Contract law
PREFACE

This brochure is published by JURK (Juridisk Rådgivning for Kvinner = Legal Advice for Women). JURK is an independent legal aid initiative run by female law students. JURK provides free legal advice to women. JURK is based in Oslo, but receives clients from all over Norway.

JURK makes certain reservations regarding changes to any laws and regulations that might occur after this information was published.

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1.0 Introduction

1.1 The purpose of this brochure

The purpose of this brochure is to provide concise explanations of some common legal concepts that occur when we enter into legal agreements and try to understand contracts. It is our intention to help our readers be aware of and identify some of the basic problems that may arise when they enter into such agreements, and to help our readers become more aware of their rights.

We tried to make the brochure as easy to understand as possible. The margins therefore provide keywords to make the brochure easy to follow. We have also tried to provide the names and numbers of the specific statutory paragraphs that form the legal basis for the terms used in the margins, which makes it easier for our readers to refer to the law books if necessary. The underlined words are explained in the glossary found at the end of this brochure.

1.2 Agreements must be kept

*Legally binding* A basic principle of Norwegian law is that an agreement must be kept. This is only true if an agreement is legally binding. Scheduling a dinner date with a friend is not a legally binding agreement. There is no legal consequence for breaking this kind of agreement. On the other hand, a loan agreement with your bank must be honoured. This distinction is very important within contract law. You may
request help from a court of law to uphold a legally binding agreement.

1.3 Freedom of contract

Norwegian law states that there are a number of ways to formulate an agreement. This means there is normally no formal requirement as to how an agreement must be entered into. An agreement can be entered in a number of different ways, orally, in writing and electronically.

It is important to remember here that oral agreements are equally as binding as written agreements, but proving the existence of an oral agreement can often be difficult.

2.0 How to enter into an agreement

2.1 Introduction

An agreement can be formulated in a number of different ways: orally, in writing and electronically. There are certain advantages to formulating an agreement in writing in the form of contract; written documents are a solid form of evidence.

2.2 Offer and acceptance

The simplest form of agreement consists of two parties, each making a party statement: an offer and an acceptance. Presenting and discussing an offer is
usually done by exchanging terms and conditions orally and/or in writing, such as by exchanging written communications.

An oral offer is considered given when one of the parties to the agreement presents an offer that has been acknowledged consciously by the counterparty. If the counterparty accepts the offer an oral agreement has then been entered into.

For written offers, an offer is considered given when it has been physical received by the counterparty, such as when a letter to the counterparty arrives by mail. An offer is considered accepted when the letter containing the acceptance is in the hands of the offering party. This will be known as a written agreement, and the document known as a written contract.

*Binding agreement* 

Binding agreement means the parties are no longer free to choose how to relate to an agreement and can no longer claim to be free from any obligation. The parties are obligated to comply with the content of the agreement, described in the agreement's wording.

To withdraw an offer  If the offering party wishes to retract the offer it made, the party is permitted to withdraw the offer before or at the same time as the offer is received by the counterparty. This means that the offering party is permitted to withdraw an offer before or at the same time the counterparty takes possession of the offer.
Pledges

The most common type of party statement is the pledge. A pledge is the foundation of the counterparty's rights and the basis for the offering party's obligations. A pledge may be expressed or implied. A pledge that requires acceptance in order to be binding is formally considered an offer.

2.3 When does my party statement become binding?

The threshold for what is considered a binding statement is decided on a number of different criteria. These criteria are relevant to and decisive for determining whether the party is faced with a preliminary non-binding statement that may end in a contract or whether the statement can actually be considered a legally binding commitment.

The test of reasonableness

In order to decide whether a contract is binding or not, one must evaluate what the counterparty can reasonably ascribe to a statement. This evaluation does not consider whether the person making a binding statement meant it to be binding or not. The decisive factor is whether a statement gives the counterparty reason to assume a binding pledge was made based on the actual wording of the statement.

Comprehensive evaluation

One must make a specific and comprehensive evaluation in each individual case in order to ascertain whether a legally binding agreement has been entered into or not. Such an evaluation may stress whether the parties
intended to enter into a binding agreement (also known as the willingness of parties), it may stress the wording of the party's statement, its linguistic considerations, or the reason, motivation and objectives each party had when entering into the agreement. The evaluation will also consider the specific type of contract being entered into, whether one of the parties is a passive participant to the agreement, the subsequent behaviour of one or both parties and/or any other circumstances that might be reasonable to consider in such an evaluation. If the question of whether a binding agreement has been entered into or not must be brought before a court of law, the court will evaluate the specific information that exists in the case.

3.0 How to interpret a contract

3.1 Introduction
As mentioned in the introduction, a guiding principle of Norwegian law is that agreements must be kept if these are legally binding. There will be times when the content of a contract is subject to interpretation, especially regarding its wording. A contract will need to undergo interpretation if the parties fail to come to an understanding as to how the contract is to be understood. The logic for interpreting a contract will be found in the content of the contract.
3.2 When can doubt as to interpretation arise?

The main rule

The main rule is that the wording in the contract will form the basis for its interpretation. Doubt as to how a contract should be interpreted can arise when the wording of a contract is confusing.

Features of interpretation

Let us consider an incident where a contract's wording provides us with interpretation alternative \( X \), while other wording in the contract leads us to think in terms of interpretation alternative \( Y \). If doubt arises as to the meaning of certain phrasing in the contract, one must use the other features that are available in the contract to evaluate how the contract should be interpreted. These other features may be the purpose or objective of the contract, negotiations that occurred between the parties before the contract was formalised, practical application after the contract was formalised, and how the parties ultimately complied with the terms of the contract. All these are called features of interpretation.

For example:

One example of vague wording in a contract would be if a contract states that "the object to be sold must be delivered by Easter". This leaves room for interpretation. Party A may think this means Palm Sunday, while party B interprets the date as Maundy Thursday. There may also be some doubt as to what object is being sold.
4.0 Features of interpretation

4.1 Introduction

The point of departure for interpreting binding legal agreements will always be the wording in the contract.

All circumstances are important

One will need to evaluate many features of a contract to find a way to interpret the contract if its wording is vague, ambiguous or incomplete. All the features and circumstances surrounding an agreement will be important aspects in determining the actual content and objectives of a contract.

4.2 The wording

The main rule

The wording of a contract is the basis for its interpretation. That means you will need a very good reason to waive or fail to comply with the wording. The wording of a contract can often be interpreted in many ways. That means in order to interpret a contract one will need to supplement the wording by analysing the other features of the contract if there is any dispute as to the contract's interpretation.

4.3 Equitable considerations

Definition

This is a complex legal concept commonly used in Norwegian law. This is a basic principle of legal
reasoning in Norway. It means, if it seems reasonable to consider the importance of a specific consideration, then it is reasonable to include the consideration in an evaluation.

Equitable consideration will always be composed of linguistic and contextual elements. When evaluating what would be most reasonable for both parties, foreseeability will be one of the guiding factors in seeking equity for both sides.

4.4 The contract's objectives

A contract is the means by which the parties can realise certain objectives. The goals and objectives of the parties are then of great significance for interpreting the purpose and intent of the agreement. If it is easier to reach the objectives of an agreement by using interpretation alternative A than it is using interpretation alternative B, then this would speak strongly for selecting alternative A.

Legal precedent in this area has determined that the objectives of a contract are often decisive when trying to interpret an agreement.

4.5 Negotiations

If the parties conducted negotiations prior to entering into an agreement, the documentation from these negotiations (in the form of e-mails, conversations, drafts for speeches, meetings and
similar) may be used to interpret how the wording of a contract should be understood.

4.6 Contract implementation and the parties' subsequent behaviour

How the parties understood their obligations during implementation after entering into an agreement will be an important factor in interpreting a contract. This is of particular importance in long-term agreements. The manner in which the parties implemented the agreement in practice will shed light on the intentions the parties had at the time a contract was signed.

5.0 Invalidity

5.1 Introduction

*The significance of invalidity* Invalidation means the parties that entered into an agreement are no longer legally bound to their contractual obligations. That means one no longer needs to comply with the wording in the contract. There are many ways of invalidating a contract. The following sections will review the most common rules for invalidity.

5.2 Invalidity of coercion

Sections 33 and 36 of the Norwegian Contract Act do a good job explaining coercion that applies to
contractual relationships. For this reason we will not be discussing the provisions concerning invalidity and coercion in the Contract Act. See www.lovdata.no.

A contract is invalid if one can prove that any form of coercion or force was used when a party entered into an agreement. These conditions are regulated by Section 28 of the Contract Act.

5.3 Section 33 of the Contract Act

A contract is considered invalid if it would be illegal, dishonest or fraudulent for either party to assert its rights. This provision also describes other forms of invalidity. It would be improper for either party to claim fulfilment of contractual obligations if the other party was coerced or forced into entering into the agreement. Section 33 of the Contract Act distinguishes itself from pure invalidity due to coercion or disloyalty by the fact that the addressee of an agreement does not actively need to do anything to fulfil its pledge. It is the content of the contract and not the conditions of its signing that invalidates a contract according to Section 33.

"Good faith"

For a contract to be invalidated according to the provisions of Section 33, it is necessary that the contract conflicts with the concept of "honesty and good faith". Assessing the extent to which a contract conflicts with the principle of "honesty or good faith" rests on an objective assessment of each specific contract item. That means a party's
subjective interpretation is of little significance. The decisive factor has nothing to do with what is considered honest in a specific line of business or trade, but what could be considered honest from a general and comprehensive viewpoint.

*Loyalty*

On a number of occasions the courts have stressed the importance of loyalty toward the other contractual party in legally binding agreements. This can lead to stricter requirements for the counterparty regarding invalidity as described in Section 33 of the Contract Act for both of the contractual parties compared with other assumptions of invalidity.

The courts have also stressed that one must consider all the parties' viewpoints when assessing the validity of a contract. If one of the parties behaves improperly then this party should not expect to win an asserted invalidity claim even if it can be proven that the other party also behaved improperly or dishonestly.

*Requirements for invalidity based on illegality, dishonesty, and fraud*

It is not enough to invalidate a contract just because it violates Section 33 of the Contract Act for reasons of illegality, dishonesty, fraud etc. It must also be proven that the addressee knew or should have known about the circumstances that led to the illegality, dishonesty or fraud when the contract was entered into.

*Causal considerations*

Claims of contract illegality, dishonesty, fraud etcetera must be based on factual information. For example, this means it is not enough for a seller to
simply believe an airport will be built near a property he recently sold. Impropriety assumes that he must have had specific knowledge and information about the airport plans.

| Conditions at the time agreement was entered into | In addition to causal considerations, improper the circumstances must have existed when the agreement was entered into. If a salesperson came to understand that a large airport was going to be built next to a property he recently sold only after the purchase contract was signed, then the contract cannot be invalidated based on Section 33 of the Contract Act. |
| Acquaintance with the facts | The addressee must also have been acquainted with the facts of such circumstances. Even if the addressee did not know about these circumstances, the courts have interpreted Section 33 to include incidents in which the addressee should have known about such circumstances. In such cases we say that the party has acted negligently. To be considered as negligent the addressee would have to have known about these circumstances when he or she began to consider entering into the agreement, meaning at the time the contract was signed. See Item 2.2 for more information about this. |
| Comprehensive evaluation | The extent to which the addressee acted improperly or not (re: negligence) will rest on a specific and comprehensive evaluation of the circumstances surrounding the agreement. The decisive factor will be what is deemed most true, likely or probable. |
### 5.4 Section 36 of the Contract Act

**The legal reasoning for section 36**
The provisions of this Section state that a contract may be cancelled or dismissed, in whole or part, if its fulfilment can be considered *unreasonable or contrary to sound business principles*. What is meant by *unreasonable* is decided based on a specific evaluation of the unreasonableness of a contract.

**Sound business principles**
Something can conflict with *sound business principles* yet not be *unreasonable*. But the law states that if something is seen to conflict with *sound business principles* that exist for a certain line of business or a trade then a contract can be cancelled on these grounds, even if it is not considered unreasonable for the trade in question. This assessment will inter alia focus the content in the wording of the contract, the parties' separate positions (whether the parties are equals or if one of the party's is in a weaker position - such as with consumer purchases), conditions at the time the contract was signed, terms that came into force after the contract was signed, and any other circumstances.

**Unreasonable-ness**
The extent to which an agreement can be considered unreasonable or not rests on a specific yet comprehensive assessment of the agreement. The agreement must be evaluated in the context of the contract as a whole. That means if a number of minor unreasonable elements are discovered in the
contract, the agreement may be considered unreasonable and invalid in its entirety.

5.4 Subsequently failed assumptions

**Conditions**

There are times when a contract is only entered into under certain conditions. This may mean the contract is conditional. One example of this would be if a purchaser has decided to buy some property but only if he or she is permitted to operate a certain kind of business on the property. These preconditions are often implied at the time of entering into the agreement but have not been put in writing. This is often a problem because it can be difficult to prove that the conditions or assumptions existed before the contract was signed.

**Initially failed assumptions**

To decide whether such a condition/assumption can invalidate a contract or not, one needs to distinguish between *subsequently failed contractual assumptions* (a breach of implied conditions after entering into agreement) and *initially failed contractual assumptions* (incorrect assumptions before entering into an agreement). Initially failed contractual assumptions is a term that means one of the party's made the wrong assumptions about the agreement *before* the contract was signed. *Subsequently failed contractual assumptions* occur when an assumption was correct at the time the contract was signed, but something happened *at a later time* that eliminated the assumption/condition.

**Conditions**

The assumption had to have been a motivating
Motivation

factor for the pledger. That means that invalidity only applies if one can prove the agreement would not have existed otherwise.

Perceivability

The offering party's assumptions must be perceivable to the counterparty. That means the counterparty must have understood or had the opportunity to understand that the agreement was based on certain assumptions or preconditions.

Compelling

The assumption must be compelling and significant enough to lead to a serious breach of contract. That means the assumption or precondition that formed the grounds for invalidity must be of compelling significance and not trivial.

Relevance

The assumption must also be a relevant aspect of the contract. That means that the assumption that would provoke invalidity must be both reasonable and relevant enough for a party to cancel the contract. For example, if you purchase an apartment in order to sell it at highest market value and then the property market falls, you cannot reasonably expect to have the contract invalidated or cancelled for reasons of subsequently failed contractual assumptions.

5.5 Approving invalid contractual criteria

In some cases, a pledger can approve or accept a contract even though the contract is invalid in some way.

Defects in the contract at the time of formation can be corrected if the pledger expresses a wish to be bound by the terms of the contract even though some aspects of the contract could be invalidated.
because there were mistakes or improprieties at the time the contract was formulated. In most cases this applies to cases of invalidity by coercion or based on Section 33 of the Contract Act. The same applies if a contract is invalid due to some form of falsification.

Not all agreements can be unilaterally approved such as is described above. If the parties wish to enter into a pro forma agreement, both parties must consent to this type of agreement in order for it to be considered legally binding and valid.

5.6 Cases where one is not permitted to approve invalid contractual criteria

Protection of public interest

If the content of a contract conflicts with any laws, regulations, legal provision etc. that mainly aim to protect public interest, then the parties may not alter an invalid contract by simply approving it.

For example:

One example of this may be if the parties entered into an agreement where one of the parties is given an unlimited right to cut down trees in a forest. This kind of agreement would be contrary to Section 12 of the Land Use Easement Act and would therefore not be valid even if both parties wanted to approve the contract.

Protecting the rights of both parties

There are also rules that protect the rights of the parties per se. For example, you are not permitted to enter into an agreement that obligates you to unspecified terms. And you are not permitted to enter into an agreement in which laws or regulations
are excluded beforehand. That means you may enter into an agreement in which a law will not apply, only after the agreement has been entered into for which the rules were meant to protect the party have come into force.

For example: For example, the Consumer Purchases Act contains rights that apply when making consumer purchases. According to the rules of the Contract Act, one cannot waive these rights until after one has entered into a purchase agreement. On the other hand, one may waive certain rights at the moment the purchase has been effectuated. This also applies to agreements deemed invalid according to Section 36 of the Contract Act. In such cases the pledger may approve the agreement after its unreasonableness has been assessed.

6.0 Breach of contract or default

One speaks of breach of contract if the agreement is valid but one of the parties does not fulfil his or her contractual obligations. There are a number of different ways to violate a contractual agreement.

Examples of breach contract

If one agrees to purchase a television that will be of delivered to the purchaser's apartment, a breach of contract may arise if the delivery is delayed in some way. One can speak of violating the terms of a contract if a television has not been delivered at all. Even if the television was finally delivered, the contract may have been violated if the TV arrives but
does not function as expected. In legal terms, this is considered a contractual deficiency.

**Consequences of breach of contract**

A party's rights in this case depend on the type of contract one signed or entered into, and what kind of breach occurred. This is regulated to a great extent by special legislation in Norway, meaning there are specific laws that apply in such cases. Consumer purchases are regulated by the Consumer Purchases Act, purchases for business activities or between two private individuals are regulated by the Sale of Goods Act, purchases of services by builders, repairmen and craftsmen etc. are regulated by the Artisans Services Act. Below we will review only the rights that exist if one is faced with breach of contract. Remember that your right to make a claim after a breach of contract will depend on the branch of jurisprudence that applies to each particular type of transaction. We will stick to the Consumer Purchases Act as our point of departure for illustrating this point.

**Cancelling a contract**

The parties may cancel a contract if the terms of the contract are not complied with. This means that a party is no longer bound by the terms of the contract. The contract becomes null and void if one's claim is upheld, as if it had never been entered into at all. When cancelling the purchase of a car the buyer will return the car to the seller, who in turn must return the purchase amount to the purchaser.

**Corrections and redelivery**

Redelivery means a seller accepts the return of a deficient product but delivers a flawless replacement in its place. Correction means
demanding that a defective product be repaired or replaced.

**Price reduction** If the television was delivered with a minor error, the purchaser may decide to keep the product, despite the error. In this case one has the right to demand a price reduction for the product.

**Economic compensation** One may also make a claim for some form of economic compensation in case of breach of contract, in cases where the party suffers an economic loss because of the breach. This implies that compensation is only paid if the party had no responsibility in the breach. It is also important to remember that the purchaser may not claim any compensation if the purchaser can be blamed in any way for the breach.

8.0 Special agreements

8.1 Power of attorney

**Definition** A power of attorney is a document that gives a person (the authorised person) the authority to act on behalf of another (the authoriser).

**The Power of Attorney form** Power of attorney (or a letter of attorney) may be granted orally or in writing. An oral power of attorney will require two witnesses who may provide proof of the agreement. A written power of attorney is however often most suitable. Below is a template that can be used for this purpose, which
shows how a written letter of attorney should be formulated.

Revocation of power of attorney

The main rule here is that power of attorney can be revoked in the same manner in which it was given. Power of attorney may be made irrevocable for a certain period of time, but it can always be revoked according to the rules laid down in Sections 12-20 of the Contract Act. That means that no power of attorney is irrevocable.

Third-persons

It may also be wise to inform a third party (meaning the person or persons to which the power of attorney applies) with the knowledge that the authorisation has been withdrawn.

Example

Power of attorney

The signatory [name], born [date of birth], hereby authorises [name of authorised person] with the power of attorney to [fill in what you authorise the agent to do].

Place, date Signature

........................................  ........................................

........................................  ........................................
8.2 Promissory notes

Definition

If you borrow money from a private individual, it may be wise for the debtor to sign a promissory note in which the persons in question accept and acknowledge the debt. A template that can be used in such cases is found below. This template is meant to be informative and used as a starting point for creating a promissory note of one's own, and it may be necessary to modify its contents as needed.

The promissory note must be signed with two witnesses present. In addition to this, the person signing the promissory note must acknowledge that the note can be enforced through debt collection, without the need for extensive legal proceedings. The local enforcement authorities exist for this purpose, to collect money from a debtor who does not pay the amount he or she owes. If the promissory note is signed, it will have a period of validity of 10 years, instead of 3 years.
Example of a promissory note

PROMISSORY NOTE

The signatory ..........................................................
Personal identification number / Enterprise
Registration Number..............................................
Address.......................................................................
................................................................................

I hereby declare that I owe:
Name.................................................................
Personal identification number / Enterprise
Registration Number..............................................
Address.......................................................................
................................................................................

the amount of money listed below, in addition to any interest and expenses:
Amount owed, in kroner ........................................
Amount spelled out in block letters .....................
................................................................................

In addition to this, the following interest will be paid ............... % a year on the amount of money that is due but not defaulted

Please note:
If the amount of money that was borrowed is not paid (with interest) when due, any unpaid interest must also be paid pursuant to the Interest on Overdue Payments Act of 17 December 1976 no. 100, Sections 2 and 3.
This debt will be repaid in its entirety, on (the date)__________

Or

This debt will be paid in (number) of monthly instalments of ___________ kroner. The first instalment will be paid on ________________ (date), and after this at monthly instalments, no later than the same day of every month.

Please note:
If the debt or its instalment is not paid at the correct time, the entire debt including interest and expenses will immediately be due for payment and can be collected without legal proceedings, according to the rules laid down in Section 7-2 first paragraph, letter (a) of the Norwegian Enforcement Act.

The same applies if I am subject to enforcement of payment or upon my death, if I apply for debt settlement, apply for bankruptcy that implies economic liability, establish a prenuptial agreement or if I take up permanent residence in a country other than Norway.

Place_______________ , date______________

The debtor's signature

............................................................................................................................

..........................................................
For the debt to be collected without the need for legal proceedings, the signature of the debtor must be confirmed by two witnesses who are of legal age and sound mind and who live in Norway (date of birth and address must be stated) or if a Norwegian judge, notary public (Norwegian or foreign), sheriff, bailiff, state enforcement officer or a person appointed by the state enforcement officer that is certified by the Court of Seizure and Enforcement, a member of a conciliation board, a legal representative, attorney or associate attorney, state-authorised or registered accountant, an authorised property broker, or a state-approved collection agent employed by a debt collection agency.

1. Witness signature

........................................................................................................................................

........................................................................................................................................

Repeated in block letters

Date of birth....................................................................................................................
Address.............................................................................................................................
........................................................................................................................................

2. Witness signature

........................................................................................................................................

........................................................................................................................................

Repeated in block letters

Date of birth....................................................................................................................
Address.............................................................................................................................
........................................................................................................................................
8.3 Mortgage agreements and loan agreements

**Protecting the rights of creditors**

A creditor has the right to secure a loan by designating some form of collateral, in advance of accepting the loan, in some form of wealth or valuable object, which will be collected if the debtor is unable to pay. In this way a creditor is protected through some form of surety.

**Legislation**

A contractual relationship in which a consumer enters into a mortgage or loan agreement with a bank or insurance company is regulated by conditions and special rules laid down in the Financial Agreements Act, in addition to general legal and contractual principles, cf. the Financial Agreements Act, Section 1 first paragraph and Section 2.

**Formal requirements**

This type of contract must be formulated in writing, signed, and the borrower must receive a copy of the agreement. Furthermore, the contract must state the expenses to be paid to the lender.

**Invalidity?**

Violation of these rules will not lead to invalidity alone, but any interpretation will fall in the bank's disfavour, cf. Section 48 third paragraph. The extent to which such agreements are invalid or not will therefore be decided based on the general legal rules for invalidity.
8.4 Prenuptial agreements / Marriage settlements

**What must be agreed in a prenuptial agreement or marriage settlement to be valid?**

Rules have been laid down in the Norwegian Marriage Act that applies to certain types of agreements and how these must be formulated as a prenuptial agreement in order to be valid. This may be determined by the spouse's economic situations or by the transfer of large gifts between them.

Please note that the Norwegian concept of “ektepakt” does not entirely correspond to the concepts of “pre-nuptial agreements” or “marriage settlement”.

**Formal requirements**

A prenuptial agreement must be made in writing. If the prenuptial agreement is to be officially registered, one is required to use the official form for this issued by the Brønnøysund Register. This form is provided free of charge and can be ordered by telephone (75 00 75 00) or downloaded from the Register's web site.

**Signatures**

Both spouses must sign the prenuptial agreement for it to be valid. It is not necessary to sign the document simultaneously if the parties acknowledge their signatures at the prenuptial meeting.

**Witnesses**

Two witnesses must be present simultaneously when the spouses sign the prenuptial agreement or when they acknowledge their signatures. Both witnesses must sign the prenuptial agreement for this to be valid. The witnesses must be of legal age and sound mind. Both spouses must approve the witnesses and the witnesses must understand that
they are witnessing the signing of a prenuptial agreement. They do not however need to know the specifics of the agreement.

*Invalidity*

The prenuptial agreement will be invalid if the formal rules as stated above are not followed. That means that a prenuptial agreement is not valid simply based on its content.

**8.5 Cohabitant contract**

*What must a cohabitant contract include?*

It would be wise for cohabitant partners to sign a cohabitant agreement to clarify ownership and debt issues between them to avoid conflicts that could arise at a later time.

JURK uses a standard cohabitant agreement, which includes guidelines for how this should be filled in. If you feel a cohabitant agreement might be suitable for your needs, feel free to contact JURK for more information.

**8.6 Employment contracts**

*When does an employee have the right to an employment contract?*

According to Section 14-5 of the Working Environment Act, a written employment contract should be created and signed for any kind of employment. Employment with a duration of more than one month should be based on a written contract that is signed as soon as possible and no later than one month after work has started. If you
will be employed for less than one month, this contract should be signed immediately.

**Minimum legal requirements**  
Section 14-6 of the Working Environment Act provides the basic details for how an employment contract should be formulated. It is the employer's responsibility to formulate a rough draft of an employment contract, which must satisfy the minimum requirements for employment as established by law.

**The parties**  
The identity of the parties must be included and clearly state who the parties are in the employment contract — employer and employee.

**Place of work**  
The location for employment must also be stated. If the job does not have a permanent location or a main office in the area, the contract should provide information stating that the employee works at different locations and should state the business address, addresses or the employer's main office.

**Work tasks**  
The employment contract must also contain a description of the work to be done, or state the employee's job title, position or work category.

**When does the employment contract take effect?**  
The date and time for beginning employment must also be stated. Similarly, any probationary periods must also be stated.

**Collective agreements**  
Furthermore, the employment contract should contain information about any collective agreements that regulate the work, and if the pay agreement
includes a contract with any third-parties or other companies, and should include any necessary information about the third party or company.

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<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vacation and holiday pay</strong></td>
<td>The employment contract must also state the employee's rights in relation to vacation and holiday pay, as well as the rules for establishing vacation times and any deadline for the dismissal notice that applies for the employee/employer relationship, and the normal or weekly working hours.</td>
</tr>
<tr>
<td><strong>Wages and salary</strong></td>
<td>Wages or salary must also be explained in the employment contract, which also states the terms for additional pay and other remunerations. Information about pension rights, per diem expenses, travel and overnighting compensation must be included, as well as stating the time schedule for payment of wages or salaries that complies with national laws, regulations or pay agreements for this.</td>
</tr>
<tr>
<td><strong>Invariables and absolutes</strong></td>
<td>The conditions laid down in the Norwegian Working Environment Act are absolute laws for employment conditions. This implies that if an employment contract describes conditions that are poorer than those prescribed by the law, the employment contract will not be valid and the rule of law will apply in determining the conditions for employment.</td>
</tr>
</tbody>
</table>

Alterations to the contract
If any modifications are made to the employment contract, these modifications must be stated in writing in a new employment contract as soon as
possible and no later than one month after the modifications have come into force.

**Indelible rules**

The right to a written employment contract is an indelible rule of law; that means that if a written employment contract does not exist, any agreement on employment will still be considered a legal contract based on existing employment legislation. In principle, all oral agreements are equally binding as written contracts.

8.7 Decisions from the Norwegian Labour and Welfare Service (NAV)

**Passivity is binding**

If the employee receives an allotment letter from the Norwegian Labour and Welfare Service (NAV) and the employee does not act or respond to the orders in this letter, then this form of passivity toward NAV’s decision will be considered an acceptance of the conditions of the allotment letter. See Item 2.2 for the rules for offer and acceptance.

It is therefore very important that you inform the Norwegian Labour and Welfare Service as soon as possible if you wish to contest the decision. You should be able to document the fact that you have been in contact with NAV in this regard. This can be done for example by contacting NAV in writing.

**Deadlines**

Make certain you are also aware of and comply with any deadlines to appeal a decision from NAV. The deadline for this will be clearly stated in the
information you receive in the letter sent to you by NAV.

## 9.0 Glossary

**Addressee**
This is the person that an offer is directed at. If Monika offers to buy Linn's car, then Linn is the addressee of the offer.

**Pledge**
An offer is a statement that implies an oral or written pledge. The counterparty does not necessarily need to accept an offer for the offer to be binding on the part of the pledger. A pledge is as a starting point binding on the part of the offering party. We often say that such a pledge is the only legal foundation for an agreement, meaning the contract offered.

**Wording**
The natural language interpreted from the content of the contract.

**Party statement**
The statement(s) made by one of the party's to a contract prior to entering into contract. For example, this can be correspondence between the two parties who wish to enter into an agreement before a contract is signed.

**Pro forma agreement**
This is a non-committal contract, depending on its content. This type of contract has a formal but non-binding content. If a woman wants to make certain her automobile is not repossessed by a creditor and she agrees with her spouse to name him as the new owner of the vehicle, one may be referring in this
case to a pro forma-agreement if the woman is still the real owner of the car. If for example she pays the expenses for the car and uses the car as she did in the past, this would be a good argument that she is still the real owner of the car.
10.0 Sources

10.1 Literature

Gisle, Jon; Jusleksikon (a legal encyclopaedia), third edition, Oslo 2007

Hov, Jo; Avtaleslutning og ugyldighet, Kontraktsrett I (Entering into Agreements and Invalidity, Contract Law), third edition, Oslo 2002

Lødrup, Peter/Sverdrup, Tone; Familieretten (Family Law), fifth edition, Bergen 2004

Woxholth, Geir; Avtalerett (Contract Law), sixth edition, Oslo 2006 www.rettsdata.no

10.2 Appurtenant laws for this brochure, and their abbreviations

King Christian V's Norwegian Law of 15th April 1687 – Kong Christian Vs Norske Lov

The Norwegian Contract Act
The Act concerning Participation in Contracts, Powers of Attorney and Invalidity Declarations of 31 May 1918 — Avtaleloven

The Norwegian Statute of Limitations
The Act concerning the Limitation Period for Claims of 18 May 1979 no. 18 – Foreldelsesloven

The Norwegian Marriage Act
Act concerning Marriage of 4 July 1991 no. 47 – Ekteskapsloven

The Norwegian Enforcement Act
The Act concerning Legal Enforcement of 26 June 1992 no. 88 – Tvangsloven

The Norwegian Financial Agreements Act

The Norwegian Consumer Purchases Act
The Act concerning Consumer Purchases of 21 June 2002 no. 34 – Forbrukerkjøpsloven

The Norwegian Working Environment Act
The Act concerning the Working Environment, Work Hours and Positions etc of 17 June 2005 no. 62 – Arbeidsmiljøloven