norwegian kroner (approximately 10,000 euros).

Although the system of public procurement in Norway is decentralized, the Government has established a central purchasing body, in accordance with the relevant European Union/European Economic Area directives. There is no supervisory body for public procurement. The Norwegian Agency for Public and Financial Management provides guidance to procuring entities on how to conduct

public procurement in accordance with legislation and how to prevent corruption. Procurement notices are published in the European Union Tenders Electronic Daily and in DOFFIN, the national database for notices of public procurement and procurement in the utilities sector that are subject to European Union regulations.

Contracting authorities are to inform each tenderer as soon as possible of decisions reached concerning contract awards, including the characteristics and relative advantages of the tender selected and the name of the successful tenderer. There are no provisions on the public scrutiny of awarded contracts, and requests under the Freedom of Information Act must be filed to obtain the information.

In accordance with directive 2007/66/EC, Norway established a complaints board (KOFA) for matters relating to public procurement. The board's decisions are normally only advisory and not legally binding on the contracting authority. However, the board may impose administrative penalties of up to 15 per cent of the contract value in the case of direct awards of contracts in breach of the procurement rules. Such decisions are binding and can be appealed before the ordinary courts. In addition, economic operators may bring cases before the ordinary courts. Complaints can also be filed with the Surveillance Authority of the European Free Trade Association.

The general rules set out in the legislation relevant to public administration, including rules on conflicts of interest, also apply in respect of public procurement personnel. The Freedom of Information Act establishes a right to obtain access to procurement documents and written reports of procurement procedures before contracts are concluded by contracting authorities.

Norway has established strict rules and procedures for adopting the national budget, which is submitted to the parliament. All documents and recommendations are available on the website of the Government. The plenary debates of the parliament are open to the public, and the parliament publishes resolutions and minutes of plenary hearings, in addition to the recommendations of parliamentary committees. Off-cycle budget expenditures are possible in line with the established rules.

Norway requires all central government entities (ministries and agencies) to report expenditure and revenue to the State accounts on a monthly basis through a web portal administered by the Norwegian Agency for Public and Financial Management. The Regulations on Financial Management in Central Government and the Provisions on Financial Management in Central Government set requirements and standards for accounting, financial reporting and internal control in the central government administration. Furthermore, the Office of the Auditor General provides the parliament and the public with reports on comprehensive independent audits of government accounts, and all essential audit findings are submitted to parliament after a written procedure in dialogue with relevant government entities.

The Provisions on Financial Management in Central Government, which are set by the Ministry of Finance and are binding on entities that are part of the central Government, outline requirements and standards for recording, storing and preserving the integrity of accounting books, among others. All government entities use standard accounting systems in compliance with the Provisions. Internal controls in all agencies cover bookkeeping and payments. The Office of the Auditor General audits financial dispositions and transactions annually.

State-owned enterprises are subject to the same accounting and audit obligations as private companies. Norway requires all State-owned companies to report expenditure and revenue to the State accounts on a monthly basis through the web portal administered by the Norwegian Agency for Public and Financial Management. The State manages its ownership interests within the framework of applicable laws and regulations, including the Regulations and the Provisions on Financial Management in Central Government and principles of good corporate governance, and produces an annual report on the State's direct ownership interests. The responsible State agencies have developed written guidelines on the exercise of management and control

authority, and the Office of the Auditor General monitors the management of the State's proprietary interests in private entities.

Public reporting; participation of society (arts. 10 and 13)

The right to information is enshrined in the Constitution. The Freedom of Information Act ensures that the public has broad access to information regarding the functioning and decision-making processes of public agencies, with due regard to the protection of privacy, personal data and other legitimate interests. The Act does not apply to the parliament, the Office of the Auditor General, the Parliamentary Ombud for Scrutiny of the Public Administration or other institutions of the parliament, nor does it apply to the functions of the courts of law pursuant to the acts and statutes relating to the administration of justice. Other regulations and procedures are in place to ensure transparency in those institutions, such as the rules of procedure of the parliament on access to information and the Act relating to the Parliamentary Ombud for Scrutiny of the Public Administration.

Norway has established an online business portal that simplifies reporting to the Government, a gateway for citizens to obtain information about their rights and obligations, and an e-government portal.

Reports on the risk of corruption in public administration are not issued regularly. The National Authority for the Investigation and Prosecution of Economic and Environmental Crime issues a biennial threat assessment in which corruption is one of the issues considered.

Suspected corruption offences may be reported to the National Authority through a dedicated function on its website, by email or by telephone, as well as to local police districts.

Private sector (art. 12)

Norway prohibits corruption in the private sector through provisions in the Penal Code on active and passive bribery in both the private and public sectors and on the liability of legal persons. The police have established liaison officers to improve cooperation between the police and the private sector.

Accounting and auditing standards are regulated in the Bookkeeping Act, the Accounting Act and the Auditing Act. The Bookkeeping Act requires bookkeeping to be based on the principles of completeness, reality, accuracy and traceability. Licensed financial market entities are subject to internal auditing requirements, and large companies, such as publicly listed companies, generally apply compliance and internal control rules. Non-compliance with the Accounting Act and the Bookkeeping Act is subject to penalties in accordance with the Penal Code (sects. 392–394).

The Corporate Governance Board issued the Code of Practice for Corporate Governance for companies listed in Norway, and listed companies in which the State holds an ownership interest are also required to follow the Code. Pursuant to the Accounting Act, large companies must include statements on social responsibility as part of their annual accounts.

Key information about legal entities, both Norwegian and foreign, entered in the Register of Business Enterprises is made publicly available free of charge online, including company identifiers, board membership and signatory rights. Furthermore, Norway has established a system of public disclosure of the tax register of legal ownership, which includes information on foreign shareholders in Norwegian companies and a wide range of legal entities. It is also compulsory for all limited liability companies to maintain up-to-date shareholder information that can be accessed by anyone who asks the company for such information. In addition, Norway has adopted an act on a register of beneficial ownership. Work on establishing the register is ongoing.

Post-employment restrictions for public officials are defined in the Disclosure, Quarantine and Recusal Act and associated regulations relating to the duty of disclosure, quarantine and recusal for politicians, civil servants and public servants.

Norway has specific provisions regarding the maintenance of books and records, financial statement disclosures and accounting and auditing standards. No specific time frames are set for the storage of documents.

Norway disallows the tax deductibility of expenses that constitute bribes, as stipulated in the Act relating to the Taxation of Net Wealth and Income (sect. 6-22).

Measures to prevent money-laundering (art. 14)

Norway has in place a comprehensive act on money-laundering and terrorist financing with implementing regulations. The provisions of the Act relating to Measures to Combat Money-Laundering and Terrorist Financing cover obligations such as customer due diligence, ongoing monitoring, the reporting of suspicious transactions and record-keeping.

Obligated entities include financial institutions, payment service providers and designated non-financial businesses and professions, with the exception of dealers in precious metals and stones, which are assessed as involving lower risk and are subject to a limit on dealing in cash above a threshold of 40,000 kroner (4,000 euros) and subject to supervision by the Norwegian Tax Administration. Notaries and land-based casinos do not exist in Norway.

A national risk assessment for money-laundering and terrorist financing has been published biennially since 2014.

Chapter 4 of the Act relating to Measures to Combat Money-Laundering and Terrorist Financing contains detailed customer due diligence requirements, including the identification and verification of beneficial ownership and ongoing monitoring. The new Anti-Money-Laundering Regulations were adopted in 2018 and enforced enhanced customer due diligence in relation to high-risk countries (sect. 4-10) and high-risk customers and transactions, such as agents of foreign payment service providers and virtual currencies. Norway recently increased the resources and expertise allocated to the oversight of payment institutions.

Supervisory authorities have the necessary legal basis for conducting effective supervision and may impose a range of administrative measures and sanctions. Supervisors provide obliged entities with guidance tailored to individual sectors, and fines have been imposed for failure to comply with applicable requirements.

Norway established a “contact forum” in 2015 to facilitate cooperation and coordination among national authorities responsible for preventing and combating money-laundering and countering the financing of terrorism. The forum developed the first national strategy on money-laundering and countering the financing of terrorism to coordinate and guide national efforts. Norway has also taken measures to improve operational coordination among law enforcement agencies.

Internationally, formal cooperation with members and non-members of the European Economic Area works well, and the legal framework for mutual legal assistance in general is broad. The Financial Intelligence Unit, law enforcement agencies and supervisory and customs authorities cooperate internationally and share information, both upon request and spontaneously. The Financial Intelligence Unit is a member of the Egmont Group of Financial Intelligence Units and exchanges information through the Egmont Secure Web and the European Union Financial Intelligence Unit Network.

Norway has a declaration system for the incoming and outgoing cross-border transportation of cash and bearer negotiable instruments exceeding 25,000 kroner (2,500 euros) in value. Customs authorities have the power to impose administrative fines for non-compliance with the declaration obligation, and suspected proceeds of crime are reported to the police and seized.

New anti-money-laundering regulations that entered into force in July 2021 incorporate the provisions of European Union regulation 2015/847 on information accompanying transfers of funds and, inter alia, require payment service providers to collect and verify complete information about payers and payees and to decline transactions with incomplete information. The regulations apply equally to transactions within and those with elements outside the European Economic Area. Failure to comply is subject to sanctions.

Norway has been a member of the Financial Action Task Force since 1991 and is committed to implementing its recommendations. The mutual evaluation report on Norway was published in 2014, and the latest follow-up report was released in 2019.

2.2. Successes and good practices

- The tax authorities publish the information available to them annually as part of the tax assessment of companies and private citizens, which is searchable and available in the public domain (art. 12, paras. 1–2).
- Norway recently lowered the threshold of permitted cash payments for persons trading in goods in order to facilitate the tracing of illicit assets (Act relating to Measures to Combat Money-Laundering and Terrorist Financing, chap. 2) (art. 14, para. 1 (a)).

2.3. Challenges in implementation

It is recommended that Norway:

- Assess whether the existing policies and strategies to prevent corruption continue to be adequate and whether a coordinated anti-corruption policy should be developed (art. 5, para. 1).
- Consider establishing a monitoring and reporting mechanism on the implementation of those policies and strategies, possibly within the framework of the forum for cooperation under the Ministry of Justice and Public Security (art. 5, para. 1).
- Consider strengthening current practices aimed at the prevention of corruption, with a view to making them more systematic and targeted, as well as strengthening coordination among relevant bodies in this regard (art. 5, para. 2; art. 6, para. 1).
- Consider adopting procedures for the selection and training of individuals for public positions especially vulnerable to corruption and a system of rotation, where appropriate (art. 7, para. 1 (b)).
- Endeavour to further clarify the current rules on conflicts of interest for parliamentarians and members of the Government, as well as to strengthen the legal and administrative framework in this regard (art. 7, para. 4).
- Continue to strengthen the system for the declaration of interests by high-level government officials, namely, members of parliament, State secretaries and political advisers, as well as the oversight and monitoring mechanism (art. 8, para. 5).
- Take steps to strengthen the transparency of public procurement contract awards (art. 9, para. 1 (a)).
- Consider strengthening measures to regulate matters regarding personnel involved in public procurement, including in connection with the declaration of conflicts of interest (art. 9, para. 1 (e)).
- Consider monitoring the application of procedures for the removal of the Director of Public Prosecutions and take action, as necessary (art. 11, para. 2).

3. Chapter V: asset recovery

3.1. Observations on the implementation of the articles under review

General provision; special cooperation; bilateral and multilateral agreements and arrangements (arts. 51, 56 and 59)

Norway can provide a range of assistance to requesting countries in accordance with the Criminal Procedure Act, the Penal Code, the Act on the Transfer of Sentenced Persons and the Extradition Act (chap. V, on other legal aid). A treaty basis is required under the Act on the Transfer of Sentenced Persons (chaps. IV, II and III). Under the Extradition Act, mutual legal assistance may be provided in the absence of a commitment or treaty (sect. 26 (3)).

The National Authority for the Investigation and Prosecution of Economic and Environmental Crime has recently been designated as the Norwegian asset recovery office. The office is also the contact point for asset recovery specialists in 12 Norwegian police districts.

Norway has signed several bilateral and multilateral treaties to enhance international cooperation and asset recovery. Norway participates in the Camden Asset Recovery Inter-Agency Network and the International Criminal Police Organization (INTERPOL)/Stolen Asset Recovery (StAR) initiative Global Focal Point Network on Asset Recovery.

Norwegian law enforcement agencies, including the police, the prosecution authorities and the Financial Intelligence Unit, can disseminate information spontaneously and upon request. Section 22 of the Police Databases Act regulates the transfer of data to other countries.

A lack of comprehensive statistics on mutual legal assistance makes it difficult to assess the effectiveness of international cooperation and asset recovery. Following a project led by the National Police Directorate, the asset recovery office now keeps statistics on asset recovery at the national level and in response to requests from foreign authorities.

Prevention and detection of transfers of proceeds of crime; financial intelligence unit (arts. 52 and 58)

Obligated entities are required to comply with customer due diligence requirements and conduct ongoing monitoring in line with chapter 4 of the Act relating to Measures to Combat Money-Laundering and Terrorist Financing. The requirements cover identifying beneficial owners and taking reasonable measures to verify their identity.

Based on a risk-based approach, the Act relating to Measures to Combat Money-Laundering and Terrorist Financing specifies conditions that trigger enhanced customer due diligence (sects. 9 and 17). Those conditions include high-risk customers and transactions, such as current and former politically exposed persons, including persons entrusted with prominent functions in international organizations, whether domestic or foreign, their close family members and known associates (sects. 2 (f) and 18), and enhanced ongoing monitoring (sect. 24 (3)). A list of such persons is being developed, in line with the fifth money-laundering directive of the European Union. The Anti-Money-Laundering Regulations specify enhanced customer due diligence for high-risk countries (sect. 4-10), customers and transactions. The authorities have strengthened the requirements for beneficial ownership identification and verification to prevent the misuse of complex and international ownership structures, including through several legal entity registers set up for that purpose.

The national risk assessment provides further details on high-risk circumstances to be taken into consideration by obliged entities. The Financial Supervisory Authority provides guidance for obliged entities and specific sectors, including on enhanced customer due diligence, record-keeping and the reporting of suspicious activity. Through its website, guidelines and confidential communication channels, the

Financial Intelligence Unit can notify financial institutions of higher-risk customers or transactions, on the basis of information from foreign sources or spontaneously.

Customer due diligence and transaction records must be retained for five years after the termination of customer relationships or after occasional transactions are carried out (Act relating to Measures to Combat Money-Laundering and Terrorist Financing, sect. 30).

Financial institutions must be licensed in Norway, and the Financial Institutions Act prevents the establishment of shell banks.² The Act relating to Measures to Combat Money-Laundering and Terrorist Financing prohibits credit institutions from having correspondent banking relationships with shell banks and requires them to ensure that they do not maintain correspondent banking relationships with credit institutions that allow their accounts to be used by shell banks (Act relating to Measures to Combat Money-Laundering and Terrorist Financing, sect. 20).

Norway has established financial disclosure systems for members of the Government and of the parliament, and for judges; however, those systems do not extend to State secretaries and political advisers. Financial disclosures are publicly available on the website of the parliament. After consultation, it was decided not to extend disclosure requirements to spouses and other close family members. A supervision system for the register of financial disclosures that would allow for the cross-checking of information with public databases is under consideration.

There is no explicit requirement for public officials to report interests in or authority over foreign accounts. However, Norwegian taxpayers are required to declare their income obtained domestically and abroad, as well as their wealth, including bank deposits, shares and real estate, to the tax authorities.

The Financial Intelligence Unit is the central authority responsible for receiving, analysing and disseminating suspicious transaction reports and other information. Part of the National Authority for the Investigation and Prosecution of Economic and Environmental Crime, the Unit is a law enforcement-/judicial-type financial intelligence unit. Its budget is regularly allocated from the resources of the National Authority by the Director of the Authority.

Measures for direct recovery of property; mechanisms for recovery of property through international cooperation in confiscation; international cooperation for purposes of confiscation (arts. 53, 54 and 55)

Under Norwegian law, States have the legal capacity to be parties to court proceedings. The Dispute Act permits entities of the State (including, by extension, foreign States, as explained in the commentary to the Act) to file civil lawsuits in Norwegian courts pertaining to the establishment of title to or ownership of property (sect. 2-1).

Persons who suffer damage as a result of certain acts of corruption (Penal Code, sects. 387 and 389) may claim compensation from persons who, with intent or negligence, are responsible for the acts of corruption or for complicity in the acts of corruption (Act relating to Compensation in Certain Circumstances, sect. 1-6). For other offences, a civil claim may be pursued. Chapter 29, section 427, of the Criminal Procedure Act allows the Prosecuting Authority, upon application, or aggrieved persons (defined to include injured persons) to pursue civil legal claims against persons charged or responsible third parties in criminal proceedings. Accordingly, it is possible for aggrieved persons to initiate civil proceedings for compensation or to file such claims in criminal proceedings, or by extension in confiscation proceedings

² A shell bank is defined in Act relating to Measures to Combat Money-Laundering and Terrorist Financing as an undertaking engaged in financial activities (referred in sect. 20 (2)), incorporated in a State in which the undertaking has no physical presence, involving meaningful management and administration, and which is unaffiliated with a regulated group.

arising from the same acts (Criminal Procedure Act, sect. 3). Those provisions apply equally to foreign States.

The authorities confirmed that there is no limitation in the Norwegian legal system on who may qualify as a victim or aggrieved party, including natural or legal persons, domestic or foreign (Criminal Procedure Act, sect. 214; Prosecution Instruction, sect. 9-5). Third-party claims to assets may also be raised in confiscation proceedings (Criminal Procedure Act, sect. 2, para. 1 (2)).

A foreign confiscation order is not directly enforceable in Norway but is recognized and given effect through the issuance of a Norwegian judgment (penalty writ), as stipulated in the Act on the Transfer of Sentenced Persons. Chapter 20 of the Criminal Procedure Act sets out the procedure for issuing such judgments, and the rules in the Act on the Transfer of Sentenced Persons and in the accompanying regulation regarding the extension of the range of application of that Act apply. Once a request is received, a Norwegian decision has to be issued.³ However, the law does not specify a simplified evidentiary procedure in giving effect to foreign confiscation orders, nor does it specify the conditions for reviewing and recognizing such decisions. Nonetheless, the court may request additional information from the issuing State, if necessary.

Chapter 13 of the Penal Code establishes broad rules on confiscation in relation to proceeds of criminal acts, including acts committed abroad (Penal Code, sects. 5–6). Money-laundering may be used as the basis for confiscation if the terms of section 337 of the Penal Code are fulfilled (Criminal Procedure Act, sect. 214).

Proposed civil asset forfeiture legislation is under consideration by the Ministry of Justice and Public Security.

Authorities may apply a range of provisional measures as set out in the Criminal Procedure Act (chaps. 15b, 16 and 17). Freezing orders issued by the Financial Intelligence Unit are regulated by section 27 of the Act relating to Measures to Combat Money-Laundering and Terrorist Financing. The police and prosecution authorities, including the National Authority for the Investigation and Prosecution of Economic and Environmental Crime, have investigative powers to identify and trace assets, and to freeze, seize or charge property in order to secure payment of confiscation orders. Coercive measures may be applied for mutual assistance on the same conditions as in domestic criminal cases (Extradition Act, sect. 24). A foreign decision on provisional measures is not directly applicable, but the Norwegian prosecutor will issue an order for seizure based on the facts of the foreign decision.

Effect may be given to a request for the application of coercive measures in the absence of a foreign decision (Extradition Act, sect. 24 (2)). According to the preparatory works, article 54, paragraph 2 (b), of the Convention serves as guidance.

Requests are received by the Ministry of Justice and Public Security as the central authority and transmitted to the competent authorities for execution after verification that the necessary conditions are met (chap. V of the Extradition Act).

A request that involves coercive measures cannot be fulfilled if the related offence or an equivalent offence is not punishable under the law of Norway or if the request concerns an act that cannot justify extradition under the provisions of sections 4 to 6 of the Extradition Act, except if the request involves States signatories to the Schengen Agreement or States members of the European Union.

³ According to the preparatory work, the Ministry of Justice was of the opinion that an amendment to the Act on the Transfer of Sentenced Persons and the corresponding regulation was needed to ensure that the courts could decide on confiscation without carrying out an independent assessment of the grounds for confiscation in the foreign decision. An amendment extending the scope of application of the Act was therefore adopted in 2006 to implement article 54, paragraph 1, of the Convention. Part I of the regulation states that the Act applies to confiscation decisions issued by States parties pursuant to the Convention. Norway has yet to receive a request to enforce a confiscation order in accordance with those rules.

According to section 24 (4) of the Extradition Act, the Ministry may reject a request for assistance if the request does not comply with the conditions set out in section 24 (2), including the particulars of the offence. Requests may not be refused on the grounds of de minimis value, and no such threshold is applied.

The Regulation on International Cooperation in Criminal Matters does not contain detailed specifications regarding the required format and content of mutual legal assistance requests from foreign States. Some guidance on what a foreign request should include can be found in section 24 (2) of the Extradition Act.

Basic measures are in place to protect the rights of bona fide third parties in confiscation proceedings (Penal Code, sects. 67 and 74).

Return and disposal of assets (art. 57)

Legal provisions allow competent authorities to dispose of confiscated property, including by return to its legitimate owners. Section 24 of the Extradition Act provides that objects which may be seized or confiscated may be transferred to a foreign State for the purpose of return to the rightful owner.

In accordance with section 75 of the Penal Code, a court may apply the proceeds of confiscation to cover claims for compensation by injured persons, including foreign States. Although the optional nature of section 75 was emphasized in the preparatory work, if the injured party is a foreign State entitled to compensation pursuant to an international convention, including article 57 of the Convention (which is specifically mentioned), then it follows from section 75 of the Penal Code and the presumption principle, as well as the right to vindication, that the confiscated property would be returned to that State.

Section 75 of the Penal Code and its preparatory work also regulate the question of sharing recovered assets in cases involving foreign States not considered to be injured or when there is no direct victim of the crime who can claim compensation. When making decisions on asset-sharing, as provided in the preparatory work, the Ministry of Justice and Public Security must take into account the country's obligations under international instruments and may decide to divide confiscation proceeds with other States, considering, inter alia, expenses incurred and where the proceeds were acquired or the harmful effects occurred, provided that aggrieved persons' claims for compensation are not reduced.

The Ministry may conclude agreements on asset-sharing on a case-by-case basis (Penal Code, sect. 75), although there have been no such agreements to date.

Two case examples of asset return involving fraud perpetrated abroad, but not involving requests under the Convention, were provided.

Norway may deduct expenses leading to asset recovery, as specified in the preparatory work on section 75 of the Penal Code.

3.2. Successes and good practices

- The functions of specialized authorities, such as the National Authority for the Investigation and Prosecution of Economic and Environmental Crime, the Financial Intelligence Unit and the asset recovery office, in the detection, seizure, confiscation and return of proceeds of crime (art. 51).
- The country's legislation clearly recognizes the principle of asset return in accordance with the Convention, and case examples involving the successful return of assets were provided (art. 57).

3.3. Challenges in implementation

It is recommended that Norway:

- Continue to strengthen the collection and availability of comprehensive statistics to measure the effectiveness of international cooperation and asset recovery (art. 51).
- Continue oversight of measures requiring beneficial ownership identification and verification to prevent the misuse of complex and international ownership structures, including nominee arrangements (art. 52, para. 1).
- Continue to strengthen the implementation of rules regarding the identification of politically exposed persons, whether domestic or foreign, including persons acting on their behalf (art. 52, para. 1).
- Continue taking steps to implement a supervision system for the register of financial disclosures (art. 52, para. 5).
- Ensure that the requirement to initiate domestic proceedings does not present obstacles to the recognition and enforcement of foreign confiscation orders, by considering the adoption of simplified evidentiary procedures to give effect to foreign confiscation orders and specifying the conditions for the review and recognition of such orders (art. 54, para. 1 (a)).
- Continue efforts to adopt measures allowing for the enforcement of non-conviction-based confiscation orders (art. 54, para. 1 (c)).
- Consider providing further legislative or administrative specification regarding the required format and content of mutual legal assistance requests or adopting an asset recovery handbook or other guidance for requesting States (art. 55, para. 3).
