

Brussels, 27 February 2026  
Case No: 95334  
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Decision No 051/26/COL

Ministry of Trade, Industry and Fisheries  
PO Box 8090  
Dep 0032 Oslo  
Norway

**Subject: Prolongation of and amendment to the tax and social security contributions refund scheme for employing seafarers**

## 1 Summary

- (1) The EFTA Surveillance Authority (“ESA”) wishes to inform Norway that, having assessed the notified one-year prolongation of the tax and social security contributions refund scheme for employing seafarers (“the tax refund scheme”) and the notified amendment to that scheme (“the measure”), it considers that the measure constitutes State aid within the meaning of Article 61(1) of the EEA Agreement and decides not to raise objections<sup>1</sup> to the measure, as it is compatible with the functioning of the EEA Agreement, pursuant to its Article 61(3)(c). ESA has based its decision on the following considerations.

## 2 Procedure

- (2) The Norwegian authorities notified the measure on 26 January 2026.<sup>2</sup>

## 3 Description of the measure

### 3.1 Background

- (3) On 27 April 2016, ESA approved the tax refund scheme for employing seafarers 2016-2026 (“the original decision”).<sup>3</sup> In 2017 and 2018, ESA approved amendments to the tax refund scheme for employing seafarers,<sup>4</sup> and the scheme was also subject to three temporary amendments due to the COVID-19 outbreak (“the amendment decisions”).<sup>5</sup>

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<sup>1</sup> Reference is made to Article 4(3) of Part II of Protocol 3 to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice.

<sup>2</sup> Document No 1586724, Document No 1586718, Document No 1586720 and Document No 1586722.

<sup>3</sup> ESA Decision [No 085/16/COL](#), *The tax refund scheme for employing seafarers 2016-2026*.

<sup>4</sup> ESA Decision [No 156/17/COL](#), *Amendment to the tax and social security contributions refund scheme for employing seafarers 2016-2026 (NIS deep sea)*, and ESA Decision No [043/18/COL](#), *amendment to the tax and social security contributions refund scheme for employing seafarers 2016- 2026 (NIS ferries in foreign trade)*.

<sup>5</sup> ESA Decision [No 088/20/COL](#), *temporary amendments to the tax refund scheme for employing seafarers*, ESA Decision [No 011/21/COL](#), *renewal of the amendment to the tax refund scheme for employing seafarers* and ESA Decision [No 218/21/COL](#), *2nd renewal of the temporary amendment to the tax refund scheme for employing seafarers*.

- (4) The tax refund scheme as approved by the original decision introduced seven categories covering ships in both the Norwegian Ordinary Register (“NOR”) and the Norwegian International Ship Register (“NIS”) performing various trades, with varying eligibility criteria.<sup>6</sup>
- (5) The scheme was subsequently amended, as approved by amendment decisions in 2017 and 2018.<sup>7</sup> The 2017 amendment decision allowed for the creation of a new category for vessels registered in the NIS engaged in deep-sea activities.<sup>8</sup> The 2018 amendment decision allowed for the introduction of a new category, namely passenger vessels registered in the NIS providing regular transport services between Norwegian and foreign ports (NIS ferries in foreign trade).<sup>9</sup> Although the 2018 amendment decision allowed for the creation of this new category, the Norwegian authorities did not implement the model, and consequently, no aid has been granted under this provision.
- (6) Temporary amendments to the tax refund scheme were made in response to the outbreak of COVID-19, as approved by further amendment decisions in 2020 and 2021.<sup>10</sup> The amendments temporarily removed the ceilings for refunds for the offshore shipping category in the NOR, the construction vessel category in the NIS and the general category for vessels registered in the NIS.
- (7) In 2025, ESA approved amendments which included incremental increases in the maximum aid amount per seafarer from NOK 208 000 in 2017 to NOK 225 500 in 2025 for the offshore shipping categories for ships registered in the NOR and the NIS and introduced annual aid ceilings per seafarer across various categories.<sup>11</sup>
- (8) As explained in the original decision,<sup>12</sup> the maritime transport sector is subject to fierce international competition. According to the Norwegian authorities, several third countries have developed significant open shipping registers, often supported by an efficient international services infrastructure, attracting shipowners through a fiscal climate considerably more favourable than within EEA States. Furthermore, the low-tax environment has resulted in incentives for shipping companies to flag their vessels outside the EEA States, without use of EEA crew, and to consider corporate relocation. Cost considerations, including labour costs, create incentives

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<sup>6</sup> ESA Decision [No 085/16/COL](#), *The tax refund scheme for employing seafarers 2016-2026*, paragraph 14.

<sup>7</sup> ESA Decision [No 156/17/COL](#), *Amendment to the tax and social security contributions refund scheme for employing seafarers 2016-2026 (NIS deep sea)*, and ESA Decision No [043/18/COL](#), *amendment to the tax and social security contributions refund scheme for employing seafarers 2016- 2026 (NIS ferries in foreign trade)*.

<sup>8</sup> ESA Decision [No 156/17/COL](#), *Amendment to the tax and social security contributions refund scheme for employing seafarers 2016-2026 (NIS deep sea)*, paragraphs 5-8.

<sup>9</sup> ESA Decision [No 043/18/COL](#), *amendment to the tax and social security contributions refund scheme for employing seafarers 2016- 2026 (NIS ferries in foreign trade)*, paragraphs 6-11.

<sup>10</sup> ESA Decision [No 088/20/COL](#), *Temporary amendments to the tax refund scheme for employing seafarers*, paragraphs 6-9, ESA Decision [No 011/21/COL](#), *renewal of the amendment to the tax refund scheme for employing seafarers*, paragraph 9 and ESA Decision [No 218/21/COL](#), *2nd renewal of the temporary amendment to the tax refund scheme for employing seafarers*, paragraph 10.

<sup>11</sup> ESA Decision [No 066/25/COL](#), *Amendments to the Norwegian tax refund scheme for employing seafarers*, paragraph 10.

<sup>12</sup> ESA Decision [No 085/16/COL](#), *The tax refund scheme for employing seafarers 2016-2026*, paragraphs 3-5.

for shipping companies both to flag their vessels outside the EEA States and to recruit crews from outside the EEA.

- (9) As reflected in ESA's Maritime Guidelines ("the Maritime Guidelines"),<sup>13</sup> there are no effective international rules at present to curb such tax competition and few administrative legal or technical barriers preventing withdrawal of a ship's registration from Norwegian or EEA registers. According to the Maritime Guidelines, the creation of conditions allowing fairer competition with flags of convenience therefore seems to be the best way forward.<sup>14</sup>
- (10) Several EEA States have therefore introduced aid schemes for shipowners and vessels registered in their national registers and EEA registers. Against this backdrop, the Norwegian authorities have developed and adopted various policy measures in order to maintain and improve the competitiveness of Norwegian-based solutions to the alternatives abroad, mainly through the NIS register (introduced in 1987), tax refund schemes (introduced in 1993) and the tonnage tax (introduced in 1997).
- (11) The maritime industry in Norway employs roughly 60 600 people and had a value creation of NOK 83.2 billion in 2022. More than 200 Norwegian shipping companies underpin a complete maritime cluster ranging from ocean transport to ship equipment, shipbuilding, shipbroking, financing, insurance, R&D, classification and maritime offshore oil-related activities.<sup>15</sup>
- (12) An expressed objective for the Norwegian Government is to preserve the country's position as a leading maritime nation, reflecting the industry's vital influence in coastal communities and its importance for maintaining and developing practical maritime knowledge and competence. According to the Norwegian authorities, the current geopolitical situation has strengthened the focus on retaining ships and seafarers to ensure preparedness and resilience, and with open markets for EEA and non-EEA competitors, it is crucial that the industry can operate on a level playing field.
- (13) As the largest flag States in the world are non-EEA States, the tax refund scheme for seafarers, among other Norwegian policies, has enabled Norway to remain a crucial contributor to a substantial EEA fleet and maritime workforce.
- (14) Against this background, the Norwegian authorities plan to prolong the tax refund scheme for one year and to extend it to cover eligible seafarers working on qualifying ships registered in any EEA State. This means that shipping companies operating vessels registered in an EEA State, and paying social contributions to the Norwegian Maritime Pension Fund for eligible seafarers, may apply for grants under the tax refund scheme. Norwegian and EEA seafarers working on EEA- or Norwegian-registered vessels will qualify for refunds, enabling the shipping company employing them to apply for grants.

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<sup>13</sup> [OJ C 103, 28.4.2005, p. 24, and EEA Supplement No 21, 28.4.2005, p. 18.](#)

<sup>14</sup> Maritime Guidelines, Section 3.1, paragraph 1.

<sup>15</sup> Statistics provided by the Norwegian authorities. The Norwegian authorities have indicated that these are the latest official figures available from Statistics Norway.

### 3.2 Description of the Norwegian tax refund scheme

- (15) The Norwegian tax refund scheme for seafarers reimburses shipowners, partially or wholly, for costs arising from income tax and social security contributions.
- (16) The scheme, as last approved, was limited to shipping companies registered in the NOR or the NIS. As part of the measure, the Norwegian authorities will extend the scope of the scheme to encompass all EEA-registered vessels. The original decision introduced general eligibility conditions.<sup>16</sup> Additionally, the scheme is organised in several categories that differ according to activity and ship category.
- (17) The current scheme allows shipping companies registered in the NOR or the NIS to receive a refund of taxes and social security contributions for employed seafarers, provided that the vessels fall within certain predefined categories. The scheme consists of eight aid categories.<sup>17</sup>
- (18) These categories cover ships in both the NOR and the NIS, performing various operations. All categories have ceilings, which means that undertakings within these categories do not necessarily receive a full refund of income taxes and social security contributions paid for the seafarers. As of 2025,<sup>18</sup> the ceiling for all categories (except the general category for vessels registered in the NIS) is NOK 225 500 per seafarer, per year. Every two month-term has a limit of NOK 37 584, meaning that only seafarers qualifying for the limit every term will reach the annual limit.
- (19) A complete overview of the requirements to receive aid under each specific category is found in the original decision and later amendment decisions (see paragraphs (5) to (7)).
- (20) The measure consists of (i) a one-year prolongation of the existing scheme as authorised by ESA in the original decision and subsequent amendment decisions,<sup>19</sup> as well as (ii) an amendment of the scheme to encompass all EEA-registered vessels.
- (21) The existing aid scheme will be prolonged for one year, from 1 March 2026 to 1 March 2027.

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<sup>16</sup> ESA Decision [No 085/16/COL](#), *The tax refund scheme for employing seafarers 2016-2026*, paragraphs 15-19.

<sup>17</sup> ESA Decision [No 085/16/COL](#), *The tax refund scheme for employing seafarers 2016-2026*, paragraph 14, ESA Decision [No 156/17/COL](#), *Amendment to the tax and social security contributions refund scheme for employing seafarers 2016-2026 (NIS deep sea)*, paragraphs 5-8, ESA Decision [No 043/18/COL](#), *amendment to the tax and social security contributions refund scheme for employing seafarers 2016- 2026 (NIS ferries in foreign trade)*, paragraphs 6-9 and ESA Decision [No 066/25/COL](#), paragraph 4.

<sup>18</sup> ESA Decision [No 066/25/COL](#), *Amendments to the Norwegian tax refund scheme for employing seafarers*, paragraph 10.

<sup>19</sup> ESA Decision [No 085/16/COL](#), *The tax refund scheme for employing seafarers 2016-2026*, ESA Decision [No 156/17/COL](#), *Amendment to the tax and social security contributions refund scheme for employing seafarers 2016-2026 (NIS deep sea)*, ESA Decision [No 043/18/COL](#), *amendment to the tax and social security contributions refund scheme for employing seafarers 2016- 2026 (NIS ferries in foreign trade)*, and ESA Decision [No 066/25/COL](#), *Amendments to the Norwegian tax refund scheme for employing seafarers*.

### 3.3 Amendment to the existing scheme

- (22) The tax refund scheme sets out a number of general eligibility conditions. The general conditions of the scheme are described in the original decision and the amendment decisions (see paragraphs (3) to (7)). The general conditions for applying to the scheme have not changed since the original decision. Additionally, the scheme is organised in a total of nine categories that differ according to activity and ship category. The specific categories cover ships in the NOR, the NIS and other EEA registers performing various operations. The conditions applicable to vessels registered in other EEA States are set out in paragraph 23.
- (23) The amendment that is part of the measure concerns the introduction of a new category of vessels under the tax refund scheme. Ships registered in other EEA registers, and not registered in the NOR or the NIS, will have a separate category, effective from 1 September 2026.
- The new category covers vessels engaged in activities listed in sections 8-15, cf. section 16 of the Norwegian Regulation on subsidies for the employment of workers at sea (“the Regulation”).<sup>20</sup> Grants for vessels in the EEA cover all vessels registered in an EEA register, except ships registered in the NOR or the NIS, engaged in activities covered by sections 8-15 of the Regulation. Vessels registered in the NOR or the NIS are therefore excluded from this category.
  - For vessels engaged in maritime activities covered by sections 11, 12 and 14 of the Regulation, grants are awarded only to eligible seafarers who are part of the safety manning.
  - Tugboats and dredgers are included in the scheme, provided that the vessel’s transport operation is documented in the operation report. Grants are awarded only for periods where the vessel has documented more than 50% of its activity as maritime transport.
  - Grants are awarded to shipping companies for eligible seafarers, cf. section 6 of the Regulation, and for training positions, cf. section 5 of the Regulation.
  - The amount of grants per eligible seafarer employed cannot exceed NOK 37 583 per period of tax deductions, social security contributions and employers’ social security contributions.
- (24) The amendment aims to cover all EEA-registered vessels engaged in the same activities as described in sections 8-15 of the Regulation. The general eligibility criteria for this new category of vessels are the same as for ships registered in the NOR and the NIS, namely criteria depending on the nature of the maritime activity the vessels are engaged in.
- (25) With the introduction of the measure, the Norwegian authorities intend to amend the Norwegian legislation. The Norwegian authorities confirm their willingness to amend as soon as legally possible the relevant provisions of the Norwegian law to ensure that the scheme is also extended to all eligible vessels registered in any other EU/EEA shipping register at the same conditions as eligible vessels

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<sup>20</sup> The Norwegian regulation on subsidies for the employment of workers at sea of [26 February 2016 No 204](#).

registered in a Norwegian shipping register, in line with the amendments described above.

- (26) In this respect, the Norwegian authorities state that the amendments will be implemented in accordance with standard procedures for legislative and regulatory changes. The Norwegian authorities foresee that the updated regulation will enter into force on 1 September 2026.
- (27) Apart from the addition of a ninth aid category as described above and the one-year prolongation, all other eligibility conditions of the scheme as previously approved remain unaffected.

### **3.4 Objective**

- (28) The objective of the scheme is to support maritime employment and improve the competitiveness of the maritime sector in the EEA.
- (29) According to the Norwegian authorities, the Norwegian tax refund scheme has over time developed into an important maritime policy instrument, ensuring a significant number of seafarers and ships under the Norwegian flag, while aiming for a dynamic maritime cluster and pursuing an international level playing field for Norwegian registered vessels.
- (30) The Norwegian authorities explain that the objective of the tax refund scheme is to safeguard and promote the employment of Norwegian and EEA seafarers on Norwegian vessels, to secure recruitment and qualified training of seafarers and to improve the competitive position of companies employing such seafarers. The scheme seeks to preserve and develop know-how in the maritime industries in general and to promote safe, efficient, secure and environmentally friendly maritime transport.
- (31) According to the Norwegian authorities, the amendments to the scheme to include all EEA-registered vessels may further increase employment opportunities for Norwegian and other EEA seafarers and enable the ships they work aboard to compete for market shares. The amended scheme will therefore contribute to maritime competence for EEA seafarers and the recruitment of seafarers on EEA-registered ships.

### **3.5 National legal basis and granting authority**

- (32) The national legal basis for the refund scheme for seafarers is the Regulation.<sup>21</sup>
- (33) The aid granting authority is the Norwegian Maritime Authority (Sjøfartsdirektoratet).

### **3.6 Budget and duration**

- (34) The Norwegian Parliament decides on the scope of the aid scheme in its annual decisions on the State budget. According to the Norwegian authorities, the scheme has a budget of NOK 2 480 million for 2026.

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<sup>21</sup> The Norwegian regulation on subsidies for the employment of workers at sea of [26 February 2016 No 204](#).

## 4 Presence of State aid

### 4.1 Introduction

- (35) Article 61(1) of the EEA Agreement reads as follows: “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.”
- (36) The qualification of a measure as aid within the meaning of this provision requires the following cumulative conditions to be met: (i) the measure must be granted by the State or through State resources; (ii) it must confer an advantage on an undertaking; (iii) favour certain undertakings (selectivity); and (iv) threaten to distort competition and affect trade.
- (37) In the original decision and the amendment decisions, ESA concluded that the scheme for employing seafarers 2016-2026 constitutes State aid within the meaning of Article 61(1) of the EEA Agreement.<sup>22</sup> This one-year prolongation of the scheme does not alter the previous assessment. Considering that the measure amends the scheme to encompass all EEA-registered vessels, ESA finds that there is nothing in the present case that alters the conclusions drawn in its original decision and the amendment decisions as regards the existence of aid. The measure therefore constitutes State aid within the meaning of Article 61(1) of the EEA Agreement.

## 5 Aid scheme

- (38) ESA notes that the legal basis of the tax refund scheme for employing seafarers, i.e. the Regulation (see paragraph (32)), is an act which does not require further implementing measures for the granting of the aid, and which identifies the beneficiaries in a general and abstract manner, namely by reference to categories of vessels (see paragraphs (17)-(18) and (23)).<sup>23</sup> The aid is therefore granted on the basis of an aid scheme.

## 6 Lawfulness of the aid

- (39) Pursuant to Article 1(3) of Part I of Protocol 3 to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice (“Protocol 3”): “The EFTA Surveillance Authority shall be informed, in sufficient time to enable it to submit its comments, of any plans to grant or alter aid. ... The State concerned shall not put its proposed measures into effect until the procedure has resulted in a final decision.”
- (40) The Norwegian authorities have notified the measure and have yet to let it enter into force. They have therefore complied with the obligations under Article 1(3) of Part I of Protocol 3.

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<sup>22</sup> ESA Decision [No 085/16/COL](#), *the tax refund scheme for employing seafarers 2016-2026*, paragraph 64.

<sup>23</sup> See Article 1(d) of Part II of Protocol 3 to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice.

## 7 Compatibility of the aid

### 7.1 Introduction

- (41) ESA can declare aid compatible with the functioning of the EEA Agreement under its Article 61(3)(c) provided that certain compatibility conditions are fulfilled.
- (42) The Maritime Guidelines describe how ESA will assess the compatibility of aid under Article 61(3)(c) of the EEA Agreement to the maritime sector.
- (43) According to the Maritime Guidelines, State aid schemes that contribute to the consolidation of the maritime cluster established in the EEA States, that help maintain and improve maritime know-how, and that protect and promote the employment of EEA seafarers, may be introduced.<sup>24</sup>
- (44) The Maritime Guidelines set out the conditions under which measures in the maritime sector may be declared compatible with the functioning of the EEA Agreement. Therefore, where a prolongation of the scheme fulfils the applicable conditions laid down in the Maritime Guidelines, the measure will be considered compatible with the EEA Agreement.
- (45) In the original decision, ESA concluded that the tax refund scheme for employing seafarers 2016-2026 was compatible with the functioning of the EEA Agreement pursuant to its Article 61(3)(c).<sup>25</sup> The objectives of the scheme, as described in Section 3.4 above, remain unchanged. ESA considers that, taking into account the notified one-year prolongation and the described amendments, the scheme continues to be in line with the Maritime Guidelines.<sup>26</sup> The measure therefore does not affect the compatibility assessment set out in the original decision or in the amendment decisions.
- (46) ESA considers that the scheme, including the amendments notified as part of the measure, continues to facilitate the development of certain economic activities or regions and does not adversely affect trading conditions to an extent contrary to the common interest, as it meets the relevant conditions of the Maritime Guidelines. In particular, the necessity of the measure is confirmed by the finding, made in the Maritime Guidelines, that the market alone fails to deliver an effective result in preventing the relocation of EEA-registered vessels towards third countries where lower regulatory standards apply.<sup>27</sup> ESA also considers that the measure is an appropriate instrument to lower the costs of eligible undertakings and thus enable them to cope effectively with this international competition, in line with the Maritime Guidelines, which state that “[S]tate aid to the EEA shipping industry is still justified” and that tax relief measures “can generally be endorsed”.<sup>28</sup> ESA also notes that in recent decisions, the European Commission (“the Commission”) has confirmed that

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<sup>24</sup> Maritime Guidelines, Section 2.2, paragraph 1.

<sup>25</sup> ESA Decision [No 085/16/COL](#), *the tax refund scheme for employing seafarers 2016-2026*, paragraphs 68-87.

<sup>26</sup> The Maritime Guidelines apply only to “maritime transport”. Maritime transport is defined in Section 2, paragraph 3, of the Maritime Guidelines as “the transport of goods and persons by sea”. In 2016, ESA concluded that the Maritime Guidelines should be applied by analogy to the vessels covered by the NOR and NIS offshore shipping categories described in Sections 6.3.2 and 6.4.2 of the Original Decision (see Original Decision, paragraphs 75-76). ESA considers that this is still the case.

<sup>27</sup> Maritime Guidelines, Section 3.1, paragraph 1. See also paragraphs (8)-(10) above.

<sup>28</sup> Maritime Guidelines, Section 1.2, paragraph 10, and Section 3.1, paragraph 5.

these findings described in its equivalent version of the Maritime Guidelines are still relevant today.<sup>29</sup>

- (47) ESA positively notes the commitment of the Norwegian authorities to extend the benefits of the scheme to all qualifying EEA-registered vessels as described in Section 3.3 above. Following this amendment, the measure will apply to all eligible vessels registered in any EU/EEA shipping register on the same conditions as vessels registered in the NOR or the NIS currently covered under the scheme. The measure therefore complies with the Maritime Guidelines in this respect.
- (48) Additionally, it follows from Section 2.2, paragraph 1 of the Maritime Guidelines that one of the objectives of State aid schemes for maritime transport is “encouraging the flagging or re-flagging to EEA States’ registers”.
- (49) The objective of the scheme, as amended by the measure, is to encourage shipping companies to employ Norwegian and EEA seafarers and to make EEA States’ registers more attractive for Norwegian and EEA companies operating vessels currently registered in third countries. Furthermore, the amendment aims to preserve maritime employment and know-how in Norway by encouraging shipping companies to employ Norwegian and EEA seafarers and to flag or re-flag their vessels to EEA registers. In line with the Maritime Guidelines, the scheme seeks to maintain a competitive Norwegian/EEA-flagged fleet and to strengthen the attractiveness of EEA registers for companies currently using third-country flags.
- (50) In light of the above, ESA concludes that the measure satisfies the relevant requirements of the Maritime Guidelines and that the positive effects of the measure outweigh the possible negative effects on competition and trade between the Contracting Parties.<sup>30</sup>

## 7.2 Compliance with other provisions of EEA law

- (51) If a State aid measure, the conditions attached to it (including its financing method when the financing method forms an integral part of the State aid measure), or the activity it finances entail a violation of relevant EEA law, the aid cannot be declared compatible with the functioning of the EEA Agreement.<sup>31</sup>
- (52) When assessing the compatibility of aid with the functioning of the EEA Agreement, ESA must consider possible infringements of provisions of EEA law other than those relating to State aid where such an infringement arises from the economic activity financed, from the aid or from its object as such, or from aspects that are inextricably linked to the object of the aid. An inextricable link exists only with regard to aspects that are specifically necessary for the aid measure to function or to attain its objective. Measures adopted by the EEA State concerned that are linked *de*

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<sup>29</sup> Commission [Decision No SA.113920](#), *Belgium – Prolongation of the aid scheme in favour of the merchant navy, and the dredging and towing sectors*, OJ C/2025/436, 20.1.2025, paragraphs 41-42 and Commission [Decision No SA.111368](#), *Italian International Registry Scheme (re-introduction of SA.48260)*, OJ C/2025/4509, 11.8.2025, paragraphs 74-75, 90-91, 94 and 96.

<sup>30</sup> See footnote 26, as regards the NOR and NIS offshore shipping categories.

<sup>31</sup> Judgments of 19 September 2000, *Germany v Commission*, C-156/98, EU:C:2000:467, paragraph 78; 22 December 2008, *Régie Networks*, C-333/07, EU:C:2008:764, paragraphs 94–116; 22 September 2020, *Austria v Commission (Hinkley Point C)*, C-594/18 P, EU:C:2020:742, paragraph 44; 14 October 2010, *Nuova Agricast*, C-390/06, EU:C:2008:224, paragraphs 50–51.

*facto* but are legally distinct do not constitute indissociable aspects of an aid measure.<sup>32</sup>

- (53) On 24 July 2025, ESA's Internal Market Affairs Directorate opened an own-initiative case to investigate the compatibility with EEA law of newly adopted legislation in Norway<sup>33</sup> that mandates Norwegian pay to seafarers on ships in the Norwegian territorial sea, the exclusive economic zone and on the continental shelf, irrespective of the flag of registration. This includes sectorial legislation that imposes a duty on licence holders in different ocean-based industries to ensure Norwegian wages for workers on ships, irrespective of the flag of registration, that provide services to their activities ("the Norwegian pay measures").
- (54) One of the main concerns of ESA's Internal Market Affairs Directorate at this preliminary stage is that this legislation might limit the freedom to provide maritime transport services with ships registered in EEA States. The investigation is currently ongoing.
- (55) As mentioned, the objective of the tax refund scheme is to secure maritime competence and to strengthen the recruitment of EEA seafarers. It aims to support maritime employment and improve the competitiveness of the maritime sector in the EEA by reducing the cost of employing EEA seafarers (see paragraphs (28)-(31) and (49)). According to the Norwegian authorities, the objective of the Norwegian pay measures is to protect seafarers and counteract unfair competition in the Norwegian market, where unreasonably low wages are used to achieve a competitive advantage.
- (56) The Norwegian authorities state that the Norwegian pay measures and the tax refund scheme for employing seafarers pursue different objectives and are, as such, not inextricably linked to each other. The Norwegian authorities take the view that the two sets of measures are not dependent on each other in order to function and are therefore independent from one another.
- (57) Specifically, the Norwegian authorities submit that the two measures address different challenges. In particular, the Norwegian authorities have shown that two thirds of coastal shipping is performed by foreign-flagged vessels, both from other EEA States and from third countries, where seafarers may be employed on wages below Norwegian standards. This situation persists regardless of the existence of different State aid schemes available to EEA shipowners.
- (58) Additionally, the Norwegian authorities state that the tax refund scheme for the employment of seafarers pursues a different objective than the Norwegian pay measures because it does not protect seafarers working in Norway against unreasonably low wages but rather compensates businesses for the economic disadvantage of employing EEA seafarers. The Norwegian authorities argue in this

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<sup>32</sup> Judgment of 11 September 2025, *Austria v Commission*, C-59/23 P, EU:C:2025:686, paragraphs 53 and 70-71, and order of 14 December 2023, *CAPA and Others v Commission*, C-742/21 P, EU:C:2023:1000, paragraph 93 and the case-law cited.

<sup>33</sup> Decision of the Norwegian Parliament of 2 June 2025: *Lovvedtak 84 (2024-2025) om endringer i allmenngjøringsloven og petroleumsloven mv. (allmenngjøringslovens anvendelse på innenriks skipsfart og rettighetshaveres plikt til å sørge for norske lønnsvilkår på skip)*. (Legislative decision 84 (2024-2025) on changes to the General Application Act and Petroleum Act etc. (the application of the General Application Act to domestic shipping and the duty of licensees to ensure Norwegian wage conditions on ships).

regard that State aid is not a suitable measure to protect seafarers against low wages, or to prevent unfair low-wage competition.

- (59) In ESA's assessment, the fact that the tax refund scheme has functioned for more than ten years without the Norwegian pay measures indicates that the scheme can operate independently of the Norwegian pay measures.
- (60) As noted above, it is clear from the case law of the Court of Justice of the European Union that measures adopted by the EEA State concerned that are linked *de facto* but are legally distinct do not constitute indissociable aspects of an aid measure.<sup>34</sup>
- (61) It is ESA's view that no such inextricable link exists in the present case. The Norwegian pay measures do not constitute aspects that are specifically necessary for the aid measure, i.e. the tax refund scheme, to function or to attain its objective, but constitute rather a complementary measure. As noted, the tax refund scheme has functioned for more than ten years without the Norwegian pay measures, contributing to the objective of supporting maritime employment and improving the competitiveness of the maritime sector in the EEA (see paragraphs (13), (29)-(30) and (59)). The criteria for ESA to consider additional EEA law provisions in the assessment of the tax refund scheme are therefore not fulfilled.
- (62) In conclusion, ESA has no indications that the measure in this case, the conditions attached to it, or the activity it finances entail a violation of relevant EEA law. This assessment is supported by the fact that, as part of the measure, the Norwegian authorities will extend the scope of the scheme to vessels registered in any EU/EEA registers.

## 8 Conclusion

- (63) On the basis of the foregoing assessment, ESA considers that the measure constitutes State aid within the meaning of Article 61(1) of the EEA Agreement. Since ESA has no doubts that the aid is compatible with the functioning of the EEA Agreement pursuant to its Article 61(3)(c), it has no objections to the implementation of the measure.
- (64) This decision is without prejudice to ESA's assessment of the compatibility of the Norwegian pay measures with EEA law. Additionally, this decision does in no way affect ESA's assessment of any future amendments to the Norwegian tax refund scheme for employing seafarers, nor the assessment of the effects of any regulatory changes on the compatibility of that scheme with the functioning of the EEA Agreement.
- (65) The Norwegian authorities have confirmed that the notification does not contain any business secrets or other confidential information that should not be published.

For the EFTA Surveillance Authority, acting under [Delegation Decision No 068/17/COL](#),

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<sup>34</sup> Judgment of 11 September 2025, *Austria v Commission*, C-59/23 P, EU:C:2025:686, paragraph 71, and order of 14 December 2023, *CAPA and Others v Commission*, C-742/21 P, EU:C:2023:1000, paragraph 93 and the case-law cited.

Yours faithfully,

Arne Røksund  
President  
Responsible College Member

Melpo-Menie Joséphidès  
Countersigning as Director,  
Legal and Executive Affairs

*This document has been electronically authenticated by Arne Roeksund, Melpo-Menie Josephides.*