Translation from Norwegian


Chapter 2. General Rules

§ 2-1 Range of Application of this Chapter

The provisions of §§ 2-2, 2-3, 2-4 and 2-9 are applicable in connection with attachment of assets by creditors whether by distraint or by debt negotiation, bankruptcy or public division of an insolvent estate at death.

The provisions of §§ 2-5 to 2-8 are applicable in distraints.

The provisions of § 2-10 are applicable in forced sale whether following creditors' attachment or on realization of other security rights.

The provisions of §§ 2-11 to 2-14 apply in bankruptcy.

If the debtor has died, the right of exception may be exercised by his or her spouse and children whom the debtor supported.

§ 2-2 Main Rule Concerning the Attachment

Except as otherwise provided by statute or other valid provision, the creditors have the right to seek satisfaction in any property which belongs to the debtor at the time of attachment, and which can be sold, leased or otherwise converted into money.

§ 2-3 Freedom from Attachment of Personal Belongings

The creditors may not seek satisfaction in the following belongings:

a) clothes and other objects for the personal use of the debtor or his household and furniture, equipment and similar movables which the debtor needs in his home, provided the value of the objects is low enough to make it reasonable under the circumstances to except them;

b) utensils, means of transportation and similar equipment which the debtor or any member of his household requires in the conduct of his profession or for his education, limited to a combined value equivalent to two thirds of the national insurance basic amount (rounded off to the nearest hundred kroner). Goods and materials intended for sale or processing are not comprised under these rules;

c) objects which have a particular personal value for the debtor or any member of his household, provided the value is low enough to make it obviously unreasonable to put the objects up for forced sale.

If the debtor or any member of his household suffers from any sickness or disability, this shall be taken into reasonable consideration. In special cases of that kind, objects as
mentioned in b) above may be excepted even if the combined value thereof exceeds two thirds of the national insurance basic amount (rounded off to the nearest hundred kroner).

Nor may the creditors seek satisfaction in any compensation or indemnity for belongings which come under the rules of the two preceding paragraphs and which will be replaced.

When the freedom from attachment of an object depends on the other belongings of the debtor, the belongings of his spouse or children whom the debtor or spouse supports shall also be taken into account, if they can be used by the debtor or members of his household.

If freedom from attachment cannot be invoked for an object under the first paragraph a) or b) above on account of the value of the object, the debtor shall out of the proceeds of the object be paid such amount as is considered reasonable to enable the debtor to procure another object which is needed for the same purpose. It may on request be decided that the debtor, before the object is removed from his possession or within a specified period, shall be allowed to use another object for the same purpose or be prepaid an amount as mentioned in the preceding sentence.

§ 2-4 Freedom from Attachment of Stipends, Public Contributions and the like

The creditors may not seek satisfaction in

a) any stipend or similar contribution for the promotion of cultural, scientific or humanitarian purposes,

b) any contribution which a public agency or charitable institution has granted the debtor for the promotion of a specific purpose.

These rules do not apply to contributions that are in the nature of personal wages.

When the purpose of the contribution has been achieved, the creditors may seek satisfaction notwithstanding the rules of this section, provided however that § 2-5 first and third paragraphs below apply similarly to distrainments.

§ 2-5 Freedom from Distraint on Wage Claims and the like

A distraint may not be levied on the debtor's claim for wages that have not been paid, nor in immediate connection with the payment.

The same rule applies to:

a) other compensation for personal work, including similar remuneration for the use of the debtor's copyright, inventions etc.;

b) pensions or the like which an employer pays or has secured for his employees or their next of kin with or without deduction from their wages;
c) other pensions, allowances, life annuities or the like; if
the right has been acquired against payment from the debtor,
this rule does not apply when the right was acquired after
the claim was incurred for which the distraint is sought;
d) allowance for the support of a spouse, children or a child's
mother;
e) pension or other benefit under the social security laws or
the like;
f) compensation or redress for injury to body or health or for
loss of supporter;
g) funds resulting from a public collection for the benefit of
the debtor;
h) presentations which consist of money.

Notwithstanding the provisions of this section, a distraint may
be levied on a claim when at least one month has elapsed since
it came due and it has been possible to collect payment.

§ 2-6 Freedom from Distraint on Money etc.

A distraint may not be levied on the debtor's money, bank
deposits or other claims or stocks of goods, to the extent that
they are necessary for the support of the debtor and his
household until the next payment of wages or other income falls
due, limited upwards to two months unless special considerations
indicate otherwise. Due account shall be taken of any obligation
of the debtor to support other persons.

§ 2-7 Distraint on Payroll Withholdings and the like in Special
Cases

If the debtor is found to be doing less than he can to pay the
debt, or improperly benefits another creditor, a distraint may
notwithstanding the provisions of § 2-5 above be levied on his
claim for wages or other benefits as mentioned there to the
extent that the benefit exceeds the amount which is reasonably
needed for the support of the debtor and his household. For this
purpose, due account shall be taken of the remainder of the
benefit after any deduction has been made for taxes, support
contributions and other claims which under special laws may be
collected by payroll deduction.

Distraints under the preceding paragraph may be levied on claims
for wages and other benefits that have not been earned, but
shall be restricted by the bailiff to benefits which fall due
within a certain time, maximum two years, from the date of the
distraint. If before the expiry of the stipulated period any
major change occurs in the debtor's financial circumstances, the
bailiff may adjust the distraint at the request of the debtor or
the creditor. If the debtor is declared bankrupt, the bankruptcy
court will make the decision which is mentioned in the preceding
sentence.

The distraint creates an obligation for the employer or other
debtor of the distrained benefit to effect deductions in
accordance with the distraint and transfer the deducted amount
to the applicant except as otherwise provided. Failure to do so
gives rise to liability to the applicant under the rules of § 49
(1) of the Tax Payment and Collection Act of 21 November 1952.
If the debtor is declared bankrupt, the distrait becomes inoperative if a decision is made to levy an attachment pursuant to § 2-11 below. This applies however only to the part of the benefit which is earned after the decision is made.

The King may issue further rules regarding distrains under this section.

§ 2-8 Extended Opportunity to Levy Distraits in Special Cases

The rules of §§ 2-3 to 2-7 may be set aside to the extent considered reasonable, when a distrait is sought for:

a) a claim for compensation or redress for injury or damage which the debtor has caused by intention or gross negligence, or a claim for recovery on grounds of such injury or damage;

b) a claim based on a statutory obligation to support other persons;

c) a claim for taxes and public charges and liability for such claims or corresponding deductions.

To secure claims for the purchase price of an object or claims that are secured by lien on or a right to retain the object, a distrait may be levied on the object notwithstanding the provisions of § 2-3 above.

A distrait on a contribution as mentioned in § 2-4 above may be levied to secure debt that has been incurred for the promotion of the purpose for which the contribution was granted.

A distrait under the rules of this section may be levied whether or not debt negotiations or bankruptcy proceedings have been opened against the debtor.

§ 2-9 Waiver of the Freedom from Attachment

The rights conferred on the debtor by §§ 2-3 to 2-7 above may be waived by the debtor before the distrait commences or bankruptcy proceedings are opened. If the debtor waives these rights after such time, the bailiff or bankruptcy court shall ensure that such waiver does not conflict with the rightful interests of the spouse or the children or public interests.

§ 2-10 Forced Sale which Threatens the Debtor's Dwelling Rights

If a forced sale of the debtor's real property or lease (including share, participation, mortgage or other document of access with pertaining right of lease) would cause the debtor to lose his right to have a necessary dwelling for himself and his family, the court of seizure or bankruptcy court may at the debtor's request decide by decree that the forced sale can be executed only if the debtor is provided with another dwelling which in terms of location, size, price and other factors satisfies reasonable requirements. In connection with a forced auction, such request can at the latest be presented in the auction meeting or by an earlier date stipulated by the court or the bailiff.
A decision as mentioned in the preceding paragraph may not be
made if the debtor has failed to do what he can to procure
another dwelling, or if the forced sale is executed for the
collection of rent or other compensation which the debtor is to
pay for his right to use the dwelling.

Nor may a decision as aforesaid be made in connection with a
forced sale to collect interest or ordinary matured repayments
of loan secured by mortgage on the property, the lease or
documents of access. If collection is sought of more than the
ordinary matured amount, the same rule applies if the
extraordinary amount has come due because the terms of the
mortgage have been defaulted by major neglect of the property,
its maintenance or adequate fire insurance thereof.

The debtor may not waive in advance his right to invoke the
provisions of this section.

§ 2-11 The Debtor's Wage Earnings etc. during Bankruptcy

Income of the kind mentioned in § 2-5 above accruing to the
debtor during his bankruptcy may be included in the estate to
the extent it exceeds the amount needed for the support of the
debtor and his household with due regard to the debtor's
probable future earnings. The right of attachment may be limited
if reasonable in view of the nature of the work, the
circumstances under which the work has been performed, or the
duration of the bankruptcy proceedings.

Any decision regarding attachment under this section will be
made by the bankruptcy court by decree.

§ 2-12 Inheritance and Gift Accruing to the Debtor During
Bankruptcy etc.

An inheritance or gift accruing to the debtor in the course of
the bankruptcy proceedings will be included in the estate except
as otherwise decided by the bankruptcy court or provided by
other valid rule.

During the period of the bankruptcy proceedings the debtor may
refuse to receive gifts, but may not refuse to take inheritance
that has fallen due.

If the community property of the debtor and his spouse is
dissolved, the debtor may waive the share of the other spouse's
controlling part also for the duration of the bankruptcy
proceedings.

§ 2-13 Other Acquisitions of the Debtor During Bankruptcy

Any other property acquired by the debtor in the course of the
bankruptcy proceedings will be included in the estate except as
otherwise decided by the bankruptcy court.
§ 2-14 Decision to Waive the Rights of the Estate under §§ 2-11 to 2-13

When in the course of the proceedings satisfactory information has been obtained about the position of the estate, and the creditors have been invited to express their opinion, the bankruptcy court may resolve by decree that any acquisitions of the debtor during the remainder of the proceedings shall not be included in the estate. The resolution may be limited to apply only to certain specific acquisitions.

True translation certified

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Government Authorized Translator
Creditors Recovery Act (Norway)

§ 5-9 Voiding when the other party has not acted in good faith

Transactions which improperly give preference to one creditor at the expense of the others, or prevent the debtor’s assets from being used to pay off the creditors, or increase the debtor’s liabilities in a manner detrimental to the creditors, may be voided if the debtor’s financial situation was weak or was seriously weakened by the transaction, and the other party to the transaction knew or should have known of the debtor’s financial difficulties and the circumstances that made the transaction improper.

Transactions executed more than ten years prior to the time-limit (before an act of bankruptcy) cannot be voided.

True translation certified

Government Authorized Translator
ACT OF 8. JUNE 1984 NO. 59 RELATION TO CREDITORS RIGHT TO SATISFACTION OF CLAIMS (SATISFACTION OF CLAIMS ACT)

Chapter 9
THE PRIORITY OF CLAIMS

§ 9-1

Scope of the Chapter

The rules of this chapter apply to bankruptcy proceedings and to public administration of an insolvent estate.

§ 9-2

Preferential claims and claims of equal priority

The following claims shall take precedence over all other claims:

1) in bankruptcies, reasonable costs in connection with the debtor’s funeral if death occurred before bankruptcy proceedings were initiated;

2) costs in connection with the administration of the estate, including reasonable costs incurred by a claimant in connection with a petition to restrict the debtor's right of disposal of his estate prior to bankruptcy if the petition is acted upon, and reasonable costs in connection with a petition to open bankruptcy proceedings when the petition is not decided upon or withdrawn prior to opening of bankruptcy proceeding;

3) other commitments incurred on the debtor's estate during the administration of the estate;

4) the costs of an immediately preceding debt negotiation or of public administration of the deceased debtor's estate;
5) other claims brought against the debtor's estate with the special consent of the administrators during an immediately preceding debt negotiation or with the consent of the Probate Court during public administration of a decedent estate;

6) claims as referred to in § 9-4 which are brought against the debtor's estate during an immediately preceding debt negotiation or during public administration of the estate, and claims which have arisen at such time in connection with consumer purchases or other agreements with consumers during the continued operation of the debtor's business.

When an estate in bankruptcy is entirely insolvent only claims referred to in the first paragraph, subsections 1-3, are preferential claims.

§ 9-3

Preferential claims of the first degree

After claims referred to in § 9-2, the following claims shall be met:

1) Claims for wages or other remuneration for work in the debtor's service, except:
   a) remuneration in a position of trust if the debtor is an organization or a foundation,
   b) remuneration paid to a worker who exercised or could exercise considerable influence on the debtor's business by virtue of his position as manager of the business or by virtue of his or his close associates' owner-share in the business. The maturity of the claim must not antedate the deadline for presentation of claims by more than six months. Priority is limited to six months' wages. For claims relating to remuneration other than fixed wages priority is limited to six times the average monthly sum earned by the worker during the twelve months preceding the deadline for
presentation of claims or in such part of that period as he was in the debtor's employment. Nonetheless, the rules in the second and third sentences do not apply to any carued final settlement for piecework.

Priority for claims accumulated after the deadline for claims only applies to amounts in excess of other income which the creditor has carued in the same period, to the extent that this replaces income in the debtor's service.

2) Claims for accumulated holiday pay for up to 30 months which is owed to workers not covered by subsection 1a and b. Such claims must not have been accumulated farther back than 24 months prior to the deadline for presentation of claims. Holiday pay accrued from pay or other remuneration for work after the deadline for presentation of claims is covered only to the extent that the claim has priority pursuant to subsection 1, second and third paragraphs. Claims referred to the Holiday Fund pursuant to act no. 3 of 14, November 1947 concerning annual holiday, section 8, fourth paragraph, do not have priority.

3) Claims against employers for pension and for compensation for lost pay for work. The rules in subsection 1 similarly apply, nonetheless such that the total period for which claims may be met pursuant to subsections 1 and 3 is limited to six months.

4) Claims for maintenance for spouse or children which relate to the last six months prior to the deadline for claims.

5) Claims pursuant to the acts concerning responsibility for compulsory maintenance deductions for the benefit of a spouse or children when the due date for payment of the stipulated amount does not antedate the deadline for claims by more than six months.
6) Interest up to the deadline for claims and enforcement costs related to claims which have priority pursuant to subsections 1 to 5.

Claims as referred to in the first paragraph have priority even if the date of maturity antedates the deadline for claims by more than six months, providing the claimant has sought enforcement of the claim without undue delay but has not managed to obtain a writ of fieri facias which must be respected by the estate.

Claims which have priority pursuant to this section have equal priority.