



Wiersholm

Wiersholm

Norway update

2024



Expertise in all significant market sectors and areas of business law

Practice areas

- Anti-Money Laundering
- Capital Markets
- Competition Law
- Construction
- Contract Law
- Corporate Criminal Law
- Data Protection/GDPR
- Employment Law
- Environmental Law
- ESG and Compliance
- EU/EEA Law
- Financing
- Human Rights Law
- Insurance
- Intellectual Property Law
- Investigation
- IT Contracts
- Liability

- Litigation and Dispute Resolution
- M&A and Corporate Law
- Maritime and Transportation
- Media and Marketing Law
- Offshore Wind
- Oil and Gas
- Pensions
- Public Procurement
- Real Estate
- Regulatory
- Renewable Energy
- Restructuring and Insolvency
- Tax
- Telecommunication and Infrastructure
- Value added tax and excise duties

Market sectors

- Banking and Finance
- Commercial Property
- Fintech
- Fisheries and Aquaculture
- Industry
- Insurance
- Life Sciences
- Media and Entertainment
- Oil and Gas
- Private equity
- Proptech
- Public Sector
- Renewable Energy
- Retail
- Shipping and Offshore
- Sport
- Technology and Digitisation
- Transport

Wiersholm in numbers

362	Employees	55%	Women
262	Lawyers	45%	Men
52	Partners	20	Languages
18	Lawyers admitted to the Supreme Court	33	Practice areas
2	Offices (Oslo and Trondheim)	18	Market sectors



The industry's most satisfied clients

Chambers Europe Awards, 2024

Norway
firm of the year

Chambers Europe, 2024

Top ranked in
11 practice areas
50 lawyers
individually ranked

Chambers Europe, 2024 Energy: Renewables Band 1

Legal 500, 2024
Electricity And
Renewable Energy
Tier 1

Legal 500, 2024

Top ranked in
16 of 20 practice areas
65 lawyers
individually ranked

The Norwegian business community has spoken - Wiersholm has the most satisfied clients in the industry.

Prospera 2024

- #1 Best Overall performance
- #1 Specialist competence
- #1 Availability & service
- #1 Strategi discussion partner
- #1 Willingness to recommend
- #1 Brand strenght



Brief overview of the legal industry in Norway



Revenue growth: Norwegian law firms continue to grow. The top-tier full-service firms (Wiersholm, WikborgRein, Thommessen, BAHR and Schjødt) have seen a size gap increase down to medium-sized firms. For Wiersholm, the last three years have been the most profitable in the firm's history, with overall revenue up 2% in 2023, 11% in 2022 and 13% in 2021.



Limited presence from international law firms: The market remains primarily domestic, besides the 'Big 4' accountancy firms, that also provide law services, and a handful of other, smaller branches of international law firms.



Legal tech: Legal tech is much discussed but is still at an early stage. AI is being tested and used, but has not yet matured to be an integrated part of legal services.



Wiersholm's second office: In 2022, we opened a new regional office in Trondheim. This has enabled us to sharpen our focus on, and strengthen our services to, industries such as aquaculture, technology and renewable energy.



Market updates

A modern glass skyscraper at night, with city lights visible through the windows. The image is partially obscured by a dark green diagonal shape on the left side. On the right side, there is a bokeh effect of warm, glowing lights.

Competition

Market updates



Legal professional privilege (LPP):

The Norwegian Competition Authority ("NCA") is currently challenging the Norwegian rules on Legal professional privilege (LPP) before the Norwegian Courts. Specifically, the NCA is claiming that the internal Norwegian LPP rules, that generally applies to in-house legal counsel, is contrary to EEA-law when applied in infringement investigations when the NCA enforces EEA-competition law rules. The case currently stands before the Appeal Court.



Object restrictions:

In August 2024, the Norwegian Competition Authority fined three grocery store chains a combined 4.9 billion NOK for an alleged illegal collaboration. In that case, the NCA demonstrated a willingness to pursue infringement cases where the collaboration is purported to only have the effect of restricting competition, as opposed to collaborations that are deemed to have the object of restriction competition. (Under EU and Norwegian competition law, object restrictions are considered inherently harmful to competition and are prohibited outright, without the need for a detailed analysis of their actual effects on the market. Effect restrictions, on the other hand, require a thorough examination of their actual or potential impact on market competition to determine whether they are anti-competitive).



New legislation:

The Norwegian government has proposed new legislation to establish a legal framework for market investigations, similar to that of the CMA in the UK. In essence, the market investigation tool enables the Norwegian Competition Authority to carry out market investigations and subsequently apply behavioral or structural remedies. These remedies are designed to address any structural barriers to competition identified in the markets examined, which could not be resolved using traditional competition legislation.



Revision of the Norwegian Competition Act:

The Norwegian government has announced a revision of the Norwegian Competition Act. The purpose is to review and propose updated legislation in line with developments in Norwegian and EU/EEA competition policy. The legislative committee has been tasked with evaluating several key areas, including: i) possible modifications to procedural rules during infringement investigations, including the rights to oral hearings., ii) potential amendments to merger control rules that could, for example, protect national security or facilitate green restructuring., and iii) possible reorganization of the Competition Tribunal, which handles appeals against decisions made by the Norwegian Competition Authority (NCA).

Capital Markets

Market updates



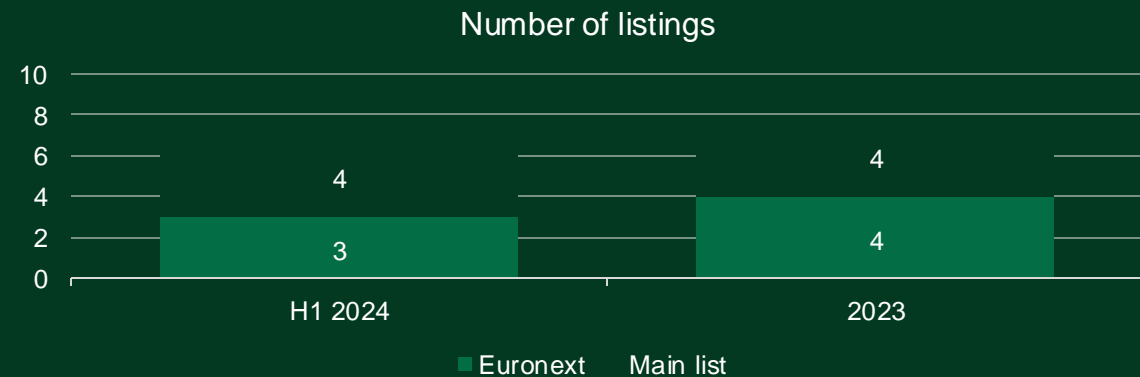
Status:

After a quiet start in Q1 2024 with no new listings, Euronext Oslo Børs saw a slight increase in IPO activity in Q2, totaling one IPO and three additional listings in H1 2024. Despite initial optimism for more IPOs, the mood dampened after the Jordanes IPO was withdrawn. Euronext Growth Oslo also added three new companies in H1 2024, with only one company moving up to Euronext Oslo Børs, fewer than in previous years. The IPO market is not expected to improve until 2025 (or later).



Trends:

In H1 2024, Euronext Oslo Børs featured listings from diverse sectors, including a notable real estate IPO by Public Property Invest ASA in April - the first in several years. The oil & gas sector, a traditional stronghold in Norway, saw three new listings. Additionally, two renewable energy companies were listed as spin-offs from existing entities, not as new IPOs. Noteworthy spin-offs included Public Property Invest ASA from SBB's Norwegian property portfolio, Hermana Holding ASA from Magnora ASA, and Cavendish Hydrogen ASA from Nel ASA's fueling division. A new trend emerged with companies like BW LPG Limited and Hafnia Limited adding or moving to US listings. These patterns of spin-offs and dual listings could potentially extend into H2 2024.



M&A

Market updates



Status:

The first half of 2024 has shown positive trends with an uptick in deal volumes within M&A. The demand side is increasing, with investors jumping off the fence. The supply of companies with high quality assets for sale is increasing. At the same time, price expectations for sellers and buyers appear to be more aligned than in the recent past. Uncertainty will likely continue to dominate the M&A activity levels and may be further fueled by geopolitical instability, results of upcoming elections and continued high inflation and interest levels.

We remain optimistic that investors have become accustomed to these uncertainties and that the current positive trend in the M&A levels will continue throughout the remainder of 2024 and in 2025.



Trends:

- Recovery in deal volumes from second half of 2023, with an 18% increase, indicating a more confident M&A market ahead.
- Well-capitalized corporates are seeking strategic transactions but may be muted by high inflation and interest rates.
- Private Equity with deal willingness caused by large dry powder holdings and a large stock of companies ready to exit.
- Structured auctions are dominating the M&A market, which is a shift from the bilateral focus seen in recent years.
- Public takeover activity is stable and is expected to continue at current levels.
- Regulatory complexity has become an increasingly important factor for deal structures and timelines, caused by a combination of new legislative focus and increasing protectionism.



Cross border activity:

During H1 2024, foreign acquirers represented 40% of total deals in Norway, a slight decrease from 46% in H1 2023. Despite the weak Norwegian krone, this modest drop might be attributed to random quarterly variations, though changes in the government's tax policies and business stance could also be influencing factors. Even with fewer foreign transactions, the total value from foreign buyers significantly exceeded that of Norwegian buyers, who accounted for EUR 2.586 billion in deal value. Sweden and the US remain Norway's top foreign investment sources, followed by Denmark and the UK.

Looking ahead, the higher valuations of US companies compared to those in the EU may spur increased interest and cross-border activity from US buyers into the EU market.



Energy

Market updates



Offshore wind developments:

Norway is targeting the establishment of 30 GW of offshore wind power by 2040, heralding the emergence of a significant new renewable energy industry. The initial auction for a 1,500 MW project in the North Sea's Sørlige Nordsjø II was secured by the Ventyr consortium. They finalised a contract for difference (CfD) with the Ministry of Energy, which provides a power price hedge and limits state aid to NOK 23 billion. This project is currently open for public consultation until September 4, 2024.

The subsequent project, Utsira Nord, which focuses on floating wind technology, had its state aid criteria consultation released on June 28, 2024, with comments accepted until August 23, 2024. The Ministry aims to submit the CEEAG notification to the EFTA Surveillance Authority by the end of 2024 and plans to initiate the tender process as early as possible in 2025.



EU energy legislation:

Norway faces pressure from EU Energy Commissioner Kadri Simson to expedite the implementation of EU energy legislation, specifically the 2018 Renewable Energy Directive (RED II), with a deadline set for August 13, 2024, and potential unspecified consequences for non-compliance. This has sparked political controversy, particularly within the Centre Party of the coalition government, which opposes the Clean Energy Package and other EU energy laws due to concerns over national sovereignty. Despite this, the Prime Minister insists that Norway will not be rushed by the EU, and while a compromise on RED II seems possible, broader issues with the Clean Energy Package remain contentious. Energy companies and Renewables Norway are closely monitoring the situation, aware that non-implementation could lead to EU counter-measures affecting Norway's role in the internal energy market.



Onshore wind developments:

After a broad political settlement was reached on the design of the controversial resource rent tax for onshore wind, we see a trend where foreign investors are withdrawing from Norwegian onshore wind. Several yielding onshore wind farms are in the market, and we expect this trend to continue, leading to increased M&A activity in the Norwegian onshore wind sector.

Energy

Market updates



The Norwegian Offshore Directorate:

The Norwegian Offshore Directorate published in August 2024 a [new resource report](#). The report illustrates the opportunities on the NCS, and what it will take to ensure that these resources can continue to create value for society.

Norway still has extensive oil and gas resources on the NCS. These resources can provide a basis for high levels of production, export and value creation for society for many years to come. However, there are uncertainties and the difference in net cash flow between the low and high scenario towards 2050 amounts to about 15 000 billion NOK.



New areas for CO2 storage:

The Norwegian government is frequently announcing new areas at the NCS for CO2 storage. So far (by August 2024) 11 licenses have been awarded. The first project, Northern Lights, is coming into operation in late 2024U/early 2025. Equinor is planning for an investment decision on the next project (Smeaheia) in 2025.

Compliance

Market updates



Corporate Sustainability Reporting Directive (CSRD):

Recently adopted by the Norwegian Parliament, this directive mandates in-depth sustainability reporting for companies, aligning with European standards. It's set to be enforced during the fall of this year, or by January 1, 2025, marking a significant shift in corporate reporting requirements.



Corporate Sustainability Due Diligence Directive (CSDDD):

This directive, adopted by the EU in May 2024, imposes new due diligence obligations on large companies to mitigate adverse human rights and environmental impacts. It will progressively apply from 2027, based on company size and turnover, and the implementation of the directive in Norwegian law will necessitate amendments to Norway's Transparency Act.



EU's 14th Sanctions Package Against Russia:

Adopted in June 2024, this package intensifies the sanctions targeting key Russian economic sectors, including energy and finance. The work to incorporate the sanctions into Norwegian law has begun, continuing Norway's alignment with EU policies.



Digital Security Act:

The Norwegian Parliament enacted a new Digital Security Act on December 12, 2023, aimed at ensuring basic requirements for digital security in companies of particular importance to society. The Act, which implements the NIS1 Directive, is expected to be enforced by January 1, 2025. The EU Member States have until October 17 2024 to transpose the NIS2 Directive into their national laws, which will repeal and replace the existing NIS1. The expansion of NIS2's scope would effectively require more entities and sectors to implement measures. This is expected to contribute to an increase in the level of cybersecurity in Europe over the long term. Norway is currently in the process of aligning with the NIS2 Directive.



Foreign Investment Control:

Following the Official Norwegian Report (NOU) presented on December 4, 2023, Norway is considering stricter regulations on foreign investments for national security reasons. A proposed new act aims to extend controls beyond those covered by the Norwegian Security Act, aligning more closely with EU standards. The consultation period ended on March 15, 2024, and the government's decision is pending.

Financing

Market updates



Norwegian bond market:

The Norwegian bond market has shown robust activity in the first half of 2024, nearing the record levels of 2021 with 64 corporate bond issuances totaling nearly NOK 70 billion. This pace suggests that 2024 might surpass 2023 in both issuance count and volume if it continues.

Despite a decline in green bond issuances, the market remains vibrant with several bonds being marketed as summer approaches, supported by strong inflows to high yield funds and low default rates. Notably, the market has attracted issuers from 15 different jurisdictions, indicating its appeal beyond Norway, particularly in sectors like oil and gas services, shipping, and real estate. Most issuances have been in USD, reflecting the preferences of a diverse investor base and the activities of USD-industry operators.

The trend towards shorter bond terms continues, with most issuances having a four-year tenor.



Norwegian bank lending market:

The bank lending market in Norway has been active in the first half of 2024, primarily focusing on refinancing existing facilities. This uptick in activity was necessary to prevent a decrease in banks' lending portfolios following a significant slowdown in 2023. Norwegian banks have been competitively pitching for new transactions and are open to new business across all segments. However, the higher interest rate environment has led to a more selective approach, favoring businesses with solid cash flows and stable operations for securing loans, as banks anticipate "higher for longer" interest rates. This has resulted in increased scrutiny of borrowers' financial models and more thorough preparation of credit cases.

While the M&A market was quiet in the second quarter, it is gaining momentum, which is also reviving the leveraged financing environment. Norwegian banks, traditionally conservative in their leveraged lending strategies, are expected to gradually align with international trends in loan terms and covenants but will continue to focus on buyouts with reasonable initial leverage. Overall, with ample capital available, there are promising opportunities for dealmaking in various business segments in the latter half of 2024 within the bank lending market.

IP/Tech

Market updates



Numerous EU acts of legislation are pending implementation in Norwegian law:

- Proposal for the Norwegian legislation implementing the Directive on Copyright in the Digital Single Market and the Online Broadcasting Directive is expected in Q1 2025.
- The Digital Services Act, Digital Markets Act, Data Act, Data Governance Act, among others, are in process of being incorporated into the EEA Agreement.



Implications of Norway not being part of the Unified Patent Court:

- Patent cases must still be pursued through separate actions in Norway
- There are no specialized patent courts; however, expert judges are appointed and a pool of legal judges are allocated to patent cases

AI in Wiersholm

Wiersholm is taking a significant step into the future with Newcode, an innovative and exciting company in the AI industry.

Goals:

- Allow artificial intelligence to handle the necessary and more routine tasks, enabling us to focus our expertise and resources on strategic and creative tasks. This will not only **add value for our clients but also enhance our own operations**
- Technological development is advancing at an incredible pace, and it is crucial for us to keep up. We have gained substantial insights from our efforts thus far and now recognise the need for an even closer collaboration with Newcode to ensure that we consistently **lead with the latest technology**

Use cases



Analyse documents



Summarize Complex Material



Translate Legal Material



Review Documents



Generate Documents



Search Databases Semantically

Wiersholm

Newcode – Our strategic partner within AI

Our new strategic partnership with Newcode provides us with direct access to advanced AI solutions, positioning us at the forefront of AI development in the legal sector in Norway.

In close collaboration with our skilled attorneys, Newcode will develop customised solutions tailored to the daily work of lawyers.

Newcode have already, over an impressively short period, gained more than 2500 professional to use Newcode.ai.

Who is Newcode?



Maged Helmy
PhD in AI



Frida Torkelsen
PhD in Software



Karl-Thomas Zink
Software Dev



Eric Jul
PhD in Software



Michael Riegler
PhD in AI



Liza Misasayedava
PhD in AI

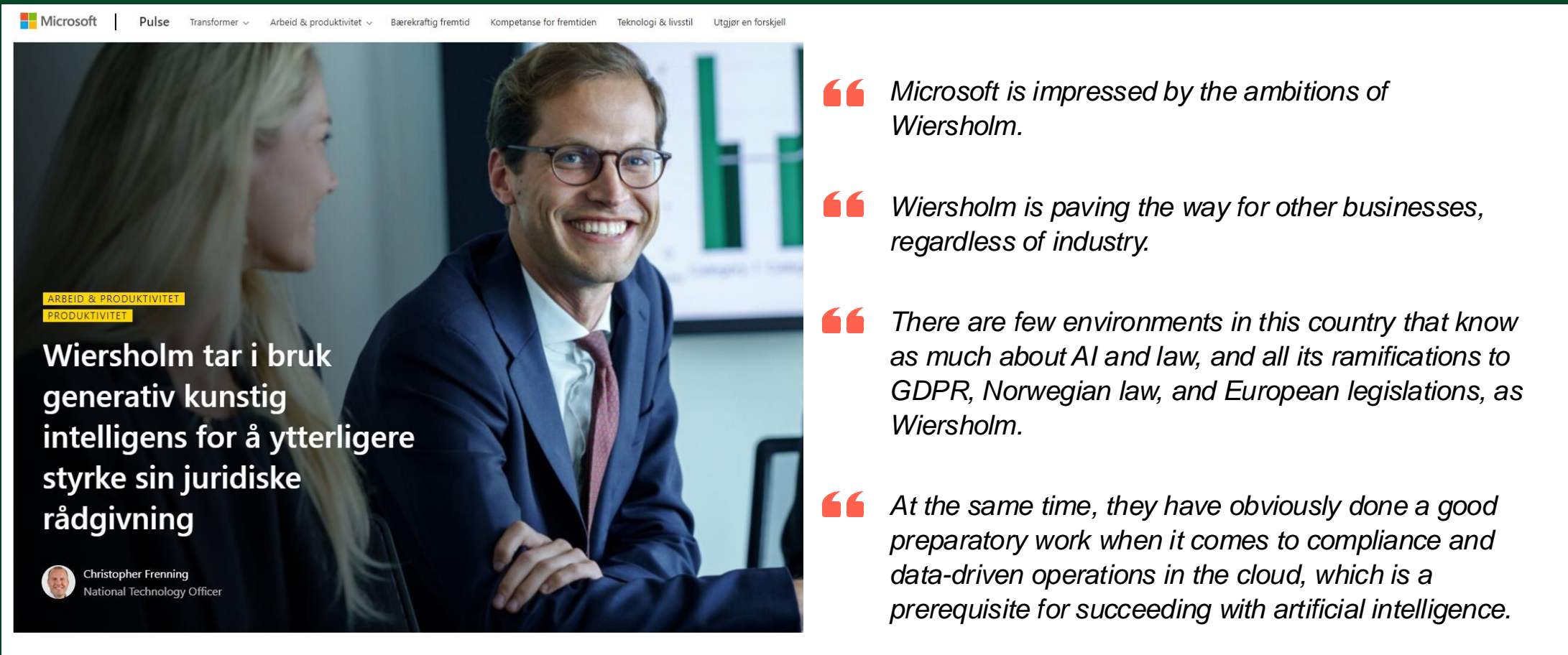


Duart Kasapolli
Software Dev

Founder

Newcode was founded by Maged Helmy three years ago with a clear goal: to enable professionals to leverage advanced AI technology in their daily work tasks

Microsoft's recognises Wiersholm's AI approach



The screenshot shows a Microsoft Pulse article. The navigation bar includes: Microsoft | Pulse | Transformerer | Arbeid & produktivitet | Bærekraftig fremtid | Kompetanse for fremtiden | Teknologi & livsstil | Utgjør en forskjell. The main image shows Christopher Frenning, National Technology Officer, smiling. The article title is "Wiersholm tar i bruk generativ kunstig intelligens for å ytterligere styrke sin juridiske rådgivning". The article content includes three quotes from Microsoft:

ARBEID & PRODUKTIVITET
PRODUKTIVITET

Wiersholm tar i bruk generativ kunstig intelligens for å ytterligere styrke sin juridiske rådgivning

Christopher Frenning
National Technology Officer

- “ Microsoft is impressed by the ambitions of Wiersholm.
- “ Wiersholm is paving the way for other businesses, regardless of industry.
- “ There are few environments in this country that know as much about AI and law, and all its ramifications to GDPR, Norwegian law, and European legislations, as Wiersholm.
- “ At the same time, they have obviously done a good preparatory work when it comes to compliance and data-driven operations in the cloud, which is a prerequisite for succeeding with artificial intelligence.

Quartely Newsletter

Norway International Update

On a quarterly basis, we offer a newsletter for international contacts and clients with an interest in Norway. The updates explore high level trends and legal developments across some of Norway's key sectors that have an international impact. Key focus areas include:

- M&A and Corporate Law;
- IPOs;
- Energy (oil & gas, CCS and renewables);
- Construction;
- Real Estate;
- ESG;
- National Security;
- Sanctions;
- Tax and VAT;
- IP/TMT
- Financial regulatory;
- Restructuring and Insolvency and;
- Arbitration

We would be happy to add you to our mailing list for this.

[Register](#)

Wiersholm

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Q2 2024

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[Mergers and acquisitions](#)

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This update explores some high-level trends and legal developments in Q2 2024 across some of Norway's key sectors with international impact. In addition, we give you the latest business updates from Wiersholm.

The Norwegian economy experienced a gradual slowdown throughout 2023, with growth continuing to be subdued into 2024. Despite this, there is a renewed sense of optimism among companies in our region, with expectations of a modest uptick in activity for autumn 2024 and 2025. However, it's important to note that there remains significant variability across different sectors.

Some highlights include:

- Starting July 1, 2024, Norway will enforce new, comprehensive requirements for employment contracts, influenced by the EU Directive 2019/1152. These changes necessitate that employers update their contract templates to include detailed information about benefit plans and schemes, applicable only to new employment contracts from the specified date. This adjustment aims to enhance transparency and fairness in employment contracts.
- Significant tax reforms are underway, including the abolition of the additional payroll tax from January 1, 2025, which was initially introduced as a temporary measure. Other notable changes include the proposal to exempt securities funds from tax on latent gains upon relocation, aiming for tax consistency on international securities. Additionally, the government is revising the exit tax rules and expanding VAT on remotely supplied services to align with the destination principle of tax law.

Please contact



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Wiersholm

Reliable

Forward-looking

Ambitious

*Clients choose us for the **values** we stand for and the **value** we create.*

Independent

Socially conscious