

Act relating to Estate Agency

I

Chapter 1. The purpose and scope and extent of the Act

Section 1-1 Purpose

The purpose of the Act is to ensure that the sale and purchase of real property through an intermediary takes place in a safe, orderly and efficient way, and that the parties to the transaction receive impartial assistance.

Section 1-2 The scope and extent of the Act

- (1) The Act shall apply to estate agency carried on in Norway. The King may decide that the Act shall apply to estate agency carried on at Svalbard or Jan Mayen.
- (2) For the purpose of this Act estate agency means acting as an intermediary, including the handling of the financial settlement, in connection with
 1. the sale and purchase of real property including owner-occupied units and undivided share in real property
 2. the entering into and transfer of leasehold contracts relating to real property, except contracts that fall under Act of 25 June 1965 no. 1 relating to Lease.
 3. the sale and purchase of share-ownership certificates, mortgage deeds or other documents of title conferring the right to rent a housing unit or other space in a building
 4. The sale and purchase of interests in partnerships cf. Section 1-2, subsection one, letter a of Act concerning unlimited liability partnerships and limited partnerships [The Partnerships Act], or shares in limited companies or public limited companies, cf. Act of 13 June 1997 no. 44 relating to Limited Companies (the Companies Act) and Act of 13 June 1997 no. 45 relating to Public Limited Companies (Public Limited Companies Act), that are not listed on a stock exchange, provided the transaction is primarily intended to transfer property or rights as mentioned in no.1 to 3.
 5. the sale and purchase of timeshares coming under the Act No. 37 of 13 June 1997 relating to the sale of timeshares in recreational dwellings (The Timeshare Act).
- (3) Anyone engaged in leasing activity for the purpose of arranging real property leasehold contracts is to be regarded as an intermediary under subsection two no. 2.
- (4) Estate agency does not include action as an intermediary in connection with agreements to let recreational dwellings or private dwellings or rooms in such dwellings for recreational purposes, as well as the procuring of rooms in hotels, hostels, etc. for overnight accommodation or longer stays. The exception does not include timeshares that come under Act no. 37 of 13 June 1997 relating to the Sale of timeshares in recreational dwellings (The Timeshare Act).
- (5) Estate agency pursuant to subsection two does not include services carried out on behalf of enterprises in the same group, cf. Section 1-3 of the Companies Act and the Public Limited Companies Act, or for enterprises within a group with equal connection between the enterprises, provided that the property in question is not wholly or partly suited for use as a dwelling or for recreational purposes.
- (6) For the purpose of this Act, the terms purchase, transaction, sale and the like also include the other forms of acquisitions as mentioned in subsection two.

Section 1-3 Waivers in cases not related to individual consumers

The provisions in Section 6-4, Section 6-5, Section 7.1, Section 7-2 subsections one to three, Section 7-4, subsection one and three and Section 8-8 may be waived in cases not relating to

consumers. In a legal sense, cases not related to consumers means cases where the client is a physical person whose actions are mainly not part of any business activity.

Section 1-4 Regulations relating to certain forms of estate agency

- (1) The Ministry may issue regulations laying down further rules, including exceptions from the other provisions of the Act, for estate agency activities carried out by housing cooperatives.
- (2) The Ministry may issue regulations laying down further rules, including exceptions from the other provisions of the Act, for estate agency activities related to real property leasehold contracts.
- (3) The Ministry may issue regulations laying down further rules, including exceptions from the other provisions of the Act, for estate agency activities related to real property that is not wholly or partly suited for use as a dwelling or for recreational purposes.
- (4) The Ministry may issue regulations laying down further rules, including exceptions from the other provisions of the Act, for estate agency activities related to the sale and purchase of real property located outside Norway. Moreover, through regulations, the Ministry may lay down special rules for such activity.
- (5) The Ministry may issue regulations laying down further rules, including exceptions from the other provisions of the Act, for estate agency activities related to the sale and purchase of agreements for the acquisition of real property, documents of title as mentioned in Section 1-2, subsection two No. 3 or timeshares as mentioned in Section 1-2, subsection two No 5. Moreover, through regulations, the Ministry may lay down special rules for such activity.

Chapter 2. License, form of enterprise, organization, etc.

Section 2-1. License to carry on estate agency.

- (1) Estate agency for remuneration may only be carried on
 1. by enterprises that have been licensed do so by the Financial Supervisory Authority of Norway (Kredittilsynet) (estate agency businesses), cf. Section 2-3, subsection one or
 2. in pursuance with a Norwegian lawyer's practicing certificate if the lawyer has provided security in accordance with Section 222 of the Courts of Justice Act
- (2) Banks that handle financial settlement as referred to in Section 1-2, subsection two do not need a licence.
- (3) The Ministry may issue regulations specifying that estate agency for remuneration may also be carried on by enterprises that carry out legal assistance in pursuance with Section 218, subsection two no. 1 of Act of 13 August 1915 no 5 relating to the Courts of Justice (the Courts of Justice Act).

Section 2-2 Branch offices (branches)

- (1) An enterprise or a lawyer that carries on estate agency, cf. Section 2-1, needs a licence from The Financial Supervisory Authority of Norway to establish a branch office in Norway.
- (2) An enterprise or a lawyer that carries out estate agency, cf. Section 2-1, needs a licence from The Financial Supervisory Authority of Norway to establish a branch office or subsidiary abroad. The Ministry may issue regulations laying down further rules for such branch offices/subsidiaries.

Section 2-3 Licensing authority. Application for a licence

- (1) The Financial Supervisory Authority of Norway may grant a licence to carry on estate agency to enterprises that meet the requirements of Sections 2-4 to 2-9. Such licence may be subject to specific terms, including that the enterprise, before the activity is started, provides documentation to The Financial Supervisory Authority of Norway proving that the requirement of Section 2-10 has been met.
- (2) If the requirements of Section 2-5, subsection two and Section 2-9, subsection two third sentence have been met, The Financial Supervisory Authority of Norway may grant a licence as mentioned in Section 2-2.
- (3) An application for a licence must contain information proving that the requirements referred to in the first sentence of subsection one or in subsection two have been met, as well as other information of importance for the assessment of whether a licence should be granted or not. The Financial Supervisory Authority of Norway may request further information that is of importance for the processing of the application. The Ministry may issue regulations laying down further rules regarding what information shall be provided in the application.

Section 2-4 Form of enterprise

A licence to carry on estate agency may be granted to:

1. Limited companies, cf. the Companies Act or public limited companies, cf. the Public Limited Companies Act,
2. housing cooperatives, cf. Act of 6 June 2003 no.38 relating to housing cooperatives,
3. foreign enterprises registered in the Register of Business Enterprises, cf. Act of 21 June 1985 no 78, The Business Enterprise Registration Act, relating to the registration of enterprises that meet specific requirements regarding organization and auditing laid down by regulations issued by the Ministry, and
4. other enterprises that meet specific requirements regarding organization and auditing laid down by regulations issued by the Ministry.

Section 2-5 Permanent place of business

- (1) Enterprises and lawyers that carry on estate agency, cf. Section 2-1, shall have a permanent place of business in Norway. By individual decisions the Financial Supervisory Authority of Norway may make exceptions from the requirement of a permanent place of business, provided that the enterprise's documents related to assignments comprised by this Act are kept in a safe place in the realm in an orderly and secure way. The documents shall be available and organized for inspection by public controlling bodies and other inspection in pursuance with law.
- (2) Subsection one applies correspondingly to branch offices as mentioned in Section 2-2.

Section 2-6 Financial requirements

- (1) Enterprises that carry on estate agency, cf. Section 2-1 must:
 1. be able to meet their obligations as they fall due,
 2. possess sufficient equity capital based on the risk and scope of the enterprise's activities,
 3. possess assets exceeding the total liabilities of the enterprise and
 4. at the time of application have its share capital fully paid up if the enterprise is organized as limited company or a public limited company.
- (2) Lawyers who carry on estate agency, cf. Section 2-1, subsection one no. 2 must be able to meet their liabilities as they fall due.

Section 2-7 Provision of security

- (1) Enterprises and lawyers that carry on estate agency, cf. Section 2-1, shall have insurance that covers the liability they may incur during the execution of their estate agency business.
- (2) The Ministry may issue regulations laying down further rules regarding insurance as mentioned in subsection one. Through regulations or by individual decision the Ministry may make exceptions from the insurance requirement, given that other satisfactory security is provided.

Section 2-8 Shareholder structure

- (1) Owners of substantial ownership interests in estate agency enterprises, cf. Section 2-1, subsection one no. 1, must be fit to ensure that the enterprise is run in pursuance with laws, regulations and generally accepted standards for estate agents. A substantial ownership interest is understood to mean a direct or indirect ownership interest that represents at least 10 per cent of the share capital or the votes, or which otherwise makes it possible to exercise a considerable influence on the management of the enterprise. Shares owned by a close associates are considered equal to an individual's own shares. In this provision "close associates" is understood to mean persons as referred to in Section 1-4 of Act of 19 June 1997 no 79 on Securities Trading.
- (2) The acquisition of a substantial ownership interest in estate agency enterprises can only be effected after a notification of this has been submitted to the Financial Supervisory Authority of Norway in advance.
- (3) A notification must also be sent to the Financial Supervisory Authority of Norway for the increase of an ownership share entailing that an individual's shareholding reaches or exceeds 20 per cent, 33 per cent or 50 per cent of the total shares or votes.
- (4) Within a period of three months from the receipt of such notification as referred to in the second or third sentence, the Financial Supervisory Authority of Norway shall refuse such acquisition if the buyer does not meet the requirements of subsection one.
- (5) The Financial Supervisory Authority of Norway may issue regulations specifying further rules concerning the duty of an estate agency business to provide information regarding the owners of the enterprise.

Section 2-9 Management of the enterprise. Person in professional charge.

- (1) Board members and the general manager in estate agency businesses, cf. Section 2-1, must have relevant qualifications and professional experience, a record of honourable conduct, cf. subsection three, and must not have behaved improperly in a way that gives reasons to assume that the position or post cannot be executed satisfactorily.
- (2) The estate agency business shall have a person in professional charge who either holds an estate agent's certificate, cf. Section 4-2, a certificate of a practice for lawyers, or a licence in pursuance with Section 4-3. This person must be fit to ensure that the enterprise is run in accordance with laws, regulations and generally accepted standards for estate agents. If the enterprise has one or more branch offices, each of these must have a person in professional charge who meets the requirements of the first and second sentence.
- (3) Persons as mentioned in the first and second subsection must submit a police certificate of good conduct. The time limits provided for in Section 6 of Act relating to Criminal Registration do not apply.
- (4) Prior to the replacement of members of the Board, the general manager or the person in professional charge the estate agency business shall submit a notification of this to the Financial Supervisory Authority of Norway.

- (5) The Financial Supervisory Authority of Norway may at any time require that persons as mentioned in subsection one and subsection two submit a new police certificate of good conduct.
- (6) The Ministry may issue regulations related to the duty of the estate agency business to provide information in accordance with subsection four relating to the rights and duties of the person in professional charge, as well as what offences are to be specified in the police certificate of good conduct and how this certificate is to be dealt with.

Section 2-10 Participation in an appeals committee

Enterprises and practicing lawyers that carry on estate agency, cf. Section 2-1, must participate in an appeals committee arrangement, cf. Section 8-8.

Chapter 3 Further requirements related to the estate agency business

Section 3-1 Journal

Enterprises and practicing lawyers carrying on estate agency, cf. Section 2-1, are obliged to keep a journal of assignments received and executed in accordance with regulations issued by the Ministry.

Section 3-2 Entrusted funds

The Ministry may issue regulations governing the management of entrusted funds.

Section 3-3 The Board's responsibility for routines related to the estate agency

The Board of the estate agency business, cf. Section 2.1, shall see to it that routines are prepared for the execution of estate agency activities and that such routines are updated according to need. The Board shall confirm in writing that this has been done.

Section 3-4 Right of initiation, right to attend meetings and right to speak in meetings of the Board

In estate agency businesses, cf. Section 2-1, the person in professional charge as mentioned in Section 2-9 and the responsible estate agent, as referred to in Section 6-2, shall have the right to propose that the Board deal with estate agency matters of a professional nature. When such matters are dealt with by the Board, the person in question has the right to attend the Board meeting and speak. If the person in professional charge and the responsible estate agent do not agree to a decision, they are entitled to have their opinion entered separately in the minutes.

Section 3-5 The use of contract assistants

Enterprises and practising lawyers that carry on estate agency, cf. Section 2-1, may avail themselves of contract assistants who themselves have a licence to carry on estate agency under Chapter 2 or who carry on estate agency in pursuance with a practicing certificate under Section 2-1, subsection one no. 2. The Ministry may issue regulations laying down further rules for the use of contract assistants.

Section 3-5 Duty of secrecy

Enterprises and practicing lawyers that carry on estate agency, cf. Section 2-1, their employees and elected representatives, as well as other persons connected with such businesses, are obliged not to disclose to unauthorized persons any information to which they become privy in connection with the

execution of their work or posts about anyone's personal circumstances or operating or business circumstances.

Chapter 4. Qualification requirements. Title.

Section 4-1 Qualification requirements

- (1) The person in professional charge, cf. Section 2-9, subsection two and the responsible estate agent, cf. Section 6-2, must hold an estate agent's certificate, cf. Section 4-2, a lawyer's practicing certificate or a licence in pursuance with Section 4-3.
- (2) An assistant to the responsible estate agent must have passed an examination as referred to in Section 4-4.

Section 4-2 Estate agents' certificates

- (1) Estate agents' certificates are issued by the Financial Supervisory Authority of Norway to persons who:
 1. are considered fit to carry out estate agency
 2. have passed an approved estate agents' examination
 3. have at least two years of practical experience after having passed the estate agents' examination
 4. are of full age and capacity, and
 5. are able to meet their obligations as they fall due.
- (2) Applicants must submit a police certificate of good conduct as mentioned in Section 2-9 subsection three and six.
- (3) The Ministry may issue regulations specifying further rules related to the examination and practice requirements, including exception from the practice requirement.
- (4) The Financial Supervisory Authority of Norway may issue regulations laying down rules for the approval of applicants with professional qualifications from abroad.
- (5) Applicants may require that the licence be issued as a hard copy.
- (6) The Financial Supervisory Authority may at any time require a holder of an estate agent's certificate to submit a new police certificate of good conduct.

Section 4-3 Lawyers' right to act as person in professional charge and as responsible estate agent

- (1) The Financial Supervisory Authority of Norway may grant persons who have obtained a Norwegian Law Degree the right to be in professional charge, cf. Section 2-9, subsection two, and responsible estate agent, cf. Section 6-2, provided that they
 1. are considered fit to carry out estate agency
 2. have at least two years of practical experience after having passed the estate agents' examination
 3. are of full age and capacity, and
 4. are able to meet their obligations as they fall due.
- (2) Applicants must submit a police certificate of good conduct as mentioned in Section 2-9 the subsections three and six.
- (3) The Ministry may issue regulations specifying further rules related to practice requirements, excluding exemption from the practice requirement.
- (4) The Financial Supervisory Authority of Norway may accept a law degree from abroad in accordance with the rules specified in Section 241 of the Courts of Justice Act.
- (5) Applicants may require that the licence be issued as a hard copy.
- (6) The Financial Supervisory Authority may at any time require a holder of a licence in pursuance with subsection one to submit a new police certificate of good conduct.

Section 4-4 Assistants to the responsible estate agent

- (1) Only persons who have passed an examination recognized by the Ministry may act as assistants to an responsible estate agent.
- (2) Assistance who work on the financial settlement of transactions must have passed a special examination approved by the Ministry showing that he or she possesses the necessary qualifications for handling the financial settlement.
- (3) The Ministry may issue regulations laying down requirements relating to examination as referred to in subsections one and two.

Section 4-5 Title

- (1) Only persons who hold an estate agent's certificate are entitled to use the title "Estate Agent", cf. Section 4-2.
- (2) The title "Agent" and other titles that may be confused with this may, if used in connection with estate agency, only be used by persons who hold an estate agent's certificate, cf. Section 4-2, practising lawyers with a licence under Section 4-3, and practising lawyers who have a right to carry on estate agency.
- (3) The title "Estate Agent Associate" can only be used by persons who have passed the estate agency examination, cf. Section 4-2, subsection one no. 2 and persons who have a Norwegian degree in law, who are employed by an estate agency business, cf. Section 2-1, or by a practicing lawyer who carries on estate agency in pursuance with section 2-1- subsection one no. 2, and who work under the supervision of a responsible estate agent. Section 4-3, subsection four applies correspondingly.
- (4) The title "Government Authorized Estate Agent" cannot be used.

Section 4-6 Further education

Persons who hold an estate agent's certificate, cf. Section 4-2, a practising certificate for lawyers or a licence under Section 4-3, as well as assistants under Section 4-4 who are engaged in estate agency, shall take further education in accordance with regulations laid down by the Ministry.

Chapter 5. Independence

Section 5-1 The enterprise's right to carry on other business activity

2. In addition to estate agency, enterprises and practicing lawyers that carry on estate agency, cf. section 2-1 may only carry on business activities that are naturally related to estate agency and that are not likely to impair the confidence in the enterprise's integrity and independence.
3. Subsection one does not constitute an obstacle for practising lawyers to engage in legal assistance activities that are not likely to impair the confidence in their integrity and independence.
4. The Ministry may issue regulations laying down further rules relating to the right to carry on other business activity in accordance with subsections one and two. Through regulations or by individual decisions the Ministry may make exceptions from subsections one and two.

Section 5-2 The right of employees to carry on business activity

- (1) Employees and other persons with similar connection to enterprises carrying on estate agency, cf. Section 2-1, as well as owners and elected representatives in such enterprises who normally participate in the day-to-day operation of the enterprise, are not allowed, directly or indirectly, to deal in real property or carry on other activity that is likely to impair the confidence in the integrity and independence of the enterprise. Similarly, this applies to persons associated with practicing lawyers who carry on estate agency, cf. Section 2-1, subsection one no. 2. The ban of the first and second sentence only applies to persons carrying out work as part of real estate agency activities.
- (2) The Ministry may issue regulations specifying rules for keeping a register of rights in real property that wholly or in part belong to persons as referred to in subsection one, and on the duty of such persons to provide information about their rights in real property.
- (3) The Ministry may issue regulations laying down rules for the right to carry on other business activity under subsection one. Through regulations or by individual decision the Ministry may make exceptions from subsection one.

Section 5-3 Ban on own trading

- (1) Employees and other persons with similar connection to enterprises carrying on estate agency, cf. Section 2-1, as well as owners and elected representatives in such enterprises, who normally participate in the day-to-day operation of the enterprise, are not allowed to sell own property through the enterprise. Correspondingly, this also applies to persons with a similar connection to practising lawyers who carry on estate agency, cf. Section 2-1, subsection one no. 2. Neither are persons referred to in the first and second sentence allowed to purchase property or acquire other rights as mentioned in Section 1-2, subsection two that the enterprise in question is acting as an intermediary for or has been assigned to act as an intermediary for.
- (2) Similarly, subsection one applies to the purchase or sale on behalf of:
 1. a spouse or person who lives in a marriage-like conditions with persons as referred to in subsection one,
 2. underage children of persons as mentioned in subsection one, as well as underage children of a person as referred to in no. 1 with whom persons as mentioned in subsection one live together, and
 3. enterprises where persons as mentioned in subsection one or subsection two no. 1 and 2, alone or jointly, have such influence as specified in Section 1-3, subsection two of the Companies Act and the Public Companies Act or in Section 1-2, subsection two of the Partnership Act.
- (3) Enterprises and practising lawyers that carry on estate agency, cf. Section 2-1, are not allowed to act as intermediaries for persons and enterprises as referred to in subsections one and two. Nor is the enterprise allowed to act as an intermediary in connection with transactions where such persons or enterprises are a party.
- (4) Enterprises and practising lawyers that carry on estate agency, cf. Section 2-1, are not allowed to purchase or sell own property through their own business.
- (5) Enterprises and practising lawyers that carry on estate agency, cf. Section 2-1, are not allowed to accept assignments from
 1. persons and enterprises as referred to in subsections one and two,
 2. relatives in a direct upward and downward line and siblings of persons as referred to in subsection one, or
 3. a spouse or person who lives in a marriage-like conditions with relatives as referred to in no. 2,
- (6) The ban in subsections one, two and four does not apply to
 1. employees in other physically separated branch offices, cf. Section 2-2 of the enterprise or practising lawyer's business than the branch office that is responsible for the execution of the assignment, or
 2. employees in branch offices of the enterprise or practicing lawyer's business that are only dealing with settlement.

- (7) If persons or enterprises as referred to in subsection one and two in other cases have or get a personal economic interest in the transaction to which the assignment applies, the parties shall immediately inform about this.
- (8) The Ministry may issue regulations laying down further rules relating to own trading and also through regulations or by individual decision make exceptions from this provision.

Section 5-4 The relationship to other service providers

Enterprise and practicing lawyers that carry on estate agency, cf. Section 2-1, and persons as mentioned in Section 5-3, subsection one, are not allowed to accept income or other benefits from anyone except the client for the execution of the assignment, including service providers that are employed for its execution.

Chapter 6 . The Assignment and its Execution

Section 6-1 Assignee

- (1) For the purpose of this Act “assignee” shall be understood to mean an enterprise or practising lawyer carrying out estate agency, cf. Section 2-1, that through an agreement has undertaken to provide estate agency services, cf. Section 1-2, subsection two.
- (2) The duties that lie with the assignee under this chapter also lie with the individual persons holding an estate agent’s certificate, cf. Section 4-2, practicing lawyers with a licence in pursuance with Section 4-3, estate agent associates, cf. Section 4-5, subsection three, and practising lawyers who are entitled to carry on estate agency, in the course of the conduct their business.

Section 6-2 Responsible estate agent

- (1) A responsible estate agent shall be appointed for each assignment. The responsible estate agent must hold an estate agent’s certificate, cf. Section 4-2, a lawyer’s practicing certificate or a licence in pursuance with Section 4-3.
- (2) The responsible estate agent shall him/herself carry out the main elements of the work as an intermediary, but is allowed to use assistants, cf. Section 4-4, for minor tasks and tasks of a routine or technical nature.
- (3) Subsection two does not preclude that assignments are carried out by an estate agent associate as mentioned in Section 4-5, subsection three under the supervision of the responsible estate agent for the assignment.
- (4) The Ministry may issue regulations laying down further rules relating to the rights and duties of the responsible estate agent, as well as the division of work and responsibility between the responsible estate agent and any assistants. Moreover, the Ministry may issue regulations specifying further rules for the supervision by the responsible estate agent of assignments that are carried out by an estate agent associate.

Section 6-3 Generally accepted standards for estate agents

- (1) In the course of the conduct of his/her business the assignee shall act in accordance with generally accepted standards for estate agents keeping the interests of both parties in mind. The assignee must not act in any way that is likely to impair the confidence in the assignee’s integrity and independence.
- (2) The assignee shall provide the buyer and seller with advice and information that are of importance to the transaction and its execution.

- (3) The assignee shall not enter into an agreement for a real estate agency transaction if the entry into of such an agreement has been included as a term in an agreement for something else than estate agency.
4. In connection with estate agency assignments it cannot be made a condition that the client enter into agreements concerning performance which is not reasonably connected with the assignment.

Section 6-4 The agreement for the assignment

- (1) The agreement for the assignment shall be in writing and as a minimum contain the following information:
 1. the assignee's name, address and organization number, as well as the client's name, address and national identity number or organization number,
 2. the nature of the transaction (sale, purchase, letting, renting, financial settlement or other transaction),
 3. which property the transaction applies to,
 4. whatever has been agreed about remuneration to the assignee, including what remuneration the assignee can demand if the transaction is not completed,
 5. whatever has been agreed about the assignee's right to have his expenses covered, including an estimate of the extent of the expenses,
 6. a total, specified cost estimate for the total remuneration and the total expenses,
 7. the duration of the assignment and the conditions agreed on in respect of its termination,
 8. the assignee's right, if any, to remuneration for a transaction that has been concluded through others or without an intermediary and, in that event, the more detailed conditions for such a right,
 9. whether other assignees have been involved with the same assignment during the last three months,
 10. the right to demand consideration by an appeals committee in pursuance with Section 8-8, and
 11. who is the responsible estate agent for the assignment and which real estate associates, if any, are to work on the assignment.
- (2) If a contract assistance as mentioned in Section 3-5 is to be used, his/her name, address and organization number must be provided
- (3) The assignment shall be signed by the client and the responsible estate agent for the assignment.
- (4) The client shall be informed in writing about a change of responsible estate agent.
- (5) The Ministry may issue regulations laying down rules relating to electronic communication in connection with the conclusion of the agreement for the assignment. This includes provisions related to authenticity, how to secure integrity and confidentiality.

Section 6-5 The duration of the assignment

- (1) The assignment shall be given for specific period of time that shall not exceed six months. The assignment can be renewed for up to six months at a time. The renewal shall be in writing.
- (2) An assignment can be terminated without notice by either party.
- (3) The assignee is entitled to reasonable remuneration for work done if the assignment is terminated by the client. The assignee can claim to have his expenses covered in accordance with the agreement regardless of the termination, cf. Section 6-4.

Section 6-6 Authority of the estate agent

The assignee cannot bind a client in relation to a third party without special authorisation.

Section 6-7 The assignee's obligation to obtain and check information

- (1) The assignee shall make sure that the buyer, prior to the conclusion of the transaction, receives information he or she has reason to believe should be provided and that may be of importance for the agreement. If the assignee has not obtained and checked information as mentioned in the first sentence, the buyer shall receive information in writing about the reason for this prior to the conclusion of the transaction.
- (2) Before a transaction is completed the estate agent is obliged to give the buyer a written statement containing as a minimum the following information concerning the property:
 1. its estate and sub-estate numbers and address
 2. ownership
 3. registered encumbrances
 4. appurtenant rights,
 5. land area
 6. floor space of the building(s) and its/their age and method of construction,
 7. the right to let the property or part of it for housing purposes
 8. certification of practical completion or temporary permission of use,
 9. tax assessed value and municipal taxes,
 10. how the property stands in relation to finally adopted public plans, concession legislation and allodial right,
 11. specification of fixed and current costs,
 12. if the purchase price has been fixed, the total cost including all fees and charges and other costs,
 13. if the purchase price has not been fixed, a total specification of the indicated price and all fees, charges and other costs, and
 14. whatever has been agreed concerning the estate agent's remuneration, cf. Section 7-2.
- (3) In connection with transactions under Section 1-2, subsection two no. 3 of the Act, and in connection with transactions relating to joint ownership shares and owner-occupied units the written specification shall also contain the following information:
 1. The terms for the repayment of joint loans and an estimate of joint monthly costs, as well as other fixed costs related to this.
 2. a separate calculation of joint monthly costs after an instalment-free period if relevant,
 3. information as to whether the buyer can be held responsible for the default of joint costs by somebody else or for unsold units belonging to the project,
 4. relevant rights and obligations for the holder of the document of title, the joint ownership share or owner-occupied unit in pursuance with law, regulations, statutes, decisions and agreements, and
 5. material information about the budget and accounts of the housing cooperative, the joint ownership, etc., as well as information stating that these documents are available with the assignee.
- (4) In connection with transactions in pursuance with Section 1-2, subsection two no. 4 of the Act the written specification shall contain material information about the company's budget and accounts, as well as information stating that these documents are available with the assignee.
- (5) The Ministry may issue regulations laying down further rules for what information shall be included in the specification as referred to in subsections two, three and four, as well as specify further requirements.

Section 6-8 The assignee's duties in connection with the conclusion of the contract

- (1) Unless otherwise desired by the buyer and the seller, the assignee shall set up a written purchase contract that contains all the important terms for the transaction.
- (2) The purchase contract may be drawn up electronically if both the buyer and the seller have expressly accepted this.

Section 6-9 The assignee's duties in carrying out the transaction

Unless the buyer and seller wish otherwise, the assignee shall arrange for the

1. the drafting and registration of the deed,
 2. the drawing up and, where applicable, the registration of other documents related to the transaction,
 3. drawing up of an application for concession and other applications, declarations or the like,
 4. the completion of the financial settlement.
- (3) In pursuance with Act of 12 December 1975 no. 59 relating to Legal Document Tax (lov av 12. desember 1975 nr. 59 om dokumentavgift), Act of 6 June 2003 no. 39 relating to Housing Cooperatives (lov av 6. juni 2003 nr. 39 om burettslag) and Act of 17 December 1982 no.86 relating to Legal Fees (lov av 17. desember 1982 nr.86 om rettsgebyr), assignees that provide assistance in connection with tasks as referred to in subsection one no. 1, 2 or 4 are responsible for ensuring that fees, charges and interest related to the registration of deeds and other documents in connection with the transaction are paid.

Section 6-10 Bidding

The Ministry can issue regulations governing bidding and the right of access to information on bids and bidders.

Chapter 7. Remuneration. Expenses.

Section 7-1 Information about price

Enterprises and practicing lawyers that carry on estate agency, cf. Section 2-1, shall provide information about the prices for their services, so that these can easily be seen by the clients. The Ministry may issue regulations laying down further rules for such duty to provide information about prices.

Section 7-2 On remuneration in general

- (1) It is not allowed to agree on a commission-based remuneration where the percentage of the purchase price that is to be paid increases with an increase in the purchase amount.
- (2) The assignee shall prepare a written offer for potential clients based on an hourly rate and give an estimate of the amount of time that is considered necessary to complete the assignment. If the client chooses this form of remuneration, the assignee has a duty to notify the client if the time required is expected to substantially exceed what has been stipulated in the estimate.
- (3) Irrespective of the form of remuneration that has been agreed on the assignee shall make out a bill. The bill shall enable the client to assess the type and scope of work that has been carried out.
- (4) It is not allowed to agree that somebody else than the client pay the assignee's remuneration, including expenses.
- (5) The Ministry may issue regulations laying down further rules for the assignee's duty to give an offer based on an hourly rate as mentioned in subsection two and the duty to make out a bill as mentioned in subsection three. Should the conditions relating to the sale and purchase of real property so justify, the Ministry may issue regulations laying down further rules relating to the assignee's remuneration.

Section 7-3 The assignee's right to remuneration

- (1) The assignee is entitled to remuneration if the transaction is agreed on during the assignment period. This applies even if it is not due to the estate agent that the transaction has been completed. A transaction has been completed when the parties have entered into a binding agreement.
- (2) The assignee is also entitled to remuneration if the transaction has been finalized within three months after the end of the assignment period with someone
 1. with whom the assignee has negotiated during the assignment period, or
 2. who, on inquiry, received information about the property from the assignee during the assignment period.
- (3) The provisions in the second sentence of the first subsection and the second subsection only apply to purchasing assignments if this has been specially agreed in the assignment.
- (4) This provision can be waived by agreement.

Section 7-4 Payment of remuneration

- (1) The assignee's right to remuneration falls due once the transaction has been finalized.
- (2) The client is entitled to retain a share of the remuneration sufficient to cover any obligations on the part of the client due to default on the part of the assignee.
- (3) The assignee can only cover his/her claim for remuneration through client funds belonging to the client, provided that the client has consented to this after the transaction has been finalized.

Section 7-5 Recovery of expenses

The assignee may demand that expenses specified in the agreement for the assignment be covered as they are to be paid by the client.

Section 7-6 Sharing of remuneration

The remuneration cannot be shared with the buyer or seller or with anyone who him/herself is not entitled to carry on estate agency.

Section 7-7 Reduction of the remuneration

In case the assignee is guilty of a not insubstantial dereliction of duty, the client may require that the remuneration be reduced or dropped.

Chapter 8. Supervision and sanctions

Section 8-1 Supervision of estate agency

- (1) The Financial Supervisory Authority of Norway oversees and supervises estate agency in pursuance with Act of 7 December 1956 no. 1 on the supervision of credit institutions, insurance companies and securities trading, etc. (Financial Supervision Act) including
 1. enterprises and practicing lawyers that carry on estate agency, cf. Section 2-1,
 2. persons holding an estate agent's certificate,
 3. lawyers holding a licence in accordance with Section 4-3 and

4. practising lawyers who are in professional charge or act as responsible estate agents in enterprises or with practicing lawyers carrying on estate agency, cf. Section 2-1.
- (2) Enterprises and persons as mentioned in subsection one are obliged to provide the Financial Supervisory Authority of Norway with the information it requires concerning the estate agency business. They are also obliged to show and in the event surrender for inspection ledgers and other documents, as well as printouts of the electronically stored information relating to the estate agency.
- (3) Subsection one and two shall apply correspondingly to enterprises, practising lawyers and persons as mentioned in subsection one whose right to carry on estate agency has been withdrawn under Section 8-2, enterprises, practising lawyers and persons that have been forbidden to carry on estate agency under Section 8-3, persons whose estate agent's certificate has been withdrawn under Section 8-4, enterprises, practising lawyers and persons whose licence has been withdrawn under Section 8-5, persons who have been forbidden to be in professional in charge or act as responsible estate agent under section 8-6, or enterprises, practising lawyers and persons who have themselves renounced the rights mentioned above.

Section 8-2 Withdrawal of the right to carry on estate agency for enterprises and branch offices

- (1) The Financial Supervisory Authority of Norway may withdraw an enterprise's licence to carry on estate agency, cf. Section 2-1, if it is found inadvisable to allow the estate agency business to continue its operations because the enterprise,
 1. is made subject to bankruptcy proceedings,
 2. no longer meets the conditions of Sections 2-4, 2-5, 2-6, 2-7, 2-8 or 2-9 subsection one,
 3. no longer has a person in professional charge or responsible estate agent, cf. Section 2-9, subsection two and Section 6-2,
 4. no longer meets the conditions specified in the licence,
 5. has failed to comply with instructions issued by the Financial Supervisory Authority of Norway,
 6. is guilty of gross or repeated infringement of its duties imposed by law or regulations,
 7. has committed acts of malpractice that can give reason to fear that a continuation of the estate agency business may be detrimental to the public interest.
 8. has not joined the appeals committee arrangement as mentioned in Section 8-8 within the time limit specified by the Financial Supervisory Authority of Norway.
- (2) The Financial Supervisory Authority of Norway may withdraw the licence of a branch office, cf. Section 2-2, if
 1. the branch office no longer meets the conditions of Section 2-5, subsection two or Section 2-9, subsection two, second sentence, or
 2. one or more of the conditions of subsection one, nos. 5-7 have been met by the branch office.

Section 8-3 Right to forbid a practicing lawyer to carry on estate agency in pursuance with Section 2-1, subsection one no.2.

The Financial Supervisory Authority of Norway may forbid a practicing lawyer to carry on estate agency, cf. Section 2-1, subsection two no. 2 if it finds it inadvisable to allow the estate agency business to continue its operations because the lawyer:

1. no longer holds a practicing certificate,
2. no longer meets the requirements of Section 2-6, subsection one,
3. has failed to comply with instructions issued by the Financial Supervisory Authority of Norway or the Supervisory Council for Legal Practice
4. is guilty of gross or repeated infringement of his duties imposed by law or regulations,
5. has committed acts of malpractice that can give reason to fear that a continuation of the estate agency business may be detrimental to the public interest, or
6. has not joined the appeals committee arrangement as mentioned in Section 8-8 within the time limit specified by the Financial Supervisory Authority of Norway.

Section 8-4 Withdrawal of an estate agent's certificate

The Financial Supervisory Authority of Norway may withdraw an estate agent's certificate, cf. Section 4-2, if the holder of such a certificate is considered unfit because the person

1. no longer meets the conditions in Section 4-2, subsection one no. 5,
2. is guilty of a criminal offence and this must be assumed to weaken the confidence that is needed for the conduct of the profession, or
3. is guilty of gross or repeated infringement of his/her duties imposed by law or regulations.

Section 8-5 Withdrawal of licence for practicing lawyers

The Financial Supervisory Authority of Norway may withdraw the licence of a lawyer, cf. Section 4-3, if the person in question is considered unfit because he/she

1. no longer meets the conditions in Section 4-2, subsection one no. 5,
2. is guilty of a criminal offence and this must be assumed to weaken the confidence that is needed for the conduct of the profession, or
3. is guilty of gross or repeated infringement of his/her duties imposed by law or regulations.

Section 8-6 The right to forbid a practising lawyer to be in professional charge and act as responsible estate agent

The Financial Supervisory Authority of Norway may forbid a practising lawyer to be in professional charge, cf. Section 2-9, subsection two, and act as a responsible estate agent, cf. Section 6-2 if the person in question no longer holds a practicing certificate for lawyers. The Financial Supervisory Authority of Norway may also forbid a practising lawyer to be in professional charge and act as a responsible estate agent if the person in question

1. is guilty of a criminal offence and this must be assumed to weaken the confidence that is needed for the conduct of the profession, or
2. is guilty of gross or repeated infringement of his/her duties imposed by law or regulations.

Section 8-7 Suspension of the right to carry on estate agency

If an undertaking with a licence to carry on estate agency, cf. Section 2-1, is charged with an act that may entail that the licence is withdrawn, The Financial Supervisory Authority of Norway may suspend the licence until the criminal case is ended. Correspondingly, the Financial Supervisory Authority of Norway may forbid a practising lawyer to carry on estate agency, cf. Section 2-1, subsection one no.2, until the criminal case is ended.

Section 8-8 Entitlement to have a dispute dealt with by a committee

- (1) Through agreements between organizations that represent undertakings or practising lawyers that carry on estate agency, cf. Section 2-1, and the Norwegian Consumer Council or other organizations representing the players in the property market, one or more committees can be established to deal with disputes between undertakings or practicing lawyers that carry on estate agency, cf. Section 2-1, and the seller, buyer or other interested parties in an object as mentioned in Section 1-2, relating to obligations under the present Act.
- (2) The parties may submit the agreement to the King for approval. If the King has approved the committee's statutes, the rules of subsection three to eight shall apply.
- (3) The seller, buyer or other interested parties may require treatment by the committee of any dispute where the committee is competent, if the relevant person has a fair interest in obtaining an opinion by the committee regarding the matter.

- (4) As long as a dispute is being considered by the committee it may not be brought before the regular courts of law. A dispute is considered to be under consideration from the moment a request for an appeal has reached the committee.
- (5) A case of which the practical aspects have been dealt with may be brought directly before the Municipal Court.
- (6) The committee shall submit statements concerning violations of the Estate Agency Act to the Financial Supervisory Authority of Norway.
- (7) If the committee finds in favour of the appellant, the committee may instruct the defendant to pay the committee's costs in the matter in question.
- (8) The Ministry may issue regulations laying down further rules relating to this provision and on the right to demand that a dispute be dealt with by the committee.

Section 8-9 Penalties

Wilful or negligent violation of provisions issued in or in pursuance with Sections 2-1, 2-2, 3-1, 3-6, 4-5, 5-1, 5-2, 5-3, 6-3 subsections three and four, 7-2 subsection one, 7-4 subsection three, 8-1 is punishable by fines or imprisonment for up to 3 years, or up to 6 years under especially aggravating circumstances. The same applies to violation of orders, bans or conditions laid down in accordance with the provisions mentioned. Aiding and abetting is liable to the same penalties.

II

Entry into force and transitional rules

- (1) The Act shall enter into force from such date as the King shall decide. Individual provisions may be effected at different times.
- (2) The King may lay down transitional rules.
- (3) Regulations issued in pursuance with Act of 16 June 1989 no. 53 relating to Estate Agency shall apply until otherwise has been decided even after the Act has come into force.
- (4) The following amendments to other Acts will apply as from the time the present Act enters into force:

Act of 16 June 1989 no. 53 relating to Estate Agency shall be repealed.