

A large, stylized number '9' is the central focus, composed of three overlapping shapes: a green one on the left, a dark blue one in the middle, and a light blue one on the right that tapers into an arrow pointing right. The background is a dark blue gradient with several smaller, dark blue arrow shapes pointing right.

9 ANNUAL REPORT



---

**EFTA SURVEILLANCE AUTHORITY**

---

---

A large graphic of the year '1999' is centered on the page. The digits are rendered in a 3D, blocky style. The '1' is light green, the first '9' is a darker green, the second '9' is dark blue, and the final '9' is light blue. To the right of the '999' part of the year, the words 'ANNUAL REPORT' are written in a white, sans-serif font. The entire graphic is set against a background of overlapping, semi-transparent triangles in shades of green and blue, creating a sense of depth and movement.


1999 ANNUAL REPORT



---

**EFTA SURVEILLANCE AUTHORITY**

---



EFTA Surveillance Authority  
Rue de Trèves 74  
1040 Brussels

© of Design by Tuuli Sauren,  
INSPIRIT® International Advertising, Belgium - Denmark

Printed by Edition & Imprimerie S.A., Brussels



## FOREWORD



*The aspiration that the new Millennium would herald the completion of the European Economic Area (EEA) as a fully fledged extension of the EU Internal market, has not been completely fulfilled. There has been some progress, but like in the European Community, implementation deficits are still somewhat too high to allow for unqualified declarations of success. Yet, the objective remains within reach.*

*The prospects for rapid improvements of the implementation ratios of EFTA States are good, inasmuch as this report reveals the main reason for the faltering progress. While the streamlining of the decision-making process of the EEA Joint Committee has led to a noticeable reduction of the backlog of legislation awaiting incorporation in the EEA Agreement, the need for timely implementation at national level seems often to have escaped attention.*

*The situation calls for continuing efforts by the Authority in line with the objectives of the Strategy for the Internal Market, which has replaced the rather successful 1997 Action Plan. Notably, the Authority will, in close co-operation with the European Commission, continue the Scoreboard exercise which has proved a very valuable instrument in stimulating efforts to improve the implementation of the EEA legislation.*

*The new Strategy also implies a very important and well-timed shift of focus from the establishment of the legal framework for market integration to increasing the ability of the market to deliver tangible results to individuals and business operators, by enhancing the business environment and the quality of life of citizens, alongside with the efficiency of the product and capital markets.*

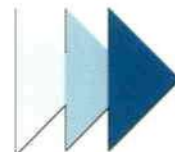
*For the work of the Authority this requires more focus on problems emanating from the application of the agreement, which is of course also a corollary to the degree of maturity that the EEA has achieved. However, for the EEA to be able to establish an even playing field for all Contracting Parties and their individuals and business operators, the two-pillar system for monitoring the correct implementation and application of the Agreement must be respected and brought to function well also in matters dealing with the day-to-day operation of the mechanisms of the Agreement.*

*At this juncture, this constitutes the major challenge for the Authority. It has managed to keep abreast of its manifold tasks in respect of implementation control. The results in the fields of competition and state aid and with regard to the control of public enterprises are beginning to show. The Authority feels therefore encouraged to take up the tasks ahead so as to bring further contributions to a dynamic and homogeneous EEA.*

Brussels, February 2000

A handwritten signature in dark ink, appearing to read 'K. Almestad', written in a cursive style.

Knut Almestad  
President





# CONTENTS

|  |           |
|--|-----------|
| <b>1. SUMMARY</b>  | <b>1</b>  |
| <b>2. INTRODUCTION</b>   | <b>7</b>  |
| <b>3. THE EEA AGREEMENT</b>  | <b>9</b>  |
| 3.1 THE EUROPEAN ECONOMIC AREA   | 10        |
| 3.2 THE EFTA SURVEILLANCE AUTHORITY  | 11        |
| 3.2.1 Tasks and competences  | 11        |
| 3.2.2 Information Policy   | 12        |
| 3.2.3 Organisation   | 14        |
| 3.2.3.1 College  | 14        |
| 3.2.3.2 Staff and recruitment  | 14        |
| 3.2.3.3 Medium Term Plan of the Authority  | 15        |
| <b>4. FREE MOVEMENT OF GOODS, PERSONS, SERVICES AND CAPITAL</b>  | <b>17</b> |
| 4.1 IMPLEMENTATION CONTROL   | 18        |
| 4.2 INFORMATION RELATIVE TO IMPLEMENTATION   | 18        |
| 4.3 IMPLEMENTATION STATUS OF DIRECTIVES  | 18        |
| 4.3.1 All Directives   | 18        |
| 4.3.2 Directives included in the EEA Agreement in 1999   | 20        |
| 4.4 CASE HANDLING  | 21        |
| 4.5 INFRINGEMENT CASES   | 24        |
| 4.6 CLOSURES AND PRESENT WORKLOAD  | 25        |
| 4.7 FREE MOVEMENT OF GOODS   | 27        |
| 4.7.1 Basic Provisions   | 27        |
| 4.7.1.1 <i>Customs duties and charges having equivalent effect, and discriminatory taxation</i>                      | 27        |
| 4.7.1.2 <i>Quantitative restrictions and measures having equivalent effect and other technical barriers to trade</i> | 28        |
| 4.7.2 Secondary legislation with regard to technical regulations, standards, testing and certification               | 30        |
| 4.7.3 Operation of certain procedures  | 33        |
| 4.7.3.1 <i>Information procedure on draft technical regulations</i>  | 33        |
| 4.7.3.2 <i>National measures derogating from the principle of free movement of goods</i>                             | 34        |
| 4.7.3.3 <i>Notification procedures on chemicals</i>  | 34        |
| 4.7.3.4 <i>Foodstuffs</i>  | 35        |
| 4.7.3.5 <i>Product Safety</i>  | 35        |
| 4.7.3.6 <i>Safeguard measures with regard to unsafe products in accordance with specific Directives</i>              | 36        |
| 4.7.3.7 <i>Notification of conformity assessment bodies</i>  | 36        |
| 4.7.4 Other rules in fields related to the free movement of goods  | 36        |
| 4.7.4.1 <i>Product Liability</i>   | 36        |
| 4.7.4.2 <i>Energy</i>  | 36        |
| 4.7.4.3 <i>Intellectual Property</i>   | 37        |
| 4.7.5 Veterinary and phytosanitary matters   | 37        |
| 4.7.5.1 <i>Legislation</i>   | 37        |
| 4.7.5.2 <i>National transposition</i>  | 37        |
| 4.7.5.3 <i>Application of the Agreement</i>  | 37        |
| 4.8 PUBLIC PROCUREMENT   | 38        |
| 4.8.1 General overview   | 38        |
| 4.8.2 National implementing measures and conformity assessment   | 39        |
| 4.8.3 Application of the rules on public procurement   | 39        |
| 4.8.4 Management Tasks   | 40        |
| 4.9 FREE MOVEMENT OF PERSONS   | 41        |
| 4.9.1 Free movement of workers   | 41        |
| 4.9.1.1 <i>Implementation control</i>  | 41        |
| 4.9.1.2 <i>Complaints</i>  | 41        |
| 4.9.2 Mutual recognition of professional qualifications  | 42        |
| 4.9.2.1 <i>Implementation control</i>  | 43        |
| 4.9.2.2 <i>Complaints</i>  | 43        |
| 4.9.2.3 <i>Management Tasks</i>  | 44        |
| 4.9.3 Right of establishment   | 44        |
| 4.9.3.1 <i>Implementation control</i>  | 44        |
| 4.9.3.2 <i>Complaints</i>  | 44        |
| 4.9.4 Social security  | 46        |
| 4.10 FREEDOM TO PROVIDE SERVICES   | 47        |
| 4.10.1 Financial services  | 47        |
| 4.10.1.1 <i>Banking</i>  | 47        |
| 4.10.1.2 <i>Insurance</i>  | 48        |
| 4.10.1.3 <i>Stock exchange and securities</i>  | 50        |
| 4.10.2 Audio-visual services   | 50        |

|                  |   |            |
|------------------|---|------------|
| 4.10.3           | Post- and Telecommunication services                          | 50         |
| 4.10.3.1         | <i>Postal Services</i>  | 50         |
| 4.10.3.2         | <i>Telecommunications services</i>                            | 50         |
| 4.10.4           | Transport   | 52         |
| 4.10.4.1         | <i>Road, inland and railway transport</i>                     | 52         |
| 4.10.4.2         | <i>Inland waterway transport</i>                              | 52         |
| 4.10.4.3         | <i>Maritime transport</i>                                     | 52         |
| 4.10.4.4         | <i>Civil aviation</i>   | 53         |
| 4.10.4.5         | <i>Other transport acquis</i>                                 | 54         |
| 4.10.5           | Non-harmonised service sectors                                | 54         |
| 4.11             | <b>FREE MOVEMENT OF CAPITAL</b>                               | 55         |
| 4.12             | <b>HORIZONTAL AREAS RELEVANT TO THE FOUR FREEDOMS</b>         | 56         |
| 4.12.1           | Health and safety at work                                     | 56         |
| 4.12.2           | Labour law  | 57         |
| 4.12.3           | Equal treatment for men and women                             | 58         |
| 4.12.4           | Consumer protection   | 58         |
| 4.12.5           | Environment   | 59         |
| 4.12.5.1         | <i>General provisions</i>                                     | 59         |
| 4.12.5.2         | <i>Air and Water</i>  | 59         |
| 4.12.5.3         | <i>Chemicals, industrial risk and biotechnology</i>           | 59         |
| 4.12.5.4         | <i>Waste</i>  | 60         |
| 4.12.5.5         | <i>Complaints</i>   | 60         |
| 4.12.6           | Company law   | 60         |
| 4.12.6.1         | <i>Basic Company law</i>                                      | 61         |
| 4.12.6.2         | <i>Complaints</i>   | 61         |
| 4.12.6.3         | <i>Accounting and auditing</i>                                | 61         |
| <b>5.</b>        | <b>COMPETITION AND STATE AID</b>                              | <b>63</b>  |
| 5.1              | <b>COMPETITION</b>  | 64         |
| 5.1.1            | Introduction  | 64         |
| 5.1.2            | New acts  | 65         |
| 5.1.2.1          | <i>Legislation</i>  | 65         |
| 5.1.2.2          | <i>Non-binding acts</i>                                       | 66         |
| 5.1.3            | Cases   | 66         |
| 5.1.3.1          | <i>Overview</i>   | 66         |
| 5.1.3.2          | <i>Telecommunications</i>                                     | 67         |
| 5.1.3.3          | <i>Pharmaceuticals</i>  | 67         |
| 5.1.3.4          | <i>Insurance cases</i>  | 68         |
| 5.1.3.5          | <i>Energy</i>   | 69         |
| 5.1.3.6          | <i>Other cases</i>  | 69         |
| 5.1.4            | Co-operation with the European Commission                     | 70         |
| 5.1.4.1          | <i>Co-operation in the handling of individual cases</i>       | 70         |
| 5.1.4.2          | <i>Co-operation in the handling of other Commission cases</i> | 72         |
| 5.1.4.3          | <i>Consultations on general policy issues</i>                 | 72         |
| 5.1.5            | Implementation control  | 72         |
| 5.1.6            | Liaison with national authorities                             | 73         |
| 5.2              | <b>STATE AID</b>  | 74         |
| 5.2.1            | Main rules of the EEA Agreement                               | 74         |
| 5.2.2            | Development of State aid rules                                | 74         |
| 5.2.2.1          | <i>Legislation</i>  | 74         |
| 5.2.2.2          | <i>The Authority's State Aid Guidelines</i>                   | 75         |
| 5.2.3            | Cases   | 76         |
| 5.2.3.1          | <i>Statistics on cases</i>                                    | 76         |
| 5.2.3.2          | <i>Sectoral aid</i>   | 76         |
| 5.2.3.3          | <i>Regional aid</i>   | 78         |
| 5.2.3.4          | <i>Horizontal aid</i>   | 79         |
| 5.2.3.5          | <i>Public enterprises and public authorities' holdings</i>    | 80         |
| 5.2.4            | Co-operation with the European Commission                     | 82         |
| 5.2.5            | Other tasks   | 82         |
| 5.2.5.1          | <i>Annual reporting on existing aid schemes</i>               | 82         |
| 5.2.5.2          | <i>State aid survey</i>                                       | 82         |
| <b>ANNEX I</b>   |   | <b>83</b>  |
| <b>ANNEX II</b>  |   | <b>84</b>  |
| <b>ANNEX III</b> |   | <b>85</b>  |
| <b>ANNEX IV</b>  |   | <b>86</b>  |
| <b>ANNEX V</b>   |   | <b>133</b> |
| <b>ANNEX VI</b>  |   | <b>137</b> |
| <b>ANNEX VII</b> |   | <b>140</b> |









1

SUMMARY



1

The task of the EFTA Surveillance Authority is to ensure, together with the European Commission, the fulfilment of the obligations set out in the Agreement on the European Economic Area (EEA Agreement). The Agreement contains both basic provisions and secondary Community legislation (EEA acts). New EEA acts are included in the Agreement through decisions of the EEA Joint Committee. By the end of 1999, there was a total of 2777 binding acts (directives, regulations and decisions) applicable under the Agreement. The number of directives with a *compliance date* - the date by which the EFTA States<sup>(1)</sup> have to comply with the directive unless a transitional period has been granted or no implementing measures are necessary - on or before 31 December 1999, was 1346.

In respect of *general surveillance*, the Authority continued in 1999 to apply an implementation policy according to which formal infringement proceedings are initiated automatically (by sending a letter of formal notice) against the EFTA State concerned if the Authority has received no acceptable notification on national implementing measures within *two* months from the date when the Directive in question should have been transposed. As regards directives which have been only partially implemented, the need to initiate formal proceedings is being considered at regular intervals.

In its statistics on the *transposition rate* of directives the Authority makes a distinction between directives which have been notified as *fully* implemented and those where only *partial* implementation has taken place.

When account is only taken of directives where *full* implementation had been notified, the rate of transposition by the end of 1999 was as follows: *Iceland* 95.9%, *Liechtenstein* 95.8% and *Norway* 95.0%. Comparing these with the corresponding figures for 1998, an improvement took place for Iceland and Liechtenstein. It should be noted, however, that the fact that a directive has been notified as fully implemented does not say anything about the actual *quality* of the national measures notified as implementing it. For a quality evaluation, the conformity of the

measures with the provisions of a directive has to be assessed. By the end of 1999, the Authority's services had concluded that full implementation had actually taken place with respect to 36% of the directives being applicable under the EEA Agreement.

When directives regarding which *partial* implementation has taken place are *added* to those notified as fully implemented, the percentages are the following: *Iceland* 97.2%, *Liechtenstein* 98.1% and *Norway* 97.6%. The comparison of *these* figures with those of 1998 reveals that there was no further progress in 1999.

When the areas of free movement of *goods, persons, services and capital movements, horizontal areas and public procurement* are taken together, during the years 1994-1999, the Authority registered altogether 821 cases, of which 587 were own-initiative cases and 234 complaints. In addition, 21 management tasks were initiated in 1999. By the end of the reporting year, the Authority had closed in total 412 own-initiative cases and 105 complaint cases. This left the total number of open cases in the field of general surveillance, excluding management tasks, at 304.

In the area of free movement of *goods*, seven new complaints were received during the year and the Authority opened 21 own-initiative cases mainly concerning the implementation of acts. Furthermore, a number of preliminary examinations and cases related to management tasks were initiated during the year. The implementation situation in the sector of *dangerous substances* has improved and is now satisfactory with regard to *Iceland*. The same applies in the field of *medicinal products* for *Liechtenstein* and it has improved with regard to *Norway*. A new revised Annex I, covering *veterinary legislation*, came into force in the beginning of the year. The *conformity assessment* concentrated on the legislation which calls for inspections and the *application* control of the legislation concentrated on inspections of Border Inspection Posts and their Inspection Centres in *Iceland* and *Norway*. Continuous control of the correct application of the EEA rules was carried out by the Authority with regard to a number of cases under the *information*

<sup>(1)</sup> In this report, the term EFTA States is used to refer to the three EFTA States presently participating in the EEA - that is Iceland, Liechtenstein and Norway.



*procedures*, which are further explained under chapter 4.7.3.

With regard to *public procurement*, the application of the EEA rules by national authorities and utilities continued to call for particular attention of the Authority. The Authority received *eight* complaints and considered it necessary to open *four* own-initiative cases for possible infringement of the public procurement rules.

In the field of *freedom of movement for workers*, Norway has notified measures to comply with Article 7(2) of the *Regulation on Free Movement of Workers* (EEC) No 1612/68, as regards *two* complaints on tax advantages.

In the field of *mutual recognition of professional qualifications*, the Authority decided to refer a case against Norway to the EFTA Court. The case concerns Norwegian legislation that requires those wanting to take up or pursue a profession in the seafaring sector to produce a medical certificate issued by a doctor approved by Norwegian authorities. In 1999, the Authority also initiated its first management task in the field of mutual recognition when it received a communication of a new diploma in Architecture from *Liechtenstein*. The procedure laid down in the Directive was not finished by the end of the year.

*Liechtenstein* was allowed to uphold restrictions on access to professional activities with regard to self-employed persons until 1 January 1997. After that date, EEA nationals residing in another EEA State shall be able to establish themselves in *Liechtenstein*. However, the EEA rules on the *freedom of establishment* do not seem to be fully implemented in *Liechtenstein*, as the Authority has received *six* complaints and initiated *two* own-initiative cases in that field.

In the field of *social security*, there are currently *three* complaints registered with the Authority which concern EEA nationals who work on the *Norwegian* continental shelf. The Authority delivered its reasoned opinion on the matter in September 1999 and will now consider whether to bring the matter before the EFTA Court.

In the sector of *free provision of services*, the Authority registered *29* new own-initiative cases and *10* complaints. Full implementation of directives in the *financial services* sector continued to be a problematic area, in particular for *Liechtenstein*. The systematic assessment of national measures in the fields of *banking* and *insurance* continued during the reporting year. As a result, several infringement proceedings were initiated against all EFTA States.

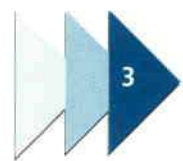
In *telecommunications services*, several complaints were submitted against *Norway*. One earlier complaint, concerning the independence of the national regulatory authority, resulted in a letter of formal notice and a reasoned opinion. Several infringement proceedings for non-notification of implementation of directives were initiated against *Iceland*. The Authority has also been monitoring the introduction of competition to the telecommunications sector in *Liechtenstein*.

The year 1999 saw the introduction of *postal services* into the EEA Agreement, as the *Postal Services Directive* (97/67/EC) entered into force.

In the *transport* sector, the Authority initiated and pursued a number of infringement proceedings against *Iceland* and *Norway* in implementation cases concerning both non- and partial implementation. In addition, the Authority delivered reasoned opinions to *Iceland* and *Norway* for charging air transport taxes which discriminate between domestic flights and flights to other EEA States contrary to the principle of the free provision of services.

In the area of *non-harmonised services*, the Authority sent a letter of formal notice to *Norway* concerning access to justice, as plaintiffs residing outside Norway can be requested to furnish security for costs of legal proceedings where no such requirement can be imposed on plaintiffs residing in Norway.

In the field of *capital movements*, the Authority sent *two* reasoned opinions to *Iceland* concerning tax measures, which favour domestic shares and other domestic financial instruments. Furthermore, the Authority sent a questionnaire on intra-EEA investment to the EFTA States.





In the field of *labour law*, the EFTA States were to comply with *three* new directives in 1999 of which *two* directives had compliance date in mid-December 1999.

In the *horizontal areas*, 28 new own-initiative cases and 5 complaints were registered. Of the own-initiative cases, 21 concerned implementation of *health and safety at work* directives in the maritime sector in both *Iceland* and *Norway*.

In the *environment* field, the Authority received *three* complaints with regard to the application of the *Environmental Impact Assessment Directive* (85/337/EEC), *two* against *Iceland* and *one* against *Norway*. Furthermore the Authority closed a case against Norway based on a complaint from 1998 regarding the same Directive.

*Iceland* and *Norway* have notified full implementation of the *basic company law* and *accounting* directives. However, full transposition of those directives in *Liechtenstein* was not achieved in 1999 and, consequently, infringement proceedings were initiated.

In the field of *competition*, 43 cases were pending with the Authority at the beginning of 1999. *Five* of these cases related to Article 59 of the EEA Agreement (State measures). In the course of the year, *eight* new cases were opened, mostly based on complaints. In total *18* cases were closed by administrative means. Thus, by the end of 1999, *33* cases were pending.

Several of the cases under review related to the *telecommunications sector*. *Two* of these were closed in the course of the year. A new complaint was received concerning alleged infringements of the competition rules by the incumbent telecom operator in *Liechtenstein*. The Authority launched, in parallel with the European Commission, a broad investigation regarding certain aspects of the telecommunications sector. This was the first *sector inquiry* ever initiated by the Authority under the competition rules. Results of the investigation will start materialising in 2000.

Based on a complaint and a notification of a *joint purchasing arrangement for medicines by Norwegian hospitals*, the Authority

published a notice stating that it intends to take a favourable position in the case. After having received comments, a final decision is planned for 2000.

*Six* cases related to notification of co-operation among *Norwegian insurance companies* were closed as the concerted actions were not found to infringe the competition rules. *Two* complaints concerning *electricity supply in Norway* were also closed as no infringement could be substantiated.

An investigation was initiated into plans for the creation of a single *health sector database for Iceland*. The Authority wanted to ascertain whether special or exclusive rights would be granted in infringement of the competition rules. The case was still open at the end of the year.

A noticeable increase was registered in the number of *merger cases* handled by the European Commission and which were subject to the co-operation rules of the EEA Agreement. Examples of such cases were the notified (and later cancelled) merger between the incumbent telecom operators in Norway and Sweden, Telenor and Telia, a joint venture between the Swedish, Norwegian and Finnish insurance companies, Skandia, Storebrand and Pohjola, and the acquisition of the Norwegian oil company Saga by another Norwegian company, Norsk Hydro. Significant resources were also devoted to work related to the on-going project within the European Union to *modernise the rules of competition*.

In the field of *State aid*, *31* cases were under examination by the Authority at the beginning of 1999. *18* new cases were registered in the course of the year. An equal number of cases were closed. Consequently, *31* cases were pending at the end of the year.

On the basis of a notification, a *new map of regionally assisted areas in Norway* was approved for the period from the beginning of 2000 to the end of 2006. *Iceland* had not notified any corresponding map by the end of 1999. As former regional aid schemes expired at the end of 1999, no approved regional aid scheme for Iceland was in effect as of 1 January 2000.

In 1998, the Norwegian authorities brought an action before the EFTA Court for annulment of the Authority's decision to require amendments to the *Norwegian system for regionally differentiated social security contributions from employers*. The Court dismissed the application in May 1999, whereafter the Norwegian Government notified a modified scheme to which the Authority did not raise objections. A case regarding *sectorally differentiated social security taxes in Iceland* was closed after the Icelandic authorities agreed to remove the differentiation.

After an action brought by the Norwegian Bankers' Association, the EFTA Court annulled in March 1999 the Authority's decision from 1997 to close a complaint concerning State aid to the *Norwegian State Housing Bank*. Having started a re-examination of the case, the Authority expects to take a new decision in 2000.

In relation to a transformation of the former *Icelandic Post and Telecommunication Administration* into a public limited liability company, the Icelandic Competition Authority concluded that the company had received illegal State aid because of undervaluation of transferred assets. After having requested information in the case, the Authority was at the end of the year awaiting a new value assessment initiated by the Icelandic authorities.

In June, the Authority decided to open formal investigation concerning a *film support scheme in Iceland*. A review of existing film support schemes in *Norway* was also initiated. Aid granted to a *radio station in Liechtenstein* was approved.

In addition, some schemes as well as individual aid measures in *Norway* related to

*i.a.* regional and environmental aid and aid to the shipbuilding sector, were approved.

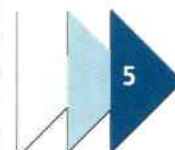
The Authority amended its *State Aid Guidelines* six times in 1999. New or revised guidelines were introduced amongst others for rescue and restructuring aid, for training aid, for aid in relation to business taxation, and in relation to sales of land and buildings by public authorities.

The Authority's staff consisted at the end of the reporting period of 46 persons, of nine nationalities, after the addition of two new posts during the year.

As the employment policy followed by the Authority operates with fixed-term employment contracts of three years, normally renewed only once, six years is the normal employment horizon of staff members. 1999, being about six years after the first recruitment to the Authority, hence saw a turnover involving one fourth of the Authority's staff. The Authority has for the last years experienced a decline in the number of applicants from EFTA countries, and has as a result recruited an increasing number of persons of other nationalities.

The Authority has for the second time established a Medium Term Plan, covering the period 1999 - 2001.

The plan indicates that the Authority's workload and backlog are increasing and that a significant part of the Authority's backlog problem is structural and lasting. The Authority must therefore have a prudent and pragmatic approach to the allocation of and priority setting for its available resources.









2. INTRODUCTION



The EFTA Surveillance Authority was established to ensure, together with the European Commission, the fulfilment of obligations under the EEA Agreement.

Pursuant to Article 21 of the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice (the Surveillance and Court Agreement), the Authority is to publish annually a general report on its activities. This is the Authority's sixth Annual Report.

In *Section 3* of the Report basic information is provided on the EEA Agreement and the Authority itself. A number of concepts frequently referred to in the Report are also explained, and a short account of the Authority's information policy and homepage is given.

*Section 4* provides reports on the Authority's *general surveillance* work with respect to the free movement of goods, persons, services and capital. The first part gives statistical information on general surveillance during 1994-1999, including the implementation status of directives, case handling, infringement cases, closures and the Authority's workload at the end of the reporting period. In the following parts, a more detailed account is given, sector by sector, of the implementation and application of the EEA Agreement in the EFTA States, and of the activities carried out by the Authority in ensuring the fulfilment of obligations under the Agreement and for the management thereof. With regard to each sector, a brief introductory overview is also given of the applicable EEA legislation.

Accordingly, as regards free movement of *goods, persons, services and capital*, and the

so-called *horizontal areas*, extensive information is given on the Authority's work in controlling the implementation of EEA acts, in particular the transposition of directives, and in dealing with complaints lodged by individuals and economic operators. References are made to the work carried out by the Authority's services to verify the conformity of national implementing measures with the corresponding EEA rules, and to identify deficiencies regarding the implementation and application of the rules by the EFTA States. Furthermore, the Authority's action to ensure the fulfilment of obligations under the Agreement, including formal infringement proceedings, is described. Information is also given on certain procedures administered, and functions carried out, by the Authority in the application of the Agreement, notably in the veterinary field.

In addition to an account of the situation as regards the implementation by the EFTA States of the EEA rules on *public procurement*, information is given on cases pursued by the Authority concerning the application of the rules.

*Section 5* contains an overview of the main principles and rules in the fields of *competition* and *State aid* and of the powers of the Authority. An overview of cases handled in 1999 and of non-binding acts (issued in the form of amendments to the Authority's State Aid Guidelines and as notices in the field of competition) is also provided. Co-operation with the European Commission and national authorities is mentioned.



3 ■ THE EEA AGREEMENT





## 3.1 THE EUROPEAN ECONOMIC AREA

The EEA Agreement entered into force on 1 January 1994. Following the accession of Austria, Finland and Sweden to the European Union a year later, *Iceland* and *Norway* remained for a while the only EFTA States parties to the Agreement. The number of EFTA States was subsequently brought to three when on 1 May 1995, the Agreement entered into force for *Liechtenstein*. Some basic data on the three EFTA States are contained at *Annex I* to this report.

The objective of the Agreement is to establish a dynamic and homogeneous European Economic Area, based on common rules and equal conditions of competition. To this end, the fundamental four freedoms of the internal market of the European Community, as well as a wide range of accompanying Community rules and policies, are extended to the participating EFTA States.

Accordingly, the Agreement contains basic provisions - which are drafted as closely as possible to the corresponding provisions of the EC Treaty - on the free movement of *goods, persons, services* and *capital*, on *competition* and other common rules, such as those relating to *State aid* and *public procurement*. The Agreement also contains provisions on a number of Community policies relevant to the four freedoms referred to in this Annual Report as *horizontal areas* - such as labour law, health and safety at work, environment, consumer protection and company law. The Agreement further provides for close co-operation in certain fields not related to the four freedoms.

Secondary Community legislation in areas covered by the Agreement is brought into the EEA by means of direct references in the Agreement to the relevant Community acts. The Agreement thus implies that two separate legal systems are applied in parallel within the EEA: the EEA Agreement to relations between the EFTA and Community sides, as well as between the EFTA States themselves, and Community law to the relations between the EU Member States. This being the case, for the EEA to be homogeneous the two legal systems must develop in parallel and be applied and enforced in a uniform manner. To

this end, the Agreement provides for decision-making procedures for the integration into the EEA of new secondary Community legislation and for a surveillance mechanism to ensure the fulfilment of obligations under the Agreement and a uniform interpretation and application of its provisions.

The task of ensuring that new Community legislation is extended to the EEA in a timely manner rests in the first place with the EEA Joint Committee, a committee composed of representatives of the Contracting Parties. The EEA Agreement was consequently amended by 192 decisions of the EEA Joint Committee during 1999.

While the introduction of new rules within the EEA is thus entrusted to a joint body, the surveillance mechanism is arranged in the form of a two-pillar structure, with two independent bodies. The implementation and application of the EEA Agreement within the Community is monitored by the European Commission, whereas the EFTA Surveillance Authority carries out the same task within the EFTA pillar. In order to ensure a uniform surveillance throughout the EEA, the two bodies co-operate, exchange information and consult each other on surveillance policy issues and individual cases.

The two-pillar structure also applies to the judicial control mechanism. The EFTA Court exercises competences similar to those of the European Court of Justice and the Court of First Instance with regard to, *inter alia*, the surveillance procedure regarding the EFTA States and appeals concerning decisions taken by the Authority.

## 3.2 THE EFTA SURVEILLANCE AUTHORITY

The Authority was established under the *Surveillance and Court Agreement*, which contains basic provisions on the Authority's organization and lays down its tasks and competences.

### 3.2.1 TASKS AND COMPETENCES

A central task of the Authority is to ensure that the EFTA States fulfil their obligations under the EEA Agreement. In general terms this means that the Authority is to ensure that the provisions of the Agreement, including its Protocols and the acts referred to in the Annexes to the Agreement (the *EEA rules*), are properly implemented in the national legal orders of the EFTA States and correctly applied by their authorities. This task is commonly referred to as *general surveillance*. The general surveillance cases are either initiated by the Authority itself (own initiative cases) or on the basis of a complaint.

When the Authority receives a complaint, it sends the complainant, usually within a month, a letter of acknowledgement of receipt together with information explaining the proceedings for non-compliance with EEA law. The information referred to is reproduced in Annex VII.

If the Authority considers that an EFTA State has failed to fulfil an obligation under the Agreement, it may initiate formal infringement proceedings under Article 31 of the Surveillance and Court Agreement. However, before infringement proceedings are initiated the Authority tries to ensure compliance with the Agreement by other means. In practice the overwhelming majority of problems identified by the Authority is solved as a result of less formal exchanges of information and discussions between the Authority's staff and representatives of the EFTA States.

A salient feature in this respect is the holding of *package meetings* in which whole ranges of problems in particular fields are discussed. Where appropriate, before concluding this informal phase, and although at this stage the Authority itself has not taken a formal position on the matter, the Directorate

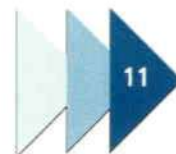
concerned may decide to send an informal letter to the EFTA State concerned (*Pre-Article 31 letter*) inviting it to adopt the measures necessary to comply with the EEA rule concerned or to provide the Authority with information on the actual status of implementation.

If formal infringement proceedings are initiated, as a first step the Authority notifies the Government concerned, in a *letter of formal notice*, of its opinion that an infringement has taken place and invites the Government to submit its observations on the matter. If the Authority is not satisfied with the Government's answer to the letter, or if no answer is received, the Authority delivers a *reasoned opinion*, in which it defines its final position on the matter, states the reasons on which that position has been based, and requests that the Government take the necessary measures to bring the infringement to an end. Should the Government fail to comply with the reasoned opinion, the Authority may bring the matter before the *EFTA Court*, whose judgement shall be binding on the State concerned.

The Authority has extended competences in three fields. They supplement the competences vested in the Authority with regard to general surveillance and fully reflect the extended competences of the European Commission within the Community in these fields.

Thus, with respect to *public procurement* the Authority is to ensure that utilities and central, regional and local authorities in the EFTA States carry out their procurements in accordance with the relevant EEA rules. To this end, and as an alternative to initiating formal infringement proceedings, if the Authority considers that a clear and manifest infringement has been committed in the award procedure prior to a contract being concluded, it may directly request that the EFTA State concerned correct the infringement.

In the *competition* field, the tasks of the Authority are directed towards the surveillance of practices and behaviour of *undertakings* on the market. Thus, the Authority is to ensure





that the competition rules of the Agreement are complied with, notably the prohibitions of *restrictive business practices* and of the *abuse of a dominant market position*. In carrying out these tasks, the Authority is entrusted with wide powers to request information, including powers to make on-the-spot inspections. In the case of an infringement, the Authority may order the undertakings concerned to bring the infringement to an end. In such cases, the Authority issues a *Statement of Objections*, which the parties have the opportunity to comment on - in writing and in the form of a hearing. If the Authority is still of the opinion that there is an infringement after the parties have been heard, a *final decision* is adopted ordering the infringement to be brought to an end. In addition, the Authority may impose *finés* and periodic *penalty payments* for breaches of the competition rules.

With regard to *State aid*, the Authority is to keep *under constant review* all systems of existing aid in the EFTA States and, where relevant, to propose to the EFTA States *appropriate measures* to ensure their compatibility with the Agreement. New aid or alterations to existing aid shall be *notified* to the Authority. The Authority may decide not to raise any objections to notified measures. Otherwise, it will decide to start an investigation procedure. If the Authority, as a result of its investigation, comes to the conclusion that an aid measure is not in conformity with the Agreement, it will decide that the EFTA State concerned shall *abolish* or *alter* the measure. If this does not take place, the Authority may bring the matter before the EFTA Court. Where aid has been granted and paid out without authorisation, the Authority may instruct the Government concerned to *recover* from the recipient the whole or part of the aid paid out.

To ensure a uniform application of the competition and State aid rules, the EEA Agreement provides for co-operation between the Authority and the European Commission in handling individual cases in these fields, including merger cases. The Agreement also provides for consultations related to proposals for new Community acts in the same areas.

In addition to handling individual competition and State aid cases, the Authority is entrusted with the competence and has the obligation to *issue guidelines, notices*, or

*other communications* which, without being legally binding, provide guidance for the interpretation and application of the competition and State aid rules. These various acts, adjusted for EEA purposes, replicate acts issued by the Commission.

Along with the surveillance functions outlined above, the Authority has a wide range of tasks of an *administrative character*, which match those performed by the European Commission within the Community. Generally speaking, these tasks relate to EEA rules whose proper application is not only subject to the general surveillance function, but to a more direct control by the Authority. The tasks often imply that the Authority, under procedures presupposing an exchange of information between the EFTA and Community sides, is to take measures which are to have an effect throughout the entire EEA.

Thus, an authorisation may sometimes be needed before a product can be lawfully placed on the market and an EFTA State may, under certain circumstances, restrict the free movement of a product in order to protect human health, or the State may in the course of the recognition of a foreign diploma or license introduce a derogation as regards the person's right to choose between an aptitude or an adaptation period, provided that the restrictive measure is notified to, and authorised by, the Authority. Although these kinds of tasks appear in most fields of activity, they are of particular importance in the sector of free movement of *goods*, notably in relation to technical regulations, standards, testing and certification, and to animal and plant health. In the last-mentioned fields, these tasks constitute a considerable part of the Authority's work and include, for instance, the examination and approval of contingency plans with regard to animal diseases and the inspection and verification of national approval of fresh meat, fish processing and other establishments in the EFTA States.

### 3.2.2 INFORMATION POLICY

The information policy of the Authority is to provide adequate information on the Authority's activities and on the implementation and application of the EEA Agreement.



In May 1999, the Authority published the Single Market Scoreboard - EFTA States No. 4 and in November the Single Market Scoreboard - EFTA States No. 5 was published. The reports include the Authority's previous Interim Report on Transposition Status of Directives and are issued concurrently with the Commission's Single Market Scoreboard. The EFTA States Scoreboard deals with the effectiveness of the Single Market rules in the three EFTA States, that is the implementation by *Iceland, Liechtenstein* and *Norway* of the Single Market Directives that are part of the EEA Agreement. The Scoreboard likewise deals with the Authority's infringement proceedings against these States with respect to failures to comply with the relevant Single Market rules.

During the reporting period, the Authority continued to add information directed towards the public on its Homepage. The Homepage contains separate sections for the three EFTA bodies: the EFTA Secretariat, the EFTA Court and the EFTA Surveillance Authority. The Homepage is at: [www.efta.int](http://www.efta.int).

Available on that Homepage is information extracted from the Authority's Acquis Implementation Database (AIDA). The aim with AIDA is to provide an up-to-date general overview on the implementation by each of the three EFTA States of all the EEA directives, included in the EEA Agreement. Thus, it contains information on whether a given EEA act has been notified as implemented or not, whether the notified measures are considered to ensure full, or only partial, implementation of the act, and whether the EFTA State has submitted the texts of such measures to the Authority. The full titles of notified measures are also recorded in AIDA. The results of any assessment by the Authority or its services of the conformity of measures with the provisions of a given EEA act are reflected in AIDA. Finally, where appropriate, the database records the latest action taken by the Authority with regard to an identified non-compliance by an EFTA State. The information on the Homepage from AIDA is normally updated once a month.



*College. In front from left to right: Hannes Hafstein, President Knut Almestad, Bernd Hammermann  
Behind from left to right: Isabel Tribler, Christina Sand.*

The Authority's Homepage also contains general information on the Authority's organization and its organizational chart, together with a guide to the Authority in English, German, Icelandic and Norwegian. Vacancy announcements are also placed on the Homepage. Furthermore, there is a section for the Authority's publications, which includes the Annual Reports, the Single Market Scoreboards for the EFTA States - including the Interim Report on Transposition Status of Directives - and the Press Releases from 1996 and onwards. The Authority's Rules of Procedure, Competition Procedures, Information Guidelines, and a description of the Authority's infringement procedures can also all be found on the Homepage. The Homepage is updated regularly and the Authority is continuously examining ways of expanding the information on the Homepage.

The Authority has established a set of rules for the handling of requests for access to documents. Such requests may be put forward in writing, or even orally. A reply to a request for access to documents should be provided at the latest within two weeks. The responsible College Member or Director gives the reply. The Authority's contact person with the media will assist those who seek access to documents kept by the Authority, and will transmit the requests to the respective College Member or Director, who will decide on the matter. In view of provisions on business and professional secrecy, or for reasons of protecting certain legitimate public and private interests in, for example, competition cases, certain information cannot be disclosed. It may be noted, however, that nothing prevents a party, whose interests are protected, from making public such documents or information. If access is granted, the document is made available either as a paper copy, or for consultation on the premises of the Authority. In the case of a refusal of access to a document, the person requesting the document may ask in writing for a review by the Authority. The Authority shall decide on the matter within one month and shall state the reasons for its decision.

The rules on access to documents, in the form of Information Guidelines, may be obtained from the Authority, or directly on the Authority's Homepage.

More or less on a monthly basis the Authority informs the public, by means of a press release, of all reasoned opinions - and, in exceptional cases, also of letters of formal notice - issued by the Authority.

The Authority's contact person with the media, Ms. Bjarnveig Eiríksdóttir, may be reached during working hours on tel. +32-2-286.18.33 or +32-2-286.18.11 for questions concerning the Authority's activities. Her e-mail address is [bjarnveig.eiriksdottir@surv.efta.be](mailto:bjarnveig.eiriksdottir@surv.efta.be).

## 3.2.3 ORGANIZATION

### 3.2.3.1 College

The Authority is led by a College, which is made up of three Members. The Members are appointed by common accord of the Governments of the EFTA States for a period of four years, which is renewable. A President is appointed from among the Members in the same manner for a period of two years.

The Members are to be completely independent in the performance of their duties. They are not to seek or take instructions from any Government or other body, and shall refrain from any action incompatible with their duties. Decisions of the College are taken by a majority vote by its Members.

During 1999 the composition of the College was:

|                         |           |
|-------------------------|-----------|
| <i>Knut Almestad</i>    | President |
| <i>Hannes Hafstein</i>  |           |
| <i>Bernd Hammermann</i> |           |

The division of responsibilities among College Members is shown at *Annex II*.

### 3.2.3.2 Staff and recruitment

The Authority's staff consisted at the end of the reporting period of 46 persons, of nine nationalities. The Authority got two new professional posts during the year.

An organizational chart is provided at *Annex III*.

Staff members are employed on fixed-term contracts normally of three years duration. According to the policy followed by the





*Administration. In front, from left to right: Ásthildur Hjaltadóttir, Jurg Malm Jacobsen, Dieter Herrmann, Director Dag Harald Johannessen, Jenny Davídsdóttir, Kjetil Volle, Thomas Langeland. Behind from left to right: Kristín Anna Jónsdóttir, Anne G. Günther. Not present: Anne-Gina Kristoffersen.*

Authority, contracts may be renewed normally once.

This leads to an employment horizon of six years and some rotation of personnel every year. The rotation principle entails a certain loss of work capacity equivalent to the time it takes to train new staff members. As 1999 occurs around six years after the first recruitment to the Authority, a significant turnover took place involving one fourth of the Authority's staff.

In the last years, the number of applications received from the EFTA States has declined, leading the Authority to employ a number of non-EFTA nationals. There is also a trend that staff members tend to leave service before the normal maximum of six years employment.

The Authority has as in previous years engaged temporary staff to enhance its resources and expertise.

### **3.2.3.3 Medium Term Plan of the Authority**

In 1999, the Authority established its second

Medium Term Plan, covering the period 1999 - 2001. The Medium Term Plan is an attempt to make a thorough assessment of the Authority's future tasks, including the present workload and backlog situation. Its primary use is as a management tool and as a basis for the Authority's budget planning.

The *main conclusions* of the second Medium Term Plan were as follows.

The Authority's backlog of work is increasing, in spite of an increase in staff in the course of the last two years. The increase of the number of case handlers should, however, contribute to not aggravating the handling times for cases in the general surveillance field any further, provided that acceptable solutions can be found with regard to dealing with other tasks related to general surveillance, notably conformity assessment. Most sectors are still manned by a single case handler.

The number of new acts to be implemented into the EEA Agreement is likely to remain high in all sectors during the plan period.



A clear policy move on the part of the European Commission towards a stronger focus on the qualitative aspects of implementation, produces a distinct shift of resources to conformity assessment. Apart from establishing conformity assessment as a major part of the Authority's workload far beyond the plan period, this policy also necessitates considerations by the Authority of how to best cope with its obligations in respect of parallel actions.

The assumption put forward in the first report that a part of the Authority's backlog problem is structural, and therefore lasting, is even more underpinned in the second report. It is apparent that in order to break the trend

towards an ever increasing general backlog of work and long handling times for individual cases, some further strengthening of the Authority's manning will be required.

The Authority has not proposed any measures to provide for more work to be undertaken in areas indicated as insufficiently covered in the Performance Audit report of 1997.

In view of the findings and the manning situation, the Authority must adopt a prudent and pragmatic approach to the allocation of and priority setting for its available resources, particularly to tasks outside the surveillance functions proper.



# 4

FREE MOVEMENT OF GOODS,  
PERSONS, SERVICES AND CAPITAL



17

## 4.1 IMPLEMENTATION CONTROL

During 1999, the EEA Joint Committee took 192 decisions on the inclusion of new acts in the EEA Agreement. By the end of the year, the total number of binding acts (directives, regulations and decisions) applicable under the Agreement amounted to 2777.

Throughout the year, the Authority continued to apply an *implementation policy* implying that formal infringement proceedings are initiated in accordance with Article 31 of the Surveillance and Court Agreement and the Authority sends an EFTA State a letter of formal notice if that State has not notified implementation of an EEA act within two months from the date by which it should have complied with it. As regards EEA acts that have only been partially implemented, the Authority considers, at regular intervals, whether to initiate formal infringement

proceedings against the EFTA State concerned, taking into account the extent to which the act has been implemented and the length of time which the EFTA State has indicated it needs to achieve full compliance with the Act.

An important aspect of the implementation policy is that non-implementation cases will be pursued vigorously so that if national measures are still not adopted and notified within two months from the receipt by the respective EFTA State of the Authority's reasoned opinion, the case will be referred to the EFTA Court without delay, so that the Authority's decision to refer the case is generally taken within *one year* following the initiation of the formal proceedings.

18

## 4.2 INFORMATION RELATIVE TO IMPLEMENTATION

In 1999, the Authority continued to issue its "*Interim Report on Transposition Status of Directives*" which included similar tables regarding transposition as the tables set forth in Annex IV to this Annual Report. In addition, the Authority published the *EFTA States' Single Market Scoreboard* in May and November. The Scoreboard deals with the effectiveness of the Single Market rules in the three EFTA States and contains information

about the implementation by the EFTA States of the Single Market Directives that are part of the EEA Agreement.

The Authority intends to continue publishing the EFTA States' Single Market Scoreboard and the Interim Report twice a year, thus up-dating the information given in the Annual Report.

## 4.3 IMPLEMENTATION STATUS OF DIRECTIVES

### 4.3.1 ALL DIRECTIVES

By the end of 1999, the total number of directives with a *compliance date* - the date by which the EFTA States have to comply with the directive unless a transitional period has been granted or no implementing measures are necessary - on or before 31 December 1999, was 1346. The table below sets out details on the implementation status of these directives on that date.

The Authority would underline that there is a difference between the respective statistics on the implementation status of directives depending on whether account was only taken of the directives regarding which *full* implementation had been notified, or whether *all* the directives regarding which an acceptable notification had been received were considered. In the latter case, both the directives which had been notified as *fully* implemented and those where implementation was only *partial* were included in the statistics.



## IMPLEMENTATION STATUS OF DIRECTIVES WITH COMPLIANCE DATE ON OR BEFORE 31 DECEMBER 1999

| IN NUMBERS:   | Iceland     | Liechtenstein | Norway      |
|---|-------------|---------------|-------------|
| Total number of directives                                | 1346        | 1346          | 1346        |
| Directives with effective transitional periods            | 112         | 290           | 1           |
| Directives where no measures are necessary <sup>(2)</sup> | 73          | 110           | 66          |
| Applicable directives                                     | <b>1161</b> | <b>946</b>    | <b>1279</b> |
| Status  |             |               |             |
| Full implementation notified                              | 1113        | 906           | 1215        |
| Partial implementation                                    | 16          | 22            | 33          |
| Non-implementation  | 32          | 18            | 31          |
| IN PERCENTAGES:   | Iceland     | Liechtenstein | Norway      |
| Full implementation notified                              | 95.9%       | 95.8%         | 95.0%       |
| Full implementation notified or partial notification      | 97.2%       | 98.1%         | 97.6%       |

The above table confirms the pattern also with respect to the situation at the end of the reporting year. While the difference between the *Icelandic* figures is only 1.3 percentage points, for *Liechtenstein* and *Norway* it is around 2.5 percentage points.

The *progress* in each EFTA State's performance 1997 - 1999 is illustrated in the next three tables.

When account is taken only of directives where *full* implementation has been notified, there has been a marked improvement as compared with the corresponding figures of 1997 for *Liechtenstein*, improving with almost nine percentage points. *Iceland* and *Norway* have progressed with more than two percentage points. This means that with regard to all three States concrete efforts have been made to implement directives in full (see also Section 4.3.2 below), and that measures have been adopted to complete the transposition of directives that were earlier only partially implemented.

However, it could be noted that while *Iceland* and *Liechtenstein* improved their scores in 1999 also compared with 1998, *Norway's* rate

of full implementation went down by half a percentage point compared with that year.

The comparative picture is different when both the directives where *full* implementation has been notified and those, which have been only partially implemented, are taken into consideration for an *overall* picture.

While all three States improved their performance in 1998 compared to 1997 (*Liechtenstein* by 5.7 percentage points, *Iceland* by 0.5 points and *Norway* by 0.8 points), there was very little progress in 1999. The figure for *Norway* went

down by half a percentage point in 1999 as compared to that of 1998.

On the other hand, if the percentage rates of the total number of directives regarding which no national measures had yet been adopted, or which had only been partially implemented, are calculated according to the method used in the Single Market Scoreboard, the picture would be the following.

The difference in the calculation method is that the total number of directives is compared to not only the directives for which full implementation is notified but also the directives with effective transitional periods and directives where no measures are necessary. On the other hand, directives where only partial implementation has been notified are not counted. In this table, all directives are included, not only the Single Market directives as is the case in the Scoreboard.

As far as the overall situation in respect of non-implemented directives is concerned, *Liechtenstein* and *Norway* both made notable progress in 1998. *Iceland* progressed with one percentage point that year. While *Iceland* and *Liechtenstein* continued in 1999 to improve

<sup>(2)</sup> See explanation in Annex IV

### FULL IMPLEMENTATION OF DIRECTIVES NOTIFIED IN 1997-1999:

|      | Iceland | Liechtenstein | Norway |
|------|---------|---------------|--------|
| 1997 | 93.7%   | 86.7%         | 92.4%  |
| 1998 | 94.9%   | 92.8%         | 95.4%  |
| 1999 | 95.9%   | 95.8%         | 95.0%  |

### FULL OR PARTIAL IMPLEMENTATION OF DIRECTIVES NOTIFIED IN 1997-1999:

|      | Iceland | Liechtenstein | Norway |
|------|---------|---------------|--------|
| 1997 | 96.5%   | 92.2%         | 97.4%  |
| 1998 | 97.0%   | 97.9%         | 98.2%  |
| 1999 | 97.2%   | 98.1%         | 97.6%  |

### NON IMPLEMENTATION OF DIRECTIVES NOTIFIED IN 1997-1999:

|      | Iceland | Liechtenstein | Norway |
|------|---------|---------------|--------|
| 1997 | 5.4%    | 9.3%          | 7.6%   |
| 1998 | 4.4%    | 5.1%          | 4.3%   |
| 1999 | 3.6%    | 3.0%          | 4.8%   |

their performance, the Norwegian figure deteriorated by half a percentage point in 1999. As a comparison, the average transposition deficit with regard to Single Market directives in the European Union was 3.6% in November 1999. As suggested below in Section 4.3.2, it appears that a main explanation of the fact that the implementation ratios are not higher among the EFTA States is late implementation of a number of directives which were included in the EEA Agreement at the end of 1999, and which provided very short time limits for implementation (see Section 4.3.2 below).

It should be recalled that the fact that an EFTA State has notified a directive as fully implemented, does not necessarily mean that this is the case in practice. It is only after a detailed assessment of the *conformity* of the notified national measures has been carried out that conclusions can be drawn as to the *quality* of the transposition.

By the end of 1999, the Authority is able to conclude with respect to 36% of the directives that were part of the EEA Agreement, that the notified national measures were actually in conformity with the relevant provisions of the directive and that full implementation had thus taken place. The corresponding figure for 1998 was 38%.

### 4.3.2 DIRECTIVES INCLUDED IN THE EEA AGREEMENT IN 1999

Altogether, 67 directives had a compliance date *during 1999*. Excluding the directives regarding which a transitional period was granted and those where no implementing measures are necessary, *Iceland* was to transpose by the end of the year 49 of these directives, *Liechtenstein* 34, and *Norway* 63.

The implementation status at the end of the year was as presented in the table below.

The progress in each EFTA State's performance 1997-1999 is illustrated in the following table.

In the 1997 Annual Report the Authority pointed at the poor performance of the EFTA States when it came to the implementation of the directives that were to be complied with during 1997. Each of the EFTA States had notified full or partial implementation of only about one third of those directives.

In 1998 the situation was different. All the EFTA States had improved their scores considerably. However, in 1999 the performance of the three EFTA States deteriorated across the board. For *Iceland* the implementation rate with regard to total notifications decreased with 18.2 percentage points, *Liechtenstein* deteriorated by 8.0 points and *Norway* with 6.5 points. This notification situation with regard to directives becoming applicable during the year should be seen in



### IMPLEMENTATION STATUS OF DIRECTIVES INCLUDED IN THE EEA AGREEMENT IN 1999 AND TO BE IMPLEMENTED DURING THE SAME YEAR:

| IN NUMBERS:                                  | Iceland | Liechtenstein | Norway |
|--|---------|---------------|--------|
| Total number of directives                   | 67      | 67            | 67     |
| Directives with effective transition periods | 13      | 21            | 0      |
| Directives where no measures are necessary   | 5       | 12            | 4      |
| Applicable directives                        | 49      | 34            | 63     |
| Status                                       |         |               |        |
| Full implementation notified                 | 23      | 26            | 38     |
| Partial implementation                       | 2       | 3             | 1      |
| Non-implementation                           | 24      | 5             | 24     |
| IN PERCENTAGES:                              | Iceland | Liechtenstein | Norway |
| Full implementation notified                 | 46.9%   | 76.5%         | 60.3%  |
| Full or partial implementation notified      | 51.0%   | 85.3%         | 61.9%  |

### FULL OR PARTIAL IMPLEMENTATION OF DIRECTIVES INCLUDED IN THE EEA AGREEMENT 1997 - 1999 RESPECTIVELY AND TO BE IMPLEMENTED DURING THE SAME YEAR:

|      | Iceland | Liechtenstein | Norway |
|------|---------|---------------|--------|
| 1997 | 28.6%   | 33.3%         | 34.5%  |
| 1998 | 69.2%   | 93.3%         | 68.4%  |
| 1999 | 51.0%   | 85.3%         | 61.9%  |

## 4.4 CASE HANDLING

Whenever one of the Authority's general surveillance Directorates decides to make an EFTA State's possible non-compliance with EEA rules subject to a closer examination, an *own-initiative* case is registered in the Authority's *General Case Handling Database (GENDA)*.

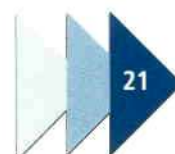
The Authority also receives complaints from individuals and economic operators reporting EFTA States' measures or practices which are alleged not to be in conformity with the EEA rules. The respective Directorates register *complaints* in GENDA.

It is also possible to open a case in GENDA for *preliminary examination*. A typical situation for opening a case for this purpose is when a conformity assessment project is initiated, during which the national measures notified by an EFTA State as implementing a directive are considered in detail as explained above. If a preliminary examination reveals that there is a reason to suspect a breach, an own-initiative case is opened. In the opposite situation, an entry is made indicating that the examination has been completed.

In accordance with relevant provisions in certain EEA acts, the Authority carries out

relation to the fact that the EEA Joint Committee decisions which include directives in the EEA Agreement often give the EFTA States in practice either no time, or very little, to take implementing measures on the national level.

Thus, in its decisions taken in 1999, the Joint Committee decided that the decision would enter into force *the day after* it was taken with regard to 59 directives. Since the date of implementation laid down in 47 of those directives had already passed by the date of entry into force of the respective decision, the compliance date with regard to these 47 directives for the EFTA States was *the next day* after the Joint Committee decision. In this context, it could be noted that out of the 67 directives to be complied with during the reporting period, 18 were to be complied with at the very end of the year.



so-called *management tasks*, notably in the operation of certain procedures (e.g. information procedures on draft technical regulations and notification procedures relative to product safety), in veterinary and phytosanitary matters, and in the sector of the free provision of services. Some of these tasks are also registered in GENDA.

The two tables below illustrate the total number of own-initiative cases and, respectively, complaints registered in GENDA during the years 1994 to 1999 in the main sectors covered by the EEA Agreement<sup>(1)</sup>.

The tables reveal that the total number of registered own-initiative cases and complaints in 1999 was almost equal to that of 1998. As regards *own-initiative cases*, the 1995 peak can be explained by the fact that during that year the Authority continued to detect defects in the implementation by *Iceland* and *Norway* of the EEA acts belonging to the original EEA Agreement and the "Interim Package" - and, indeed, dealt with the huge amount of notifications submitted by *Liechtenstein* which joined the EEA Agreement during that year.

In 1999, most own-initiative cases were registered in the *services* sector (29), in the

### OWN-INITIATIVE CASES REGISTERED IN 1994 - 1999:

| SECTOR                       | 1994      | 1995       | 1996      | 1997      | 1998      | 1999      | Total      |
|------------------------------|-----------|------------|-----------|-----------|-----------|-----------|------------|
| FREE MOVEMENT OF GOODS       | 20        | 17         | 42        | 24        | 54        | 21        | 178        |
| FREE MOVEMENT OF PERSONS     | 1         | 47         | 1         | 0         | 2         | 2         | 53         |
| FREE PROVISION OF SERVICES   | 21        | 49         | 26        | 26        | 18        | 29        | 169        |
| FREE MOVEMENT OF CAPITAL     | 0         | 1          | 1         | 0         | 2         | 3         | 7          |
| HORIZONTAL AREAS             | 14        | 73         | 16        | 16        | 10        | 28        | 157        |
| PUBLIC PROCUREMENT           | 0         | 0          | 3         | 8         | 5         | 4         | 20         |
| OTHER SECTORS <sup>(4)</sup> | 2         | 0          | 0         | 0         | 0         | 1         | 3          |
| <b>Total</b>                 | <b>58</b> | <b>187</b> | <b>89</b> | <b>74</b> | <b>91</b> | <b>88</b> | <b>587</b> |

### COMPLAINTS REGISTERED IN 1994 - 1999:

| SECTOR                     | 1994      | 1995      | 1996      | 1997      | 1998      | 1999      | Total      |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| FREE MOVEMENT OF GOODS     | 13        | 17        | 18        | 16        | 5         | 7         | 76         |
| FREE MOVEMENT OF PERSONS   | 1         | 8         | 7         | 11        | 15        | 9         | 51         |
| FREE PROVISION OF SERVICES | 0         | 11        | 4         | 1         | 8         | 10        | 34         |
| HORIZONTAL AREAS           | 0         | 0         | 2         | 2         | 4         | 5         | 13         |
| PUBLIC PROCUREMENT         | 3         | 15        | 14        | 2         | 8         | 8         | 50         |
| OTHER SECTORS              | 8         | 2         | 0         | 0         | 0         | 0         | 10         |
| <b>Total</b>               | <b>25</b> | <b>53</b> | <b>45</b> | <b>32</b> | <b>40</b> | <b>39</b> | <b>234</b> |

<sup>(1)</sup> The figures in the following tables represent the situation in GENDA per 31 December of the reporting year, which was also the case in earlier Annual Reports. As it is possible to make changes also after this date, in some cases the figures do not correspond exactly with those given in earlier reports.

<sup>(4)</sup> State Aid, Monopolies and Competition.



*horizontal areas* (28), and in the *goods* (21) sector. These are also the three sectors with the highest total numbers of cases over the six-year period 1994-1999. The number of own-initiative cases in the *goods* sector was reduced by more than 50% from 1998 (54) to 1999 (21), while both the *services* sector and the *horizontal areas* had a significant increase.

### TYPE OF OWN-INITIATIVE CASES AND COMPLAINTS REGISTERED DURING 1994 - 1999:

| SECTOR                     | EEA Agreement | EEA Act    | Total      |
|----------------------------|---------------|------------|------------|
| FREE MOVEMENT OF GOODS     | 71            | 183        | 254        |
| FREE MOVEMENT OF PERSONS   | 31            | 73         | 104        |
| FREE PROVISION OF SERVICES | 30            | 173        | 203        |
| FREE MOVEMENT OF CAPITAL   | 5             | 2          | 7          |
| HORIZONTAL AREAS           | 12            | 158        | 170        |
| PUBLIC PROCUREMENT         | 10            | 60         | 70         |
| OTHER SECTORS              | 13            | 0          | 13         |
| <b>Total</b>               | <b>172</b>    | <b>649</b> | <b>821</b> |

Regarding *complaints*, the highest number in 1999 was registered in the *services* sector (10). The table reveals that the *goods* sector continued to receive fewer complaints per year compared to the numbers registered in the period 1994-1997. The sectors with the highest number of complaints registered over the six-year period 1994-1999 were *goods* (76), *persons* (51) and *public procurement* (50).

The tables further confirm the overall picture regarding the high number of *own-initiative cases* as compared to *complaints*. In the last four years, the number of registered own-initiative cases has been more than *double* that of complaints.

The next table shows the break-down between own-initiative cases and complaints which involve, on the one hand, an infringement of a basic provision of the *EEA Agreement* (or its Protocols) and, on the other hand, a failure in the implementation or application of an *EEA act* - that is, a directive, a regulation or a decision.

The table shows that there are differences between the sectors, as regards the share of cases concerning the EEA Agreement and the share of cases involving an EEA act. While in the *goods* and *persons* sectors the number of cases concerning the EEA Agreement is almost *half* the number of cases involving an EEA act, the proportions are *one to five* in the



### PRELIMINARY EXAMINATIONS REGISTERED IN 1994 - 1999:

| SECTOR                     | 1994     | 1995     | 1996      | 1997      | 1998      | 1999      | Total      |
|----------------------------|----------|----------|-----------|-----------|-----------|-----------|------------|
| FREE MOVEMENT OF GOODS     | 0        | 2        | 4         | 13        | 41        | 10        | 70         |
| FREE MOVEMENT OF PERSONS   | 0        | 0        | 1         | 2         | 10        | 0         | 13         |
| FREE PROVISION OF SERVICES | 0        | 3        | 8         | 5         | 22        | 9         | 47         |
| FREE MOVEMENT OF CAPITAL   | 0        | 1        | 0         | 0         | 1         | 0         | 2          |
| HORIZONTAL AREAS           | 1        | 2        | 12        | 10        | 18        | 32        | 75         |
| PUBLIC PROCUREMENT         | 0        | 0        | 0         | 0         | 3         | 7         | 10         |
| <b>Total</b>               | <b>1</b> | <b>8</b> | <b>25</b> | <b>30</b> | <b>95</b> | <b>58</b> | <b>217</b> |

*services* sector, *one to six* in *public procurement*, and *one to thirteen* in *horizontal areas*. In the *capital* sector the proportion is two to one, but as shown in the table, the figures are low.

Overall, the trend shown in the four preceding Annual Reports, namely that the number of cases relating to the basic provisions is only about *one fourth* of those that are concerned with the implementation or application of an EEA act, was once again confirmed.

As mentioned earlier, a case can also be opened for preliminary examination, and 58 such cases were opened during the reporting

year. As can be seen from the table below, there was a drop in such cases in 1999, but the number of preliminary examinations registered in that year was almost double that of 1997.

The bulk of the *management tasks* consists of handling notifications according to the information procedure on draft technical regulations - in 1999 the Authority received 18 EFTA notifications and 591 EC notifications - and notifications under the emergency procedure on product safety - 200 notifications in 1999 (see Sections 4.7.3.1 and 4.7.3.5 below). In addition, 21 other management tasks were registered in GENDA in 1999.

## 4.5 INFRINGEMENT CASES

When the Authority takes a decision to initiate formal infringement proceedings and a *letter of formal notice* is sent to the EFTA State concerned, the relevant own-initiative or complaint case, becomes an *infringement case*.

The table below shows the development in the number of letters of formal notice the Authority has sent to the EFTA States during the six years of operation of the EEA Agreement.

After the increase in 1998 in the number of letters of formal notice sent to the EFTA States, there was a slight reduction in formal infringement procedures in 1999, but the

number is still considerably higher than that of 1997.

The table shows that during 1999, *Norway* received the highest number of letters of formal notice. Over the six-year period, *Norway* and *Iceland* received an almost equal number of letters of formal notice, namely 134 and 129 respectively. Since 1995, *Liechtenstein* has received 95 such letters.

If the Authority, having provided the EFTA State with the possibility of presenting its observations by replying to the letter of formal notice, continues to be of the view that the State is in breach of the EEA Agreement, it shall deliver a *reasoned opinion*. The developments regarding this step are set out in the table below.

The table shows that there was a drop in the number of reasoned opinions sent to the EFTA States during 1999, as 22 opinions were sent in 1999 compared to 32 in 1998. During the reporting period, *Liechtenstein* and

### LETTERS OF FORMAL NOTICE SENT DURING 1994-1999:

|              | Iceland    | Liechtenstein | Norway     | Total      |
|--------------|------------|---------------|------------|------------|
| 1994         | 16         | -             | 14         | 30         |
| 1995         | 14         | 11            | 15         | 40         |
| 1996         | 32         | 10            | 32         | 74         |
| 1997         | 10         | 29            | 19         | 58         |
| 1998         | 32         | 25            | 25         | 82         |
| 1999         | 25         | 20            | 29         | 74         |
| <b>Total</b> | <b>129</b> | <b>95</b>     | <b>134</b> | <b>358</b> |



### REASONED OPINIONS SENT DURING 1994-1999:

|              | Iceland   | Liechtenstein | Norway    | Total     |
|--------------|-----------|---------------|-----------|-----------|
| 1994         | 0         | -             | 1         | 1         |
| 1995         | 6         | 0             | 1         | 7         |
| 1996         | 5         | 0             | 8         | 13        |
| 1997         | 5         | 4             | 11        | 20        |
| 1998         | 7         | 15            | 10        | 32        |
| 1998         | 4         | 9             | 9         | 22        |
| <b>Total</b> | <b>27</b> | <b>28</b>     | <b>40</b> | <b>95</b> |

reasoned opinions (40) while *Iceland* and *Liechtenstein* received 27 and 28 respectively.

If the State fails to comply with the reasoned opinion within the period laid down in it, the Authority may refer the matter for decision to the *EFTA Court*. No referrals were made during the first two years of the EEA Agreement, and therefore the table below only covers 1996 to 1999.

### CASES REFERRED TO EFTA COURT IN 1996-1999:

|              | Iceland  | Liechtenstein | Norway   | Total    |
|--------------|----------|---------------|----------|----------|
| 1996         | 2        | 0             | 0        | 2        |
| 1997         | 0        | 0             | 2        | 2        |
| 1998         | 0        | 0             | 0        | 0        |
| 1999         | 0        | 0             | 1        | 1        |
| <b>Total</b> | <b>2</b> | <b>0</b>      | <b>3</b> | <b>5</b> |

In December 1999, the College decided to refer a case against *Norway* to the *EFTA Court*. The case concerns partial implementation of the *Second General System*

*Norway* each received nine reasoned opinions while *Iceland* received four. Over the six-year period *Norway* received the highest number of

*Directive (92/51/EEC)* in the field of mutual recognition of professional qualifications.



## 4.6 CLOSURES AND PRESENT WORKLOAD

The objective of the Authority's informal and formal action is to ensure that the EFTA States fulfil their obligations under the EEA Agreement. As soon as that objective has been reached, the case is *closed*.

The table below shows that there was a significant decrease in the number of *own-initiative* cases closed in 1999 (82) compared to that of 1998 (112). The highest number of closures is to be found in the free movement of *goods* sector (32), followed by the *services* sector (20), and the *horizontal* areas (12).

The number of closures of *complaint* cases has increased from 20 in 1998 to 25 in 1999, as illustrated in the table below. The largest

sector in this regard is *public procurement* with nine closures.

The Authority keeps separate records on cases which have been closed due to the fact that the EFTA State concerned has complied with the Authority's request to *adopt the measures* necessary to remedy the breach in question, and cases which have been closed for *other reasons* (e.g. because the complaint was found not to be justified, or because the explanation provided by the EFTA State in an own-initiative case satisfied the Authority that there was actually no breach). The table below shows the development in the closures of *own-initiative* and *complaint* cases during the six years of operation of the EEA

### OWN-INITIATIVE CASES CLOSED IN 1994 - 1999:

| SECTOR                     | 1994     | 1995      | 1996      | 1997       | 1998       | 1999      | Total      |
|----------------------------|----------|-----------|-----------|------------|------------|-----------|------------|
| FREE MOVEMENT OF GOODS     | 0        | 6         | 27        | 28         | 49         | 32        | 142        |
| FREE MOVEMENT OF PERSONS   | 0        | 0         | 2         | 28         | 1          | 7         | 38         |
| FREE PROVISION OF SERVICES | 0        | 18        | 23        | 40         | 20         | 20        | 121        |
| FREE MOVEMENT OF CAPITAL   | 0        | 1         | 0         | 1          | 0          | 0         | 2          |
| HORIZONTAL AREAS           | 0        | 3         | 15        | 23         | 40         | 12        | 93         |
| PUBLIC PROCUREMENT         | 0        | 0         | 0         | 2          | 2          | 11        | 15         |
| OTHER SECTORS              | 0        | 0         | 1         | 0          | 0          | 0         | 1          |
| <b>Total</b>               | <b>0</b> | <b>28</b> | <b>68</b> | <b>122</b> | <b>112</b> | <b>82</b> | <b>412</b> |

### COMPLAINT CASES CLOSED IN 1994 - 1998:

| SECTOR                     | 1994     | 1995      | 1996      | 1997      | 1998      | 1999      | Total      |
|----------------------------|----------|-----------|-----------|-----------|-----------|-----------|------------|
| FREE MOVEMENT OF GOODS     | 3        | 4         | 9         | 10        | 4         | 8         | 38         |
| FREE MOVEMENT OF PERSONS   | 0        | 3         | 3         | 5         | 5         | 5         | 21         |
| FREE PROVISION OF SERVICES | 0        | 0         | 1         | 2         | 3         | 0         | 6          |
| FREE MOVEMENT OF CAPITAL   | 0        | 0         | 0         | 0         | 0         | 0         | 0          |
| HORIZONTAL AREAS           | 0        | 0         | 0         | 0         | 1         | 3         | 4          |
| PUBLIC PROCUREMENT         | 0        | 7         | 1         | 11        | 7         | 9         | 35         |
| OTHER SECTORS              | 1        | 0         | 0         | 0         | 0         | 0         | 1          |
| <b>Total</b>               | <b>4</b> | <b>14</b> | <b>14</b> | <b>28</b> | <b>20</b> | <b>25</b> | <b>105</b> |

Agreement, as well as in the total number of open cases at the end of each year. The two types of closures are presented separately.

As can be seen, closures of the first category - that is to say, cases where the EFTA State concerned has taken the necessary measures - have constantly been the overwhelming majority. Thus, in 1999, of the 107 closures 93 took place as a result of the EFTA State concerned having taken the relevant measures.

The table shows that the total number of open cases has increased from 284 in 1998 to 304 in

1999, thus reversing the decreasing trend between 1996 and 1998.

However, this does not show the Authority's aggregate case-handling workload in general surveillance. In addition, it has to be taken into account that some *preliminary examination* cases have to be added, this being cases which have neither yet been completed, nor resulted in an own-initiative case. To this must also be added the management tasks referred to in the Sections below, many of which will involve further action by the Authority.



## OPEN OWN-INITIATIVE AND COMPLAINT CASES IN 1994 - 1999:

|  | 1994      | 1995       | 1996       | 1997       | 1998       | 1999       |
|--|-----------|------------|------------|------------|------------|------------|
| Own-initiative cases                     | 58        | 187        | 89         | 74         | 91         | 88         |
| Complaint cases                          | 25        | 53         | 45         | 32         | 40         | 39         |
| Closures - Measures taken                | 3         | 39         | 76         | 122        | 119        | 93         |
| Closures - Other reasons                 | 1         | 3          | 6          | 28         | 13         | 14         |
| Open cases at end of preceding year      | -         | 79         | 277        | 329        | 285        | 284        |
| <b>Open cases at the end of the year</b> | <b>79</b> | <b>277</b> | <b>329</b> | <b>285</b> | <b>284</b> | <b>304</b> |

## 4.7 FREE MOVEMENT OF GOODS

### 4.7.1 BASIC PROVISIONS

The rules on the free movement of goods are laid down in Articles 8 to 27 of the EEA Agreement. The basic principles comprise, *inter alia*, rules prohibiting various types of barriers to trade, such as customs duties and charges having equivalent effect (Article 10), quantitative restrictions and measures having equivalent effect (Articles 11, 12 and 13) and discriminatory taxation of imported goods (Article 14). Furthermore, the arrangements provided for in the Agreement with regard to trade in agricultural and fishery products must not be compromised by other technical barriers to trade (Article 18).

Specific provisions and arrangements on the free movement of goods are set out in a number of protocols to the Agreement and in the acts referred to in annexes to the Agreement relating to the free movement of industrial goods, processed agricultural products, and fish and marine products. Two annexes refer to a large number of acts containing detailed provisions concerning technical requirements for industrial goods and veterinary and phytosanitary rules. Three annexes refer to acts concerning product liability, energy and intellectual property.

#### **4.7.1.1 Customs duties and charges having equivalent effect, and discriminatory taxation**

During 1999, the Authority dealt with a

number of issues under this heading. A complaint, which referred to value added tax (VAT) on the import of second-hand goods to *Norway*, was closed, as the levying of VAT on imported goods is not contrary to the EEA Agreement. After further examination, in particular in the light of development in the European Union, the case concerning the Norwegian basic tax on one-way packaging of beverages was closed, as it was not possible to establish that the Norwegian measure is contrary to the EEA Agreement and the obligation of establishing a homogenous EEA.

In addition, the Authority assessed five cases, four of which were complaints received during the reporting period, with regard to charges collected by Posten Norge for services as a forwarding agent in relation to the customs clearance of imported mailed parcels. Some of these complaints also referred to VAT levied and customs duties charged on the products. In relation to the provisions on the free movement of goods in the EEA Agreement, the Authority, after having assessed the cases, is of the opinion that there are no infringements of the EEA Agreement. The fees charged by Posten Norge for the customs clearance carried out do not constitute customs duties or charges having equivalent effect according to Article 10 EEA. The levying of VAT on imports is not contrary to the EEA Agreement. Finally, there is no information enabling the Authority to conclude that *Norway*, contrary to Article





10 EEA, maintains customs duties in relation to products originating in the EEA. Therefore, the cases have been closed.

#### **4.7.1.2 Quantitative restrictions and measures having equivalent effect and other technical barriers to trade**

With regard to quantitative restrictions and measures having equivalent effect and other technical barriers to trade, a number of complaint cases were outstanding from previous years.

One of these complaints was against *Norway* concerning a ban on the import, production and marketing of fortified corn flakes. After having examined the case *inter alia* in light of the relevant case law, the Authority issued first a letter of formal notice and then later in the year, a reasoned opinion as the Authority considers that the Norwegian provisions are in breach of Article 11 of the EEA Agreement.

The Authority has been dealing with four complaints regarding the legislation on alcohol in *Iceland*. New Icelandic legislation on alcohol has been introduced and is being examined by the Authority. In the year 2000, the Authority will continue to consider whether the changes would call for closures of the cases.

Since the EEA Agreement entered into force, the Surveillance Authority has received various complaints concerning different aspects of the legislation on alcohol in *Norway*. The legislation continued to be the subject of several rounds of formal and informal consultations between the Norwegian Authorities and the EFTA Surveillance Authority.

In 1998 the Authority sent *three* letters of formal notice to *Norway* concerning import of alcoholic beverages.

In 1999, one of the letters was followed up by a reasoned opinion with regard to different treatment both in law and practice of alcoholic beverages with similar alcohol content by volume. The application of two methods at the retail level, where beer with an alcohol content between 2,5% and 4,75% by volume

may be sold outside the outlets of the State monopoly, while other beverages with the same alcohol content may only be sold through the State monopoly leads, in the view of the Authority, to discrimination contrary to Article 16 of the EEA Agreement. Furthermore, the Authority considers that the application of more restrictive measures regarding licences to serve certain products, the majority of which are imported, compared with other products containing a similar percentage of alcohol by volume, constitutes a measure having equivalent effect to quantitative restrictions on imports within the meaning of Article 11 of the EEA Agreement.

One of the letters of formal notice, sent in 1998, concerned the requirements to obtain and maintain licences to import, wholesale and serve alcoholic beverages. The Authority considered that the Norwegian legislation and practices impose substantial additional costs on the importation of alcoholic beverages and are thus contrary to Article 11 of the EEA Agreement. Moreover, the Authority found that the requirement of double authorization for restaurants wishing to import alcoholic beverages had an effect equivalent to quantitative restrictions on imports within the meaning of Article 11 of the EEA Agreement. This issue was in 1999 the subject of discussions with representatives of the Norwegian Government on which occasion amendments to the existing legislation were announced. However, no detailed information on the matter was received before the end of year. The Authority will therefore pursue the case in the year 2000.

Finally, one of these letters addressed the prohibition of beer containing more than 7% alcohol by volume. In 1999, Norway notified the abrogation of that provision. Accordingly, this case could be closed.

The Authority received a complaint from a producer in one of the Member States of the European Union regarding smoke emission requirements in *Norway* on wood fired stoves. The requirements on emissions of particulates are included in a regulation, which refers to a Norwegian standard. As, in the opinion of the Authority, in the absence of a mutual recognition clause, the requirements constitute a quantitative restriction or measures having equivalent effect within the meaning of



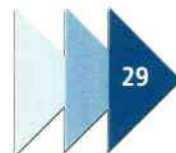
Article 11 of the EEA Agreement, a letter of formal notice was sent to that State during the reporting period. The Norwegian authorities consider the measure, taken in order to protect the health and safety of the population, to be in accordance with Article 13 of the Agreement. The Authority will revert to the matter in the year 2000.

On the basis of a complaint, lodged with the Authority in 1997, the Authority sent a letter of formal notice to *Iceland* regarding its prohibition of certain smokeless tobacco products. In the view of the Authority, the prohibition is in breach of Article 18 of the EEA Agreement by compromising the arrangements provided for in Articles 17 and 23 of that Agreement.

The Authority continued the examination of the system applied by *Norway* for the distribution and showing of films and video tapes, including requirements for the registration and labelling of video tapes, the registration of importers and producers of video tapes and municipal licensing for the distribution of video tapes. Following a letter

of formal notice on the matter sent in 1995, the Norwegian authorities stated in 1996 their intention to amend the legislation. Since no amendments were made to the Norwegian legislation to correct the situation, the Authority delivered a reasoned opinion in December 1997. A decision to amend the Act on Films and Videotapes was taken by the Norwegian Parliament (Stortinget) in May 1998. As the proposed regulation would contain technical requirements on the product it was notified in 1999 as a draft technical regulation under the so-called 98/34 procedure (see Section 4.7.3.1). In light of comments issued by both the European Commission, on behalf of the European Community, and the EFTA Surveillance Authority, the Norwegian Government presented at the end of the reporting period new provisions to be included into the regulation. According to the Norwegian representatives, these changes would take care of the concerns raised by the Authority and by the Commission.

During the reporting period, the Authority also closed two cases based on complaints received in earlier years against *Norway*.



*Goods Directorate.*

*In front from left to right: Daniél Vidarsson, Gunnar Thor Pétursson, Director Lilja Vidarsdóttir, Lars Gråberg. Behind, from left to right: Ketil Rykhus, Sólveig Georgsdóttir, Brynjulf Melhuus, Nicola Britta Pauling, Erik J. Eidem, Inger-Lise Thorkildsen, Thomas Langeland*



One concerned the calculation of customs duties on certain processed agricultural products. As there are no provisions in the EEA Agreement about such calculations, this is a matter for national provisions. The other case regarded the prohibition of tobacco advertising, a so-called selling arrangement falling outside the scope of Article 11 EEA and furthermore also in line with Community legislation.

In 1999, the Authority received two complaints regarding quantitative restrictions and measures having equivalent effect.

One complaint dealt with the free movement of goods aspects of the decision by *Iceland* to establish a health sector database. At the end of the reporting period, the Authority had not been able to establish any breach of the articles on the free movement of goods in the EEA Agreement. The complaint will be further dealt with in the year 2000.

A complaint concerning the prohibition in *Norway* for petrol stations to sell beer was received in 1999. As the matter, in the opinion of the Authority, constitutes a so-called selling arrangement falling outside the scope of Article 11 EEA, the case was closed later in the year.

#### 4.7.2 SECONDARY LEGISLATION WITH REGARD TO TECHNICAL REGULATIONS, STANDARDS, TESTING AND CERTIFICATION

Acts with regard to technical regulations, standards, testing and certification are referred to in Annex II to the EEA Agreement, which includes 32 chapters dealing with various subject areas. The situation in the different areas, which is presented also in tabular form in *Annex IV* to this report, is as follows:

During the reporting period, seven new directives were to be complied with in the field of **motor vehicles**. The Authority sent letters of formal notice as a result of delayed transposition of some of these directives.

*Iceland* received letters of formal notice with regard to the Directive adapting to technical progress *Directive 71/320/EEC relating to braking devices of certain categories of motor vehicles and their trailers* (98/12/EC) and

with regard to the *Directive relating to certain components and characteristics of two- or three-wheel motor vehicles* (97/24/EC). The former act was subsequently notified as implemented.

*Norway* received letters of formal notice with regard to the *Directive adapting to technical progress Directive 71/320/EEC relating to braking devices of certain categories of motor vehicles and their trailers* (98/12/EC) and with regard to the *Directive adapting to technical progress Directive 70/156/EEC relating to the type-approval of motor vehicles and their trailers* (98/14/EC). Both acts have been notified by *Norway* as fully implemented, but the Authority is still awaiting the formal version of the legal texts.

As can be seen in *Annex IV* to this report, no notifications have been received from *Iceland*, *Liechtenstein* and *Norway* with regard to certain acts which were to be complied with in the latter half of the reporting period. In total, *Iceland* is still to notify three acts, *Liechtenstein* one act and *Norway* two acts.

In the area of **agricultural and forestry tractors**, five new directives were to be complied with within the reporting period. *Norway* received letters of formal notice with regard to the *Directive amending Directives 74/150/EEC, 74/151/EEC, 74/152/EEC, 74/346/EEC, 74/347/EEC, 75/321/EEC, 75/322/EEC, 76/432/EEC, 76/763/EEC, 77/311/EEC, 77/537/EEC, 78/764/EEC, 78/933/EEC, 79/532/EEC, 79/533/EEC, 80/720/EEC, 86/297/EEC, 86/415/EEC and 89/173/EEC, with regard to the maximum design speed of wheeled agricultural or forestry tractors* (97/54/EC), the *Directive adapting to technical progress Directive 74/151/EEC on certain components and characteristics of wheeled agricultural or forestry tractors* (98/38/EC), the *Directive adapting to technical progress Directive 75/321/EEC relating to the steering equipment of wheeled agricultural or forestry tractors* (98/39/EC), and *Directive adapting to technical progress Directive 74/346/EEC relating to rear-view mirrors for wheeled agricultural or forestry tractors* (98/40/EC). All of these acts have been notified by *Norway* as fully implemented, but the Authority is still awaiting the formal version of the legal texts.



In addition, the *Directive adapting to technical progress Directive 74/152/EEC relating to the maximum design speed and load platforms of wheeled agricultural or forestry tractors* (98/89/EC) was still to be complied with by *Iceland* and *Norway* by the end of the reporting period.

In the area of **lifting and mechanical handling appliances**, *Iceland* received a letter of formal notice with regard to the *Directive relating to lifts* (95/16/EC).

In the chapter on **household appliances**, two new acts were to be complied with during the reporting period; the *Directive implementing Directive 92/75/EEC with regard to energy labelling of household lamps* (98/11/EC) and the *Directive implementing Directive 92/75/EEC with regard to energy labelling of household dishwashers* (97/17/EC). Letters of formal notice were sent to *Iceland* due to delayed transposition of these directives. *Iceland* subsequently notified the latter act as fully implemented.

Furthermore, during the reporting period, *Iceland* notified full implementation of the *Directive implementing Directive 92/75/EEC with regard to energy labelling of household combined washer-dryers* (96/60/EC) and the *Directive amending Directive 95/12/EC implementing Directive 92/75/EEC with regard to energy labelling of household washing machines* (96/89/EC), for which letters of formal notice had been sent in 1998.

In the chapter on **pressure vessels**, the *Directive concerning pressure equipment* (97/23/EC) was to be complied with during the reporting period. *Liechtenstein* and *Norway* notified implementation of the Act but a letter of formal notice was sent to *Iceland* due to delayed transposition.

In the chapter on **electrical material** the *Directive adapting to technical progress Directive 82/130/EEC concerning electrical equipment for use in potentially explosive atmospheres in mines susceptible to firedamp* (98/65/EC), was to be complied with during the reporting period. *Liechtenstein* and *Norway* have notified the Act as fully implemented but no notification had been received from *Iceland* by the end of the reporting period.

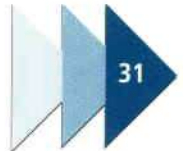
In the field of **textiles**, *Liechtenstein* notified full implementation of the *Directive adapting to technical progress Annexes I and II to Directive 96/74/EC on textile names* (97/37/EC), for which a letter of formal notice had been sent in 1998. Thereby, notifications of implementation have been received from all the EFTA States regarding the directives in the area.

In the chapter on **foodstuffs**, *Iceland* notified full implementation of several acts on milk and milk products and the *Directive on Energy-Restricted Diets* (96/8/EC), all of which had been the subject of formal proceedings in previous years. Furthermore, the *Directive on Pesticide Residues* (98/82/EC), for which a letter of formal notice was sent to *Iceland* in 1999, was transposed before the end of the year.

All the acts on foodstuffs which were integrated into the EEA Agreement during 1999 and were to be complied with during the year, have been implemented by *Iceland* with the exception of the *Directive on Derogations from Labelling of Foodstuffs* (1999/10/EC) and two Regulations on organic production (Nos 330/1999 and 1900/98). A number of acts in the field of foodstuffs, which were outstanding at the end of the year 1998, had been implemented at the end of the reporting period.

During the reporting period *Norway* notified full implementation of the *Directive on Hygiene of Foodstuffs* (93/43/EC) and the *Directive on Energy-restricted Diets* (96/8/EC), for which letters of formal notice had been sent. However the *Directive on Infant Formulae and Follow-on Formulae* (91/321/EEC), which has also been the subject of formal proceedings, is not fully transposed.

At the end of the reporting period *Norway* had not notified implementation measures for the *Regulation on Organic Production* (No 330/1999), the *Directive on Derogations from Labelling of Foodstuffs* (1999/10/EC), the *Directive on Hygiene of Raw Sugar* (98/28/EC), the *Directive on QUID* (97/4/EC) and the *Regulation on Aflatoxin in Nuts and Cereals* (No 1525/98), all of which were to be complied with before the end of 1999.





*Liechtenstein* had a transitional period, which expired on 1 January 2000, for implementing the whole chapter on foodstuffs.

The European Commission recommends annually to the EU Member States co-ordinated programmes for the official control of foodstuffs and inspections to ensure compliance with maximum levels of pesticide residues in and on certain products of plant origin, including fruit and vegetables. The Authority started to recommend corresponding programmes to the EFTA States in 1995. Preparations for the programmes in 2000 were well under way at the end of the reporting period.

In the field of **medicinal products**, the Authority received one complaint against *Norway* concerning the pricing of such products. One case concerning authorised agents for medicinal products in Norway was closed. Furthermore, Norway notified during the reporting period full implementation of the *Directive on Medicinal Products* (65/65/EEC), and the *Directive on the Labelling of Medicinal Products for Human Use and on Package Leaflets* (92/27/EEC), for which letters of formal notice had been sent in 1998.

A letter of formal notice was sent to *Norway* concerning partial implementation of the *Directive extending the scope of Directives 65/65/EEC and 75/319/EEC and laying down additional provisions for radiopharmaceuticals* (89/343/EEC). Furthermore, three reasoned opinions were sent to Norway concerning partial implementation of the *Directive on the Pricing of Medicinal Products* (89/105/EEC), the *Directive on Wholesale Distribution* (92/25/EEC), and the *Second Directive on Proprietary Medicinal Products as amended* (75/319/EEC). In the latter half of the reporting period the Authority was informed that these directives would be fully implemented by the end of the year, but at the end of the reporting period, it had not received formal notifications.

A letter of formal notice was sent to *Iceland* concerning partial implementation of the *Directive on the Pricing of Medicinal Products* (89/105/EEC).

Three new acts on **fertilisers** (96/28/EC, 98/3/EC and 98/97/EC) became applicable during the year. All three EFTA States have transposed these directives.

In the chapter on **dangerous substances**, *Iceland* notified full transposition of the remaining acts related to the basic *Directives on Chemical Substances* (67/548/EEC) and *on Preparations* (88/379/EEC) and their amendments.

Several acts in the field of dangerous substances were integrated into the EEA Agreement during the year, all of which have been implemented by *Iceland* with the exception of the *Regulation on Export and Import* (No 2247/98). At the end of the reporting period, *Iceland* had notified implementing measures with regard to all other acts, which had been the subject of formal proceedings, with the exception of the *Directive on CMT Restrictions* (97/56/EC).

*Norway* implemented all the acts in the field of dangerous substances which became applicable during the year. Furthermore, acts which had been outstanding at the end of 1998, for some of which formal proceedings had been initiated, were all transposed by the end of the reporting period.

*Liechtenstein* has notified national measures for all acts in the field of dangerous substances.

The management tasks related to the notification of new substances, as stipulated in the *Directive on Chemical Substances* (67/548/EEC), are carried out for *Iceland* and *Liechtenstein* in collaboration with the competent authorities in other EEA States. *Norway* continued to participate actively in the notification scheme during 1999.

Three new acts on **cosmetic products** (97/45/EC, 98/16/EC and 98/62/EC) became applicable during 1999, all of which were implemented by all three EFTA States. Formal proceedings had been initiated against *Iceland* and *Norway* concerning several acts in the field of cosmetics. All those cases could be closed during the year.



In the field of **environment protection**, *Iceland* and *Norway* notified full implementation of the *Directive 94/63/EC on Volatile Organic Compounds*, for which letters of formal notice were sent in 1997. Thereby, notifications of implementation have been received from all the EFTA States regarding the directives in the area.

As *Norway* has announced higher recovery and recycling quotas than those mentioned in the *Directive 94/62/EC on Packaging and Packaging Waste*, a decision according to Article 6 of the Directive is now under preparation by the Authority.

In the chapter on **information technology**, the *Directive relating to telecommunications terminal equipment and satellite earth station equipment, including the mutual recognition of their conformity* (98/13/EC), was to be complied with during the reporting period. *Liechtenstein* notified implementation of the Act but letters of formal notice were sent to *Iceland* and *Norway* due to delayed transposition of the Directive.

In the chapter on **general provisions in the field of technical barriers to trade**, the *Directive laying down a procedure for the provision of information in the field of technical standards and regulations* (98/34/EC) which repeals and replaces the Directive 83/189/EEC and subsequent directives and decisions amending it, became integrated into the EEA Agreement. Implementing measures have been taken by all the EFTA States, regarding all the acts in this field.

In the chapter on **machinery**, two new acts were to be complied with during the reporting period; the *Directive relating to machinery* (98/37/EC) and the *Directive relating to measures against the emission of gaseous and particulate pollutants from internal combustion engines to be installed in non-road mobile machinery* (97/68/EC). A letter of formal notice was sent to *Iceland* concerning delayed transposition of the former act. By the end of the reporting period, no notifications have been received from *Iceland* and *Norway* concerning implementation of the latter act.

*Iceland* has notified implementing measures for the *Directive 93/7/EEC on the return of*

*cultural objects unlawfully removed from the territory of a Member State*. A conformity assessment by the Authority of the notified measures revealed some shortcomings, which were addressed in 1998, followed by a letter of formal notice in 1999. *Liechtenstein* notified full implementation of the Act in 1999. *Norway* has implemented the Act.

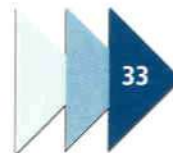
When it comes to the *Directive relating to recreational craft* (94/25/EEC), the Authority detected some possible shortcomings in the implementation of the Act in the case of *Iceland*. Therefore, *Iceland* was invited to comment upon the findings of the Authority. By the very end of the reporting period, observations from *Iceland* were received by the Authority. The matter will be pursued in the year 2000.

Finally, to complete the recording of the chapters of Annex II to the EEA Agreement, notifications of implementation have been received from all EFTA States regarding the directives in the areas of gas appliances, construction plant and equipment, other machines, measuring instruments, construction products, personal protective equipment, toys, tobacco, explosives for civil use and medical devices.

## 4.7.3 OPERATION OF CERTAIN PROCEDURES

### 4.7.3.1 Information procedure on draft technical regulations

The *Directive on an Information Procedure on Draft Technical Regulations* (98/34/EC), as adapted for the purpose of the EEA Agreement, introduces a procedure by which the EFTA States shall notify the Authority of draft technical regulations. Upon notification, a three month standstill period is triggered during which the Authority and the other EFTA States, as well as the European Commission, may comment on the notified draft regulation. Notifications are examined to establish whether they contain provisions, which might create barriers to trade, for example by referring to national standards or national testing bodies, or by requiring exclusively national certificates. The Authority also assesses whether or not the draft national measures are in conflict with EEA secondary legislation.





Within the framework of this information procedure, the Authority received 18 notifications from the EFTA States during 1999, 14 notifications from *Norway* and four from *Iceland*. In four cases, the Authority made comments on the notifications and in seven cases comments from the Commission were forwarded. Out of the 18 notifications, four were made in the fields of foodstuffs and safety of ships respectively, two concerned safety of toys, measuring instruments and tobacco respectively, and one was relating to telecommunications, feedingstuffs, construction works and films/video respectively. During the reporting period, the Authority also received comments in six cases on notifications from the year 1998.

In 1999, the Authority received 591 notifications from the EU side, none of which led to single co-ordinated communications being transmitted to the European Commission.

*Iceland* has repealed its national regulations in 12 out of the 13 cases where the Authority had considered that *Iceland* had adopted technical regulations without prior notification to the Authority and initiated infringement procedures. Thus, there remains only one act, the prohibition in the Tobacco Act of fine ground nasal tobacco. However, as that act, in the opinion of the Authority, is also in breach of Article 18 of the EEA Agreement (see Section 4.7.2.2), the Authority is for the moment not requesting any further action from *Iceland* with regard to the notification procedure. *Norway* has repealed two non-notified regulations. Thereby, the two cases could be closed.

Preparatory work is under way in the EEA Joint Committee to integrate into the EEA Agreement *Directive 98/48/EC* amending *Directive 98/34/EC*. That Directive widens the notification obligation to draft rules on Information Society Services. It has been in force in the EU since August 1998.

#### 4.7.3.2 National measures derogating from the principle of free movement of goods

The *Decision establishing a procedure for the exchange of information on national measures derogating from the principle of the free movement of goods* (3052/95/EC), came into force under the EEA Agreement on 1 November 1998. The Act lays down that the EFTA States must notify the Authority of any national measure impeding the free movement of goods, where the person responsible for the product invokes its compliance with the regulation in force in another EEA State where it is lawfully produced or marketed. During 1999, the Authority received 26 notifications from EU Member States. The notifications were forwarded to the EFTA States. No notifications were received from the EFTA States. The Authority has had contacts with both the Commission and the EFTA States in order to promote an active participation by the EFTA States in this notification procedure.

#### 4.7.3.3 Notification procedures on chemicals

The chemicals procedures form an integral part of the evaluation and control of the risks of new and existing chemicals. The

### DRAFT TECHNICAL REGULATIONS

|             | EFTA notifications | Comments from the Authority | EC notifications | Single Coordinated Communications |
|-------------|--------------------|-----------------------------|------------------|-----------------------------------|
| <b>1994</b> | 61                 | 30                          | 389              | 4                                 |
| <b>1995</b> | 8                  | 6                           | 438              | 3                                 |
| <b>1996</b> | 30                 | 5                           | 522              | 3                                 |
| <b>1997</b> | 12                 | 6                           | 900              | 3                                 |
| <b>1998</b> | 37                 | 13                          | 604              | 3                                 |
| <b>1999</b> | 18                 | 4                           | 591              | 0                                 |



notification procedures are divided into the following schemes:

- ▶ notification of new substances, according to the *Directive on Substances* (92/32/EEC), the *Directive on Preparations* (88/379/EEC) and the *Directive on Risk Assessment of new Chemicals* (93/67/EEC);
- ▶ notification of existing substances, according to the *Regulation on Existing Substances* (No 793/93) and the supplementing *Regulation on Risk Assessment* (No 1488/94); and
- ▶ notification according to the *Export/Import Regulation* (No 2455/92).

These procedures entail extensive technical, scientific and administrative work for the Authority and the EFTA States in close collaboration with the European Chemicals Bureau (ECB) and the EU Member States. The scientific and technical tasks in relation to the procedures are carried out by ECB.

Cooperation between the Authority and the European Chemicals Bureau on the notification scheme for **new chemicals** continued during 1999. *Norway* has been active in this scheme from the beginning. In 1999, Norway notified thirteen chemicals on the Norwegian market, which are not found in the *European Inventory of Existing Commercial Chemical Substances (EINECS)*. The remaining nine NON-EINECS substances on the Norwegian market are expected to be notified in early 2000. No similar notifications have yet been made by *Iceland* or *Liechtenstein*. *Iceland* has made arrangements concerning the operation of this procedure with the competent authority in Denmark, and *Liechtenstein* will do the same with the competent authority in Germany.

Rapporteurs had been designated for 106 **existing substances** requiring attention and appearing on three priority lists published in previous years because of their potential effect on man and the environment. By the end of 1999, comprehensive risk assessment reports had been completed on 64 of the 106 substances. *Norway* is a rapporteur

for the whole European Economic Area for risk assessment of several of these substances as set out in the *Regulation on Existing Substances* (No 793/93). A 4<sup>th</sup> priority list is due to be adopted in the year 2000 and will contain further 25-30 substances.

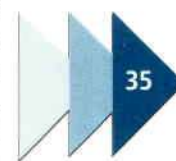
#### 4.7.3.4 Foodstuffs

The *Contaminants Regulation* (No 315/93), the *Directive on the Hygiene of Foodstuffs* (93/43/EEC) and the *Labelling Directive* (79/112/EEC), contain procedures which allow the EEA States to introduce national provisions that are more specific than those laid down by these acts and to notify them accordingly. During 1999, no such measures were notified by any of the EFTA States.

#### 4.7.3.5 Product Safety

The notification procedure under the *General Product Safety Directive* (92/59/EEC) provides for the application of a procedure regarding the rapid exchange of information in cases of serious and immediate risk to the health and safety of consumers. The Directive also introduces a general safeguard procedure, which is applicable insofar as there are no specific provisions in rules of Community law governing all the safety aspects of products.

The Authority received nine notifications from the EFTA States under the emergency procedure in 1999, six relating to foodstuffs and three to non-food products. Moreover, the EFTA States participated actively in the procedure by presenting several reactions to notifications received. In total 191 notifications were received from the European Commission. In the framework of the



### THE EMERGENCY PROCEDURE

|             | EFTA notifications |          |          | EC notifications |          |            |
|-------------|--------------------|----------|----------|------------------|----------|------------|
|             | Food               | Non food | Total    | Food             | Non food | Total      |
| <b>1994</b> | 2                  | 2        | <b>4</b> | 9                | 6        | <b>15</b>  |
| <b>1995</b> | 4                  | 0        | <b>4</b> | 12               | 15       | <b>27</b>  |
| <b>1996</b> | 1                  | 0        | <b>1</b> | 15               | 53       | <b>68</b>  |
| <b>1997</b> | 2                  | 2        | <b>4</b> | 67               | 52       | <b>119</b> |
| <b>1998</b> | 0                  | 0        | <b>0</b> | 74               | 47       | <b>121</b> |
| <b>1999</b> | 6                  | 3        | <b>9</b> | 91               | 100      | <b>191</b> |



non-food network, 100 notifications were received. Within the foodstuffs network, 91 notifications were received, together with 279 additional communications on measures relating to products already notified.

Furthermore, 20 notifications under the general safeguard procedure were received from the Commission, but none from the EFTA States. In addition, the Authority forwarded 14 notifications under the General Product Safety network from the Commission regarding voluntary withdrawals of unsafe non-food products for information purposes only. No such notifications were received from the EFTA States. Furthermore, there is an ever-increasing number of notifications treated under the same network, for information purposes only, concerning foodstuffs. Most of these notifications relate to products imported from third countries, regarded as dangerous and rejected at the border. In 1999, the Authority forwarded 13 such notifications received from EFTA States and 249 from EU Member States.

At the end of 1999, the Authority, in collaboration with representatives from the European Commission, assessed the operation of the Rapid Alert System for foodstuffs and non-food products in *Iceland, Norway and Liechtenstein*. The assessment, which was based on a questionnaire prepared by the European Commission, took the form of meetings in Brussels for Iceland and Norway and a written procedure for Liechtenstein. The conclusions were sent to Iceland and Norway respectively in the form of draft reports for comments. The comments received are under examination with the aim of finalising the reports within the near future.

#### **4.7.3.6 Safeguard measures with regard to unsafe products in accordance with specific Directives**

During the reporting period, the Authority received four notifications from *Norway* of safeguard measures taken under the *Low Voltage Directive (73/23/EEC)* and 133 notifications were received from EU Member States under the same Directive. Seven notifications were received from EU Member States relating to the *Directive on Electromagnetic Compatibility (89/336/EEC)*.

The Authority received seven notifications from the European Commission under the *Directive concerning products which, appearing to be other than they are, endanger the health or safety of consumers (87/357/EEC)*, which are distributed within the afore mentioned General Product Safety network. Furthermore, two Commission Opinions were received regarding safeguard measures under the *Directive on machinery (98/37/EC)*, two under the *Directive on the safety of toys (88/378/EEC)* and two under the *Directive on gas appliances (90/396/EEC)*, which were distributed to the EFTA States.

#### **4.7.3.7 Notification of conformity assessment bodies**

All new approach directives and some of the old approach directives provide for the involvement of notified bodies as third parties in conformity assessments of products or production. Such bodies may be testing laboratories, inspection bodies, certification bodies or approval bodies. They are notified by the EEA States as being competent to carry out conformity assessments of specific products or families of products, as set out in the relevant Directives. These notifications are forwarded to the European Commission, which publishes them, together with the notifications received from the EU Member States, in the Official Journal of the European Communities. In 1999, the Authority received three notifications concerning such conformity assessment bodies.

### **4.7.4 OTHER RULES IN FIELDS RELATED TO THE FREE MOVEMENT OF GOODS**

#### **4.7.4.1 Product Liability**

The *Directive on Liability for Defective Products (85/374/EEC)* has been notified as implemented by all three EFTA States.

#### **4.7.4.2 Energy**

*Norway* is the only EFTA State that has activities falling under the *Directive on the conditions for granting and using authorisations for the prospection, exploration and production of hydrocarbons (92/22/EEC)*. On the basis of correct implementation of the Act, *Norway* requested special derogations from the utilities procurement rules. After



examination of the Norwegian request, the Authority proceeded to allow for the use of special award procedures in the petroleum sector in Norway. (See Chapter 4.8.4).

*Iceland* and *Norway* continued to report prices of crude oil and petroleum products in accordance with the *Directive on Prices of Crude Oil and Petroleum Products* (76/491/EEC). These reports were forwarded to the European Commission according to an established routine between the Authority and the Commission.

#### **4.7.4.3 Intellectual Property**

The work in the field of intellectual property continued to focus on implementation control and assessment of complaint cases.

All the EFTA States have notified national measures implementing all acts in this sector. However, *Iceland* has not yet notified implementation of Article 4 of the *Directive on rental rights and lending rights and certain rights related to copyright in the field of intellectual property* (92/100/EEC). Furthermore, Article 8(2) of the same Directive has not yet been notified as implemented by *Norway*.

### **4.7.5 VETERINARY AND PHYTOSANITARY MATTERS**

Within the veterinary and phytosanitary sectors, the Authority focused its resources on the approval process of Border Inspection Posts (BIPs) in *Iceland* and *Norway*, which also implied a reduction in the implementation control and inspections of fresh meat producing establishments and fish establishments in comparison with previous year. A complete revision of the veterinary chapter of Annex I entered into force 1 January 1999, which required substantial amendments of the Authority's implementation database and registry.

#### **4.7.5.1 Legislation**

The revised Annex I, divided into three Chapters, contains some one thousand acts, out of which around three hundred are directives, with some transitional periods, specific for the EFTA States. The acts in the veterinary field (Chapter I), not related to fishery products, do not apply to *Iceland*. *Liechtenstein* had a transitional period until

1 January 2000 with regard to all the acts in that chapter.

#### **4.7.5.2 National transposition**

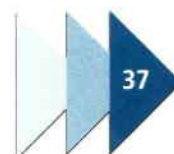
The Authority continued to assess the conformity of national measures with directives concerning **veterinary issues** in Annex I. During the reporting period, the transposition control has mostly focused on acts related to border inspection control. Both *Iceland* and *Norway* have in several cases amended their legislation in order to comply with the acts.

The conformity assessment of other notified acts revealed some shortcomings which are in the process of being corrected. However, the Authority sent a letter of formal notice to *Norway* for only partial implementation of the *Directive concerning the prohibition on the use in stockfarming of certain substances having a hormonal or thyrostatic action and of betaagonists, and repealing Directive 81/602/EEC, 88/146/EEC and 88/299/EEC* (96/22/EC) and for non implementation of the *Directive on measures to monitor certain substances and residues thereof in live animals and animal products and repealing Directives 85/358/EEC and 86/469/EEC and Decisions 89/187/EEC and 91/664/EEC* (96/23/EC). Both *Iceland* and *Norway* received letters of formal notice for non implementation of the *Directive on the financing of veterinary inspections and controls covered by Directives 89/662/EEC, 90/425/EEC, 90/675/EEC and 91/496/EEC* (85/73/EEC).

All three EFTA States have notified implementation of all the acts in the field of **feedingstuffs** and **seeds**, with the exception of those directives for which *Iceland* and *Norway* have derogations.

#### **4.7.5.3 Application of the Agreement**

Products processed by establishments handling fresh meat, meat products, poultry meat, farmed game meat, eggs, milk and fish, as well as on factory vessels are, under the EEA Agreement, subject to strict veterinary rules motivated by objectives of public health and consumer protection. If the establishments or vessels have been approved by the national competent authority in an EEA State, in accordance with the relevant EEA Act, the products could be placed on the





entire EEA market without any further veterinary checks. The EFTA States submit lists of the approved establishments to the Authority, which then transmits the lists to the European Commission for further distribution to the EU Member States. As from 1 January 1999, live animals and products of animal origin from third countries are covered by the EEA Agreement and subject to the same strict veterinary rules throughout the EEA.

Point 4 of the introductory part of Chapter I of Annex I to the EEA Agreement lays down the principles to be applied by the Authority in carrying out on-the-spot inspections in the veterinary field, implying, *inter alia*, that such inspections shall be carried out in accordance with programmes equivalent to those of the Community, that the same criteria shall apply to inspections, that information concerning inspections shall be exchanged between the European Commission and the Authority and that the follow-up of the inspections shall be co-ordinated between the Commission and the Authority. Also the inspections of BIPs should be made in close co-operation with the European Commission. In conformity with these principles, the co-operation between the inspection services of the Authority and those of the Commission continued.

During 1999, the Authority's inspectors have continued to inspect establishments approved by national authorities in order to verify that

they are in fact complying with the relevant EEA provisions, but the major part of missions have been allocated to inspections of BIPs. Many of the BIPs have geographically separated so-called Inspection Centres (ICs), which had to be inspected separately. During 1999, the Authority inspected 19 establishments and 61 BIPs and ICs in the EFTA States.

Based on the reports from the inspections of the BIPs and ICs, and after receiving written guarantees with due dates from the EFTA States to comply with the relevant EEA legislation, the Authority took, by the end of the reporting period, a decision drawing up a list of BIPs in *Iceland* and *Norway*.

*Norway* submitted to the Authority for approval their annual plan regarding the examination of hormones and other substances and residues thereof in live animals and animal products. The Authority is in the process of approving the plan. *Norway* furthermore submitted to the Authority the results of the tests carried out according to the residue plan for 1998.

Some basic characteristics of the inspections are given in the table below.

**NUMBER OF ESTABLISHMENTS, BIPs AND ICs INSPECTED IN THE EFTA STATES 1999**

| Type of inspections | Fresh meat |     | Fishery products |     | BIBs and ICs |     | Residues |     | Total |
|---------------------|------------|-----|------------------|-----|--------------|-----|----------|-----|-------|
|                     | ISL        | NOR | ISL              | NOR | ISL          | NOR | ISL      | NOR |       |
| Formal inspections  | -          | 7   | 3                | 3   | 14           | 47  | -        | 6   | 80    |

## 4.8 PUBLIC PROCUREMENT

### 4.8.1 GENERAL OVERVIEW

The main objective of the provisions in the EEA Agreement on public procurement is to oblige contracting authorities and entities within the EEA to apply certain procedures when procuring supplies, services and works

with a value exceeding given thresholds, in order to secure equal treatment of all suppliers, service providers and contractors established within the EEA. As a general rule, notices on contracts to be awarded shall be published in the Official Journal of the European Communities and in the database



Tender Electronic Daily (TED). In addition, public procurement complaint bodies must be established at a national level.

In the field of public procurement, work related to monitoring the application of the procurement rules continued to be the main task of the Authority in 1999. The Authority was also able to assess cases initiated in the previous years, thereby closing a number of cases, where satisfactory solutions had been found. In addition, own initiative cases for possible failure to apply the procurement rules correctly were opened, or preliminary examinations initiated. With a view to safeguarding the interests of potential suppliers and service providers, the Authority continued its practice of ensuring the correction of non-compliance with the procurement legislation by immediate contacts with national authorities before contracts had been concluded.

Providing information and guidance for the understanding of the EEA procurement rules, both to the contracting entities and to the supply side, has proved to be an important part of the Authority's work in the procurement field. The European Commission's services have been consulted on a number of topics related to the interpretation of the EEA procurement rules, and the Authority continued to take part in the meetings of the EU Advisory Committee on Public Procurement.

#### 4.8.2 NATIONAL IMPLEMENTING MEASURES AND CONFORMITY ASSESSMENT

*Norway, Iceland, and Liechtenstein* have all notified the transposition of all public procurement acts. The Authority is still awaiting information about a new review mechanism to be set up in *Iceland*. Furthermore, *Iceland* notified changes to the national legislation transposing the public procurement acts. The Authority will pursue this matter in the year 2000 as it considers the notified changes to be an incorrect transposition of the acts concerned.

#### 4.8.3 APPLICATION OF THE RULES ON PUBLIC PROCUREMENT

In the period from 1994 to 1999, the Authority has initiated examination of 67 cases involving alleged or suspected infringements

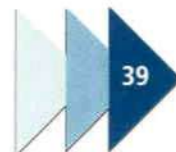
of the public procurement rules, and carried out one management task. At the end of 1999, the Authority had 26 open cases, including six preliminary examinations. In all, 20 cases were closed either because it was concluded that infringement had not taken place or the EFTA State concerned carried out corrective measures.

Twelve new cases were formally registered during the year on the basis of complaints or on the Authority's own initiative. Five complaints were filed against *Iceland* and three against *Norway*. Of the cases opened on the Authority's own initiative, two concerned *Norway* and two *Iceland*. By comparison, during the previous year, the Authority received two complaints against *Iceland*, five against *Norway* and one against *Liechtenstein*. Furthermore, five own-initiative cases were opened against *Iceland* in 1998.

The cases dealt with in 1999, concerned a number of alleged infringements of the public procurement rules, *inter alia*:

- ▶ Failure to publish a call for tender for the award of a contract of a value above the relevant thresholds mentioned in the *Public Supply Contracts Directive (93/36/EEC)* *inter alia*, raising the question of how to calculate the threshold values.
- ▶ The use of the accelerated negotiated procedure referred to in the same Directive, *inter alia*, raising the question of the definition of urgency.
- ▶ Failure to correctly apply the provisions of the *Utilities Directive (93/38/EEC)* as well as Articles 11 and 36 of the EEA Agreement itself, by publishing a deadline for receipt of requests to participate in a negotiated procedure which was less than the prescribed minimum, by publishing requirements for qualifications only applicable to foreign candidates and by requiring that an equivalent contract object must have been delivered and operational in the EFTA State concerned.

While in the above mentioned cases the relevant EFTA State took correcting measures and the Authority did not have to open





infringement procedures, the following cases had to be pursued by the Authority.

One case concerned a contracting authority in *Norway*, which signed a privately negotiated contract for consultant services without applying the *Public Service Contracts Directive* (92/50/EEC), in particular by not publishing a call for tender. The EFTA State concerned referred to basic security interests, implementation of special security measures and prevention of disclosure of information contrary to its essential security interests as reasons for not complying with the provisions of the Act. The Authority, after having sent a letter of formal notice, closed the case as the EFTA State concerned accepted the position of the Authority.

The Authority opened formal infringement procedures against *Iceland* in 1998, concerning a decision to procure a coast guard vessel without applying the provisions of the *Public Supply Contracts Directive* (93/36/EEC). After having examined the reply in 1999, in which the Member State relied on exemptions from applying the provisions of the Act as well as Article 123 of the EEA Agreement, the Authority sent a second letter requesting further information in order to enable the Authority to conclude that the conditions for exempting the procurement from the scope of the directive were present. The Authority was not satisfied with the answer and the case will be further pursued. This particular case is also connected to the question of correct implementation of the public procurement acts in the national legislation.

In 1999, the Authority stepped up its efforts to carry out general surveillance, screening the tender notices published in the Official Journal of the European Communities Supplement "S" in particular.

Special focus was given to the use of the negotiated procedure, which is meant to be used in exceptional circumstances only. As a consequence, the Authority initiated six preliminary examinations concerning the use of the negotiated procedure.

#### 4.8.4 MANAGEMENT TASKS

Following changes in the national rules on utilities in *Norway*, by establishing alternative rules that ensure that the contracting entities engaged in the exploitation of oil or gas award contracts on a non-discriminatory, transparent and competitive basis, Norway requested an exemption from applying all the procedural rules in the *Utilities Directive* (93/38/EEC) to entities engaged in the exploitation of geographical areas for the purpose of exploring for or extracting oil or gas.

The Authority examined the Norwegian request and in particular that *Norway* had correctly transposed the *Hydrocarbons Licensing Directive* (94/22/EC), which is a prerequisite for granting exemption. Furthermore, the Authority convened the EFTA Public Procurement Committee Assisting the EFTA Surveillance Authority in order to examine the Norwegian request for exemption. As no objections were raised, the Authority proceeded to accept the Norwegian request and granted the exemption under the utilities directive.

The Authority, furthermore, published a notice on 30 October 1999 inviting contracting entities in the **telecommunications sector** in the EFTA States to notify the EFTA Surveillance Authority, under Article 8(2) of the *Utilities Directive* (93/38/EEC) of any telecommunications services they regard as excluded from the scope of the Act. On the basis of the answers received towards the end of 1999, the Authority will, in the course of 2000, publish a follow-up notice informing of the telecommunications services it regards as excluded from the mentioned Act. Two of the complaints being examined by the Authority, referred to above, concern this sector and will be examined in light of the conclusions published in that notice.



## 4.9 FREE MOVEMENT OF PERSONS

### 4.9.1 FREE MOVEMENT OF WORKERS

Freedom of movement for workers entails the abolition of any discrimination based on nationality between workers of the EEA States as regards employment, remuneration and other conditions of work and employment, as well as the right to accept offers of employment actually made, to move freely within the territory of EEA States for this purpose, to stay on the territory of an EEA State for the purpose of employment in accordance with the provisions governing the employment of nationals of that State, and to remain on the territory of an EEA State after having been employed there.

#### 4.9.1.1 Implementation control

By virtue of Protocol 15 to the Agreement on transitional periods on the free movement of persons, *Liechtenstein* had the right to maintain in force until 1 January 1998 national provisions submitting to prior authorisation entry, residence and employment. However, it could not introduce any new restrictive measures after the date of signature of the EEA Agreement, on 2 May 1992.

At the end of the transitional period, the transitional measures were to be jointly reviewed by the Contracting Parties, duly taking into consideration the specific geographical situation of *Liechtenstein*. Furthermore, a Declaration by the EEA Council provides that an extraordinary increase in the number of nationals from the other EEA States or in the total number of jobs in the economy, both in comparison with the number of the resident population, should be taken into account in the context of the review of the transitional measures.

While *Liechtenstein* started negotiations on 1 January 1997, with the European Commission concerning further transitional measures, no agreement had been reached on the subject matter by the end of 1997. Therefore and in order to counter the serious difficulties *Liechtenstein* would face, the *Liechtenstein* Government decided to apply as from 1 January 1998, in the context of

Annex V and VIII of the EEA Agreement, the safeguard clause referred to in Articles 112 and 113 of the Agreement.

During 1999, *Liechtenstein* and the European Commission completed the negotiations, and a new agreement providing for special adaptations of Annex V (free movement of workers) and Annex VIII (right of establishment) for *Liechtenstein* was concluded. By Joint Committee Decision No. 191/1999 of 17 December 1999 the adaptations were added to the EEA Agreement.

However, the Decision is pending the fulfilment of constitutional requirements in *Liechtenstein*. In the meantime, the safeguard measures will continue to be applied.

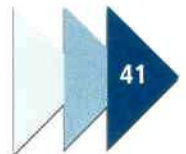
Both *Iceland* and *Norway* have notified national measures considered by them to ensure full compliance with all EEA acts on the free movement of workers.

#### 4.9.1.2 Complaints

Five cases based on complaints remained open at the beginning of the reporting period.

In 1997, the Authority received a complaint concerning EEA workers commuting to *Norway* from another EEA State. In the same year, the Authority sent a letter of formal notice to *Norway* for failure to comply with Article 28 of the EEA Agreement and Article 7 of the *Regulation on Free Movement of Workers* (EEC) No 1612/68, as the Norwegian tax system was considered to discriminate against EEA workers whose families resided in an EEA State other than *Norway*. In its reply, the Norwegian Government informed the Authority that the workers in question should also be entitled to deductions as regards travel costs and extra costs for boarding and lodging. Furthermore, the necessary amendments to the legislation were expected to be adopted by the end of 1998. In October 1999, the Government notified that the necessary measures were completed and became effective as of the income year 1998.

The examination of a complaint registered in 1998, concerning permission to work as





master on board *Norwegian* fishing vessels, was completed in 1999. In February 1999, the Government informed the Authority that the complainant, a British national, educated and trained in Norway, had been granted a certificate as "Dekksoffiser klasse 1" without limitations.

In 1998, the Authority received a complaint against *Iceland* from a University lecturer who alleged that he had been subject to discrimination on grounds of nationality regarding his dismissal and the handling of his application for a new post. The situation for foreign workers in Iceland as regards alleged discrimination has been subject to discussions between the Authority and the competent Icelandic authorities. The case remained open at the end of the reporting period.

In 1998, the Authority received a complaint from an EEA national who worked and resided in *Liechtenstein*. The complainant alleged that there were discriminatory restrictions on the access to housing in Liechtenstein. The Authority did not establish any infringement as Liechtenstein had a transitional period until 1 January 1999 with regard to investments in immovable properties. In 1999, the Liechtenstein Government informed the Authority that Article 40 of the EEA Agreement on movement of capital was fully implemented in Liechtenstein. Furthermore, it stated that as of 1 January 1999 there was to be no difference in the treatment of foreign EEA nationals and Liechtenstein nationals as regards access to housing in Liechtenstein.

A complaint against *Liechtenstein* concerning alleged discriminatory requirements regarding access to a traineeship at the Liechtenstein courts, remained open at the end of the reporting period.

In 1999, the Authority received five new complaints in the field of free movement of workers.

The first complaint was lodged against *Liechtenstein* for alleged discrimination on grounds of nationality regarding right of residence, but the complaint also involved right of establishment, social security, and labour law. The complaint was under examination at the end of the reporting period.

Secondly, in February 1999, the Authority received a complaint from a hospital nurse alleging that she was subject to discrimination in *Iceland* as regards remuneration and other working conditions. The matter was subject to discussions between the competent Icelandic authorities and the Authority in June, and Iceland has since submitted the information requested by the Authority. The case will be further examined in 2000.

The third complaint was lodged against *Norway* for alleged breach of Council Directive 64/221/EEC on the Co-ordination of Special Measures concerning the Movement and Residence of Foreign Nationals, which are justified on Grounds of Public Policy, Public Security or Public Health. The complaint concerned a person who after having been sentenced to imprisonment for importation of prohibited drugs, was expelled for life. The complaint was under examination at the end of the reporting period.

The fourth complaint was lodged against *Norway* alleging that the Norwegian rules on residence were hindering the free movement of persons and the right to take up residence in another EEA State. The case will be further examined in 2000.

At the end of the reporting period, the Authority received a complaint against *Norway* alleging that the refusal of a residence permit was not in accordance with the EEA rules on freedom of movement for workers and the right of residence. The case will be examined in 2000.

## 4.9.2 MUTUAL RECOGNITION OF PROFESSIONAL QUALIFICATIONS

Under Article 30 of the EEA Agreement, the Contracting Parties shall take the necessary measures concerning the mutual recognition of diplomas, certificates and other evidence of formal qualifications, as well as the taking up and pursuit of activities by workers and self-employed persons. To that end, the directives in Annex VII to the Agreement lay down provisions on mutual recognition of professional qualifications and thus facilitate the right of establishment and the provision of services.



### 4.9.2.1 Implementation control

In 1998, the Authority sent a reasoned opinion to *Norway* concerning failure to fully implement the *Second General System Directive* (92/51/EEC). The Norwegian legislation requires those wanting to take up or pursue a profession in the seafaring sector to produce a medical certificate issued by a doctor approved by Norwegian authorities. This is contrary to the Directive, which provides that a person should be able to submit the certificate required in the Member State of origin or the Member State from which the person comes. As Norway did not take the national legislative measures necessary to comply with the Directive, the case was referred to the EFTA Court in December 1999.

In May 1999, the Authority sent a letter of formal notice to *Iceland* concerning failure to fully implement the *Second General System Directive* (92/51/EEC). The Icelandic legislation requires those wanting to take up or pursue a profession in the seafaring sector to produce a medical certificate issued by a doctor who has unlimited licence to practice medicine in Iceland on a specific form provided by the Ministry of Communications. Iceland changed the legal measures in question and at the end of the year the case was under final examination by the Authority.

In June 1999, the Authority closed a case concerning *Iceland's* implementation of *Amendment 1994 to the Second General System Directive* (94/38/EC), subsequent to the issue of a regulation in Iceland. The implementation method previously chosen was, in the Authority's view set out in a letter of formal notice in July 1998, non-transparent and liable to create uncertainty of individual rights and therefore not in conformity with the Directive.

In July 1999, the Authority sent a reasoned opinion to *Liechtenstein* concluding that certain provisions of the relevant national legislation were not in compliance with the *Lawyers' Services Directive* (77/249/EEC).

In October 1999, the Authority sent a letter of formal notice to *Iceland* for not complying with the *Various Activities Directive*

(75/368/EEC) regarding the profession of Librarian.

In 1998, *Liechtenstein* notified national measures implementing a number of directives regarding the medical professions, namely the *Doctors Directive* (93/16/EEC), the *Dentists Directive* (78/686/EEC), the *Nurses Directive* (77/452/EEC), the *Veterinarians Directive* (78/1026/EEC), the *Pharmacists Directive* (85/433/EEC) and the *Acquired Rights in Medical Professions Directive* (81/1057/EEC). The Authority started a conformity assessment of the national measures notified in respect of those directives during 1999.

Conformity assessment was also started regarding the implementation measures in *Liechtenstein* of the *Midwives Directive* (80/154/EEC) and the *Architects Directive* (85/384/EEC).

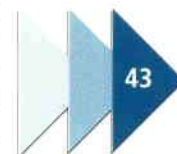
In February 1999, the Authority received from *Liechtenstein* a notification of full implementation of the *Establishment in Agriculture Directive* (63/261/EEC), the *Agricultural Holdings Directive* (63/262/EEC), the *Services in Agriculture Directive* (65/1/EEC), the *Access to Aid Directive* (68/415/EEC) and the *Agricultural and Horticultural Directive* (71/18/EEC). In March 1999, following the Authority's examination, the cases concerning those directives were closed.

### 4.9.2.2 Complaints

During the year 1999, the Authority received no new complaints but continued its examination of complaints from previous years.

In 1998, the Authority received a complaint from a person with a Swedish law degree alleging that requirements for obtaining a Norwegian barrister licence (*Advokatbevilling*) were not in conformity with the EEA Agreement. The Authority sent a letter to *Norway* and asked for further information concerning the case. Based on Norway's clarification of the rules and statements concerning their future application, and taking into account that the case of the individual complainant had been solved, the Authority closed the case in March 1999.

In 1998, the Authority received a complaint from a doctor alleging that the rules applicable in *Norway* on ranking and short-listing





applicants for positions as doctors in hospitals (fortrinnsrett) discriminated against doctors from other EEA States. The Authority received a similar complaint from another complainant in 1997. After exchange of information with Norwegian authorities, the Authority sent a letter of formal notice to Norway in 1998 concluding that the so-called "right of preference" rule for doctors having worked for 12 months in Norway, used in the appointment procedure for the post of an Assistant Medical Practitioner II, was discriminatory and contrary to the EEA Agreement. The rule was terminated by a circular letter, which was distributed to interested parties in Norway. Furthermore Norway asked the County Medical Officer in Oslo and the Norwegian Medical Association to provide information on the letter's contents. The Authority closed the case in October 1999, but will monitor how the contents of the circular letter, on the rule's termination, will be made known within the medical profession in Norway.

In a complaint from 1996, the *Norwegian* Board of Health, following the Authority's informal intervention, in 1998 decided to grant recognition of a German doctor's specialisation in general medicine. The case was closed in April 1999.

#### 4.9.2.3 Management tasks

The Authority is expected to carry out several management tasks in the field of Mutual recognition. One such case was submitted to the Authority in 1999.

In September 1999, *Liechtenstein* communicated to the Authority a new diploma in Architecture. A new diploma coming under the *Architects Directive* (85/384/EEC) shall be automatically recognised by other EEA States if it fulfils certain qualitative and quantitative criteria and has been published according to the Directive. A new diploma from an EFTA State has to be communicated simultaneously to the EFTA Surveillance Authority and to all EEA States, which have the opportunity of raising doubts as to whether the communicated diploma meets the criteria of the Directive. If doubts are raised, the EFTA Surveillance Authority will convene an EFTA committee to give its opinion of the diploma. The process was not completed during the reporting period.

### 4.9.3 RIGHT OF ESTABLISHMENT

Article 31(1) of the EEA Agreement prohibits restrictions on the freedom of establishment of nationals of an EEA State in the territory of another EEA State. The prohibition also applies to the setting up of agencies, branches or subsidiaries by EEA nationals in any EEA State.

#### 4.9.3.1 Implementation control

As was the case with respect to the EEA acts relative to the free movement of workers, Protocol 15 to the EEA Agreement allowed *Liechtenstein* to maintain in force, until 1 January 1998, national provisions in the field of the right of establishment, submitting to prior authorisation entry, residence and employment.

As explained in Section 4.9.1.1 above, the *Liechtenstein* Government decided to apply the safeguard clause referred to in Articles 112 and 113 of the EEA Agreement as of 1 January 1998, also with respect to the EEA acts in the field of right of establishment. Furthermore, a new agreement providing for special adaptations of Annex V (free movement of workers) and Annex VIII (right of establishment) for *Liechtenstein* was added to the EEA Agreement by Joint Committee Decision No. 191/1999 of 17 December 1999. However, the Decision is pending the fulfilment of constitutional requirements in *Liechtenstein*, and in the meantime, the safeguard measures will continue to be applied.

*Iceland* and *Norway* have notified national measures considered to ensure full compliance with the six directives on the abolition of restrictions on freedom of movement and residence for different groups of EEA nationals.

#### 4.9.3.2 Complaints

On the basis of two complaints regarding the single practice rule in *Liechtenstein*, the Authority in 1998 sent a letter of formal notice for failure to comply with Article 31 of the EEA Agreement, as EEA nationals were prevented from establishing themselves as doctors or dentists in *Liechtenstein* if they had a practice in another EEA State.



This single practice rule implies that a doctor or a dentist, once established in a particular EEA State, would be able to enjoy the freedom of the EEA Agreement to establish her/himself in Liechtenstein only at the price of abandoning the establishment she/he already has. In April 1999, the matter was subject to discussions between the Liechtenstein authorities and the Authority, and in June 1999, the Authority received the Liechtenstein reply to the letter of formal notice. The Liechtenstein Government considers the single practice rule a non-discriminatory, suitable, and appropriate measure to ensure the preservation of the Liechtenstein health system. The case will be further pursued in 2000.

In 1998, the Authority received another two complaints against *Liechtenstein* regarding the residence requirement for EEA nationals who wanted to establish a business in that State.

Self-employed persons wanting to establish a business or set up agencies, branches, or subsidiaries in Liechtenstein must reside in that State or employ a manager with residence

in that State in order to obtain a trading licence. If the business is set up by a legal person, the Liechtenstein legislation requires that at least one member entrusted with the management of the company must reside in Liechtenstein. In May 1999, the Authority initiated formal infringement proceedings against Liechtenstein for failure to comply with Article 31 of the EEA Agreement on freedom of establishment.

In its reply, the Liechtenstein Government informed the Authority that the Act on Trade and Commerce was subject to a revision in order to abolish the residence requirement and thus adapt it to the provisions of the EEA Agreement. The amendment is expected to enter into force by July 2000. In the meantime, the competent authority will not refuse the granting of a business licence to applicants or their managing director due to non-residence in Liechtenstein if all other prerequisites are fulfilled. The cases will be further pursued in 2000.

In 1999, the Authority also opened an own-initiative case concerning a legislation in *Liechtenstein* that requires an architect,



**Persons, Services and Capital Movements Directorate:**

*From left to right: Jónas Fr. Jónsson, Tor Arne Solberg-Johansen, Hallgrímur Ásgeirsson, Ragnhild Behringer, Anne-Louise Resberg, Elin Rósa Sigurdardóttir, Director Lars Lindh*  
*Not present: Arthur Szalay, Ásta Magnúsdóttir.*

residing in another EEA State, to appoint a manager who resides in Liechtenstein in order to set up an architect business in that State. On this issue, a letter of formal notice was sent to Liechtenstein in November 1999 for failure to fulfil its obligations under EEA rules on freedom of establishment.

In 1998, the Authority received another two complaint against *Liechtenstein* alleging discriminatory restrictions on the freedom of establishment for doctors and dentists. The complainants had been refused the right to establish themselves in Liechtenstein due to the fact that the Liechtenstein legislation requires that there exists a balanced proportion between the part of Liechtensteiners and foreigners in the profession concerned.

The matter was subject to discussions between the competent Liechtenstein authorities and the Authority, and the Liechtenstein Government submitted its opinion of the matter in July 1999. By referring to the special situation of Liechtenstein, which has been taking into account in Protocol 15 to the EEA Agreement, the Liechtenstein Declaration upon the application of the safeguard measures (Article 112 of the EEA Agreement), and the Joint Declaration by the EEA Council in 1994, the Government stated that the disputed rules lie within the scope of the EEA Agreement. The cases will be further pursued in 2000.

A complaint from 1998 concerned the refusal by the Norwegian authorities to increase the number of hospital beds in a private hospital in *Norway*. The Norwegian Government has submitted information on the matter, and the case will be further examined in 2000.

In June 1999, a complaint was lodged against *Norway* for alleged discriminatory legislation and practice regarding allocation of licences within the sector of aquaculture business. The complaint was under examination at the end of the reporting period.

#### 4.9.4 SOCIAL SECURITY

Article 29 of the EEA Agreement obliges the EEA States to secure for workers and self-employed persons and their dependants, as provided for in Annex VI to the Agreement, in particular the aggregation, for

the purpose of acquiring and retaining the right to benefit and of calculating the amount of benefit, of all periods taken into account under the laws of several countries, and the payment of benefits to persons resident in the territories of those States.

In 1995 and in 1997, the Authority registered two complaints against *Norway* concerning the question whether an EEA national working on the Norwegian continental shelf and residing in another EEA State should be covered by the co-ordination system of the *Regulation on Social Security of Migrant Workers* (EEC) No 1408/71.

Already in 1997, the Authority sent a letter of formal notice to Norway for failure to comply with the Regulation. In its reply, the Norwegian Government indicated that it would propose amendments to its national legislation in order to apply *Regulation 1408/71* to the workers concerned, although the Government did not agree with the Authority's assessment. As the Authority had not been notified of any such measures, the Authority delivered its reasoned opinion on the matter in September 1999.

The Authority considered that Norway was in breach of Article 13(2)(a) of *Regulation 1408/71* since EEA nationals, who were involved in working activities related to exploration for or exploitation of petroleum resources, gas resources or other natural resources on the Norwegian continental shelf, were prevented from being affiliated with the Norwegian National Insurance Scheme as long as they did not reside in Norway or in another Nordic State. The case will be further pursued in 2000.

The second complaint concerned a worker in the same circumstances except for the fact that the worker in question resided in a Nordic State. In accordance with the rules of the Nordic Convention on Social Security the person was affiliated with the Norwegian National Insurance Scheme, but he was not entitled to family allowances due to the residence requirement under the Norwegian Family Allowances Act.

A worker to whom Article 73 of *Regulation 1408/71* applies and who resides in another EEA State than the State of employment, is



entitled to family benefits as if he/she and the family member in question were residing in the latter. Therefore, in November 1999, the Authority sent a letter of formal notice for failure to comply with *Regulation 1408/71*.

In October 1999, another complaint was lodged against *Norway* alleging non-compliance of the Norwegian requirements for family allowances under *Regulation 1408/71*. The case concerned an EEA national, also working on the Norwegian continental shelf, who had been refused family allowances from Norway due to the fact that he and his family were residing outside Norway.

In April 1999, the European Commission forwarded a complaint against *Norway*, alleging non-compliance of the Norwegian legislation and practice on family allowances with regard to *Regulation 1408/71*. The complainant, a frontier worker who worked in

the region of Finnmark, was granted family allowances from Norway, but the competent Norwegian authorities refused to grant a special supplement, "Finnmarkstillegget". The reason was that the children concerned did not live in Finnmark. The case will be further pursued in 2000.

In April 1999, the Authority received a complaint against *Iceland* concerning reimbursement of medical costs for treatment abroad. The complainant wanted to undergo hospital treatment in another EEA State, and therefore, he had requested the Icelandic authorities to cover these costs to the same extent as the costs would have been covered if the hospital treatment would have taken place in Iceland. The complainant alleged that by refusing to cover these costs, the Icelandic authorities were in breach of the EEA Agreement. The case was under examination at the end of the reporting period.

## 4.10 FREEDOM TO PROVIDE SERVICES

The freedom to provide services across borders within the EEA is established in Article 36 of the EEA Agreement. The relevant secondary legislation is referred to in Annex IX (*financial services*), Annex X (*audio-visual services*), and Annex XI (*post- and telecommunication services*) to the Agreement, *Transport* is regulated in Articles 47 to 52 of, and in Annex XIII to the Agreement.

### 4.10.1 FINANCIAL SERVICES

#### 4.10.1.1 Banking

In 1996, *Iceland* received a letter of formal notice concerning the rules on professional secrecy laid down in the *First Banking Directive* (77/780/EEC). After having received a notification of full implementation of the respective provisions of the Directive, the Authority closed the case in February 1999.

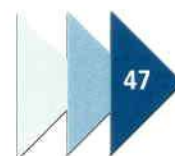
In 1998, the Authority submitted reasoned opinions to *Liechtenstein* with respect to the *First Banking Directive* and the *Second Banking Directive*, concerning a number of provisions where implementation was found to be lacking or insufficient. After having received a notification of full implementation

of the Directives, the Authority closed those cases in July 1999.

In January 1999, the Authority received a notification from *Liechtenstein* of full implementation of the *Banking Consolidated Supervision Directive* (92/30/EEC) and the *Post-BCCI Directive* (95/26/EC). Subsequently, those cases were closed.

In January and May 1999, the Authority received notifications from *Liechtenstein* of partial implementation of the *Banking Accounts Directive* (86/635/EEC). Due to the delay of full implementation of the Directive, the Authority submitted a letter of formal notice to *Liechtenstein* in July 1999 and a reasoned opinion in December 1999. The *Liechtenstein* authorities have indicated that national measures fully implementing the Directive will be adopted in 2000.

In 1998, the Authority sent a reasoned opinion to *Liechtenstein* for failure to ensure full implementation of the *Money Laundering Directive* (91/308/EEC). After having received a notification of an amendment to the implementing measures, the Authority closed the case in July 1999.





In February 1999, the Authority sent a letter to *Liechtenstein*, requesting information concerning national rules on restrictions of the use of names for banks and financial institutions, over which a dominant foreign influence is exercised. The Authority intends to examine the case further.

In 1999, the Authority assessed the conformity of national measures notified by *Iceland*, *Liechtenstein* and *Norway* as implementing the *Contractual Netting Directive* (96/10/EC). Based on this assessment, the Authority sent a letter to all three States requesting further information on the transposition of several provisions of the Directive. The Authority will examine these cases further.

In October 1999, the Authority sent a letter to *Norway*, requesting information concerning the implementation of Article 11 of the *Second Banking Directive* (89/646/EEC). The Article stipulates, *inter alia*, rules concerning qualifying holdings in credit institutions. The Authority will continue its examination of the case.

In December 1999, the Authority adopted a report on the operation of Articles 4(2)-4(4) of the *Deposit-Guarantee Schemes Directive* (94/19/EC) in *Iceland*, *Liechtenstein* and *Norway*. The Directive, as incorporated in the EEA Agreement, lays down the obligation for EEA States to ensure that within their territories one or more deposit-guarantee schemes for credit institutions are introduced and officially recognised. The membership of such a scheme is mandatory for all credit institutions in the EEA. The report is based on information submitted by the EFTA States and discusses the operation in those States of the following provisions of the Directive: (1) Article 4(2) on the right for a branch of an EEA credit institution to supplement its guarantee coverage to the level of the host State ("topping-up clause"), (2) Article 4(3) on objective and generally applied conditions for branches' membership of a host EEA State's scheme, and (3) Article 4(4) on measures to be taken in cases of non-compliance by branches with the obligations under the scheme. The report is available on the Authority's homepage ([www.efta.int](http://www.efta.int)).

In 1999, the Authority assessed the conformity of national measures notified by *Iceland*,

*Liechtenstein* and *Norway* as implementing the *Deposit-Guarantee Schemes Directive*. Based on this assessment, the Authority concluded that measures implementing several provisions of the Directive were lacking as regards all three States. Consequently, the Authority sent a letter of formal notice on the matter to Norway in September 1999, to Liechtenstein in November 1999 and to Iceland in December 1999.

#### 4.10.1.2 Insurance

With regard to the *non-life insurance* sector, the project to assess the conformity of the national measures adopted by *Liechtenstein* and *Norway* to implement the *First*, *Second* and *Third Non-life Insurance Directives* (73/239/EEC, 88/357/EEC and 92/49/EEC) reached its final stage in 1999. The project, as regards *Iceland*, was already finished in 1998.

In 1998, *Liechtenstein* notified partial implementation of the *First* and the *Second Non-life Insurance Directives*. The Authority sent a letter of formal notice to Liechtenstein in March 1999 and a reasoned opinion in October 1999 for failure to take the necessary measures to comply with Article 14 of the *First Non-life Insurance Directive*. By the end of the reporting period, the Authority received a notification of full transposition of this provision. The Authority sent a letter of formal notice to Liechtenstein in March 1999 and a reasoned opinion in September 1999 for failure to take the necessary measures to comply with Article 26 of the *Second Non-life Insurance Directive*. By the end of the reporting period, the Authority received a notification of full transposition of this provision. After having received a notification of full implementation of the *Third Non-life Insurance Directive* in 1998, the Authority closed the case in February 1999.

In January 1999, *Norway* notified amendments to the national legislation ensuring partial compliance with the *First Non-life Insurance Directive*. The Authority sent a letter of formal notice to Norway in March 1999 and a reasoned opinion in July 1999 for failure to ensure full transposition of the Directive. In August, the Authority received a notification of national measures implementing the relevant provisions of the Directive. Consequently, the case was closed in September 1999.



As regards *life assurance*, the process started by the Authority in 1998 of assessing the conformity of the national measures adopted by the EFTA States to implement the *First Life Assurance Directive* (79/267/EEC), the *Second Life Assurance Directive* (90/619/EEC) and the *Third Life Assurance Directive* (92/96/EEC) reached its final stage in 1999.

With regard to *Iceland*, no specific problems have been detected concerning the transposition of the life assurance directives. In January 1999, a case concerning the implementation of the *First Life Assurance Directive* was closed.

No specific issues have been detected concerning the implementation in *Liechtenstein* of the *First Life Assurance Directive*. Consequently, the case was closed in January 1999. In 1998, the Authority received a notification of partial implementation of the *Second Life Assurance Directive*. Due to the delay of full transposition of the Directive, the Authority sent a letter of formal notice to *Liechtenstein* in March 1999 and a reasoned opinion in July 1999. The *Liechtenstein* authorities have indicated that the necessary implementing measures will be adopted in 2000.

Based on an examination of the transposition of the solvency margin provisions of the *First* and the *Third Life Assurance Directives* in *Norway*, the Authority sent a letter of formal notice on the matter in October 1999. The national measures provide for somewhat stricter requirements in this respect. After having received a reply to the letter, the Authority will further examine the matter. No specific problems have been detected concerning the transposition of the *Second Life Assurance Directive* in *Norway*. Consequently, the case was closed in January 1999.

In October 1999, the Authority sent letters to *Norway*, requesting information concerning the implementation of Article 21(1) of the *First Life Assurance Directive*, as amended, and Article 18(1) of the *First Non-life Insurance Directive*, as amended. These provisions stipulate that EEA States shall not prescribe any rules as to the choice of the assets that need not be used as cover for the technical provisions referred to in those

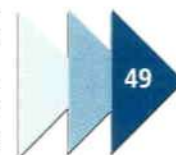
directives. After having received a reply to those letters, the Authority will further examine the matter.

In 1998, the Authority sent a reasoned opinion to *Liechtenstein* concerning the transposition of the *Co-insurance Directive* (78/473/EEC). By the end of the reporting period, the Authority received a notification from *Liechtenstein* of national measures ensuring full compliance with the Directive.

In 1998, the Authority sent a reasoned opinion to *Liechtenstein* concerning its failure to ensure full compliance with the *Legal Expenses Insurance Directive* (87/344/EEC). The *Liechtenstein* authorities have indicated that the necessary implementing measures will be adopted in 2000.

In 1997, the Authority received a notification of national measures considered by *Liechtenstein* to ensure partial implementation of the *Insurance Accounts Directive* (91/674/EEC). Due to the delay of full implementation of the Directive, the Authority submitted a letter of formal notice to *Liechtenstein* in July 1999 and a reasoned opinion in December 1999. The *Liechtenstein* authorities have indicated that national measures fully implementing the Directive will be adopted in 2000.

In 1998, the Authority received a complaint against *Iceland* alleging an infringement of the EEA Agreement through the provisions of the Icelandic pension fund legislation. The complainant maintains that the national provisions are discriminatory and restrict the free movement of services by requiring that insurance companies have their place of business in *Iceland* in order to be permitted to offer agreements on supplementary insurance benefits and individual pension savings. The complainant further maintains that limitations as to the investment policy of pension funds are discriminatory and restrict the free movement of capital. In the course of the examination of the complaint, the Authority sent two letters to *Iceland* requesting information on the pension fund legislation. The matter was discussed at a meeting with the Icelandic authorities in June 1999. The Authority will continue its examination of the complaint in 2000.





### 4.10.1.3 Stock exchange and securities

In 1998, the Authority sent a reasoned opinion to *Liechtenstein* concerning its failure to fully implement the *Investment Services Directive* (93/22/EEC). *Liechtenstein* notified the full implementation of the Directive in January 1999 and in September, having examined the national measures taken, the Authority closed the case.

In March 1999, the Authority adopted a report on the application of certain articles of the *Investment Services Directive* (93/22/EEC). The Directive itself requires the European Commission to make such a report and a corresponding obligation is conferred upon the Authority by Protocol 1 to the EEA Agreement regarding the EFTA States. Subsequent to its adoption the report was sent to the EEA Joint Committee and published on the Authority's homepage ([www.efta.int](http://www.efta.int)).

In July 1999, the Authority received a complaint against *Norway* where it was alleged that the system of investor compensation creates an entrance barrier to the Norwegian market in the field of investment service. The Authority requested information concerning the situation in Norway and will combine its examination with a conformity assessment of the implementation of the *Investor Compensation Scheme Directive* (97/9/EC) in Norway. Such conformity assessment will also be carried out with regard to the other EFTA States.

At the end of 1999, the Authority worked on a report on the application of the *Investor Compensation Scheme Directive* (97/9/EC) in the EFTA States, as the European Commission is concurrently preparing, corresponding report on the EC States. The report should be available in the first half of the year 2000.

## 4.10.2 AUDIO-VISUAL SERVICES

No new directives were added to the EEA Agreement in 1999 in the field of audio-visual services. The Authority focused on the implementation of the *Standards for Television Signals Directive* (95/47/EC) which is viewed as important in the process of introducing digital television in Europe. Following meetings in April with the Authority, *Liechtenstein* subsequently notified the Directive as implemented through existing

legislation. The letters of formal notice that were sent to *Iceland* and *Norway* in 1998 were followed up by reasoned opinions in April 1999, as neither of the States had notified implementation. Notification of partial implementation was received from Norway in August and from Iceland in November. The Authority was at the end of the year considering whether to proceed with formal action to ensure full implementation by these States.

## 4.10.3 POST- AND TELECOMMUNICATION SERVICES

### 4.10.3.1 Postal services

In May, following the fulfilment of constitutional requirements by *Liechtenstein* and *Norway*, the *Postal Services Directive* (97/67/EC) became binding on the EFTA States. *Liechtenstein* notified the Directive as partially implemented in May, with a full notification following towards the end of the year. In September, letters of formal notice were sent to *Iceland* and *Norway*, as no notifications of implementation had been received from those States. Notification of full implementation was received from Iceland in October and from Norway in December.

In November, a complaint regarding the implementation by *Norway* of the *Postal Services Directive* was received. The complaint states, *inter alia*, that a re-monopolisation has taken place as regards Norwegian postal services, contrary to principles of the Directive. The Authority is presently examining the complaint.

### 4.10.3.2 Telecommunications services

In 1999, several important directives in the field of telecommunications were added to the EEA Agreement. The *Interconnection Directive* (97/33/EC) became part of the EEA Agreement in January. The Directive was notified as fully implemented by *Norway* in May. *Iceland* and *Liechtenstein*, however, have only notified partial implementation. Iceland has informed that full implementation is pending the completion of amendments to the Telecommunications Act, which is due shortly. Further information is expected from *Liechtenstein* in respect of how that State intends to fulfil its obligations under the Directive.



In March, a Joint Committee decision was taken to incorporate the *New ONP Voice Telephony Directive (98/10/EC)* into the EEA Agreement. The Directive was notified as fully implemented by *Norway* the previous year, and by *Liechtenstein* in June. In the case of *Iceland*, a letter of formal notice was sent in September, after which the Directive was notified.

The *Number Portability Directive (98/61/EC)* was added to the Agreement and entered into force in April. In June, the Directive was notified as fully implemented by *Norway* and by *Iceland* in September, following a letter of formal notice. *Liechtenstein* has notified the Directive as partially implemented. The Directive had to be effectively applied at the latest by the end of 1999.

The Authority closed one case, concerning the non-implementation of the *1997 Amendment to the ONP Framework and ONP Leased Lines Directive (97/51/EC)*, following notification of full implementation by *Iceland*. The non-implementation cases opened in 1999, where full implementation has since been notified, are expected to be closed in early 2000.

In late December, the *Directive on Legal Separation of Cable Networks (99/64/EC)* was incorporated into the EEA Agreement. Implementation of the Directive had not been notified by any of the EFTA States at the end of the reporting period.

During the year, the Authority continued conformity assessments of the notified implementing measures in the EFTA States, as well as collected information that will be published in accordance with the requirements of the Interconnection Directive. The Authority also closely monitored the introduction of competition to the telecommunications sector in *Liechtenstein*, in particular the problems related to the size of that sector.

The Authority received four new complaints relating to the telecommunications sector during the year, and a complaint received in 1996 was further examined.

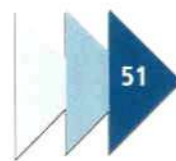
The complaint submitted in 1996 by *Teletopia AS*, a Norwegian telecommunications service provider, concerns the lack of separation

between regulatory functions and ownership functions in the Norwegian Ministry of Transport and Communications, which is the owner of Telenor as well as being vested with regulatory powers in the telecommunications sector. Having examined the complaint, the Authority sent a letter of formal notice to *Norway* in March, stating that the Norwegian regulatory regime is in breach of the *Telecommunications Services Directive (90/388/EEC)* and the *Amended ONP Framework Directive (97/51/EC)*. *Norway* replied to the letter in June. The Authority found that this reply did not address its concerns in a satisfactory manner, and it therefore proceeded with a reasoned opinion in December. In January 1999, the Authority received from the Norwegian telecommunications operator *Sense Communications AS* a complaint voicing similar concerns as those raised already by *Teletopia*. Further examination of this case is pending the response to the above-mentioned reasoned opinion from December.

In June the Norwegian cable operator *UPC Norge (Janco Multicom)* submitted a complaint against *Norway*, according to which the Norwegian telecommunications legislation is in breach of several of the Directives in the Agreement, *inter alia* the Interconnection Directive and the ONP Framework Directive. The Authority has brought up the case with the Norwegian Authorities, and has received information from *Norway* explaining its position on the matter. The Authority has examined the case in light of the reply from *Norway*, and is presently considering whether to proceed with further action in the case.

Also in June, the newly established *Sense Communications International AS* expressed in a separate complaint their concern with the same issues raised in the complaints submitted by the old *Sense Communications AS* and *UPC Norge*.

In December, a complaint was received from the Norwegian company *Arendi AS*. According to the complainant, *Norway* has not ensured full implementation of the ONP Voice Telephony Directive, in particular with regard to directory services. The Authority is presently examining the merits of the case.





During the year, the Authority was in contact with operators as well as with regulatory authorities in all the EFTA States in order to discuss matters of general interest as well as specific cases. The Authority was also co-operating with the Commission on general and specific matters and participated as an observer in the *ONP-Committee* and the *High Level Committee of Regulators*.

## 4.10.4 TRANSPORT

### 4.10.4.1 Road, inland and railway transport

In the field of road transport, six new acts were added to the EEA Agreement, and which were to be implemented during 1999. These were: *Amending Regulation (EC) No 1524/96 with regard to the Ecopoint System for Heavy Goods Vehicles Transiting Austria* and *Commission Regulation (EC) No 3298/94 regarding the Detailed Measures concerning these Ecopoints*, *Amending Regulation (EC) No 2135/98 on Recording Equipment*, *Commission Regulation (EC) No 2121/98 laying down Detailed Rules as regards Documents for the Carriage of Passengers by Coach and Bus*, *Council Regulation (EC) No 2411/98 on Distinguishing Signs for Motor Vehicles* and the *Commission Amending Directive 1999/47/EC on Dangerous Goods*.

A number of non-notification cases were pursued throughout the reporting period within the field of road transport. Following an exchange of views during 1998 between the Authority and *Liechtenstein* on the non-implementation of *Directive 92/106 on Combined Transport of Goods*, *Liechtenstein* provided the requested notification at the end of that year and the case was closed in 1999. A reasoned opinion was sent to *Iceland* in 1996 for non-implementation of *Directive 77/796 on Mutual Recognition of Diplomas in Road Transport of Goods and Passengers*. After a notification had been received in 1997 and further discussions were held between the Authority and *Iceland* concerning implementation of other related directives in the field of road transport, the case was finally closed at the beginning of 1999.

With regard to *i.a. Regulations (EC) No 3298/94 and 1524/96 on Ecopoints*, by the end

of the reporting period, no notifications had been received from *Iceland* and *Norway*.

At the end of 1997, the Authority received a complaint against *Norway*, concerning a refusal by that State to exchange driving licenses. This refusal was alleged to be contrary to the principles of the *Driving License Directive (91/439/EEC)*. The complaint has been under examination since 1998, and co-operation with the Commission, as well as with other external bodies, has been sought. A decision on the matter is expected during 2000.

No new acts were added to the Agreement in the field of inland transport. With regard to *Directive 96/35/EC on Safety Advisers for Dangerous Goods*, a notification from *Iceland* was still missing by the end of the reporting period.

Two acts were included in the Agreement concerning rail transport, *Commission Decision 1999/569/EC regarding Basic Parameters for the High Speed Rail System* and the *Amending Directive (1999/48/EC) on Transport of Dangerous Goods by Rail*.

### 4.10.4.2 Inland waterway transport

Three new acts were added to the EEA Agreement in the field of inland waterway transport in 1999. However, as there are no inland waterways in any of the three EFTA States, they are not for the time being under obligation to implement measures in this sector.

### 4.10.4.3 Maritime transport

Eight new acts were added to the EEA Agreement in the field of maritime transport in 1999. These were the *1998 Amending Directives 98/55/EC and 98/74/EC regarding Vessels Carrying Dangerous Goods*, *Second Amendment 1998 on Port State Control (98/42/EC)*, *Directive 98/18/EC on Safety Rules for Passenger Ships*, *1998 Amending Directive 98/85/EC on Marine Equipment*, *Directive No 97/70/EC on a Safety Regime for Fishing Vessels*, *Directive 1999/35/EC regarding Operation of Passenger Craft Services* and finally *1999 Amendment to Safety onboard Fishing Vessels (1999/19/EC)*.

A number of non-implementation cases were pursued during the reporting period in the



field of maritime transport. Letters of formal notice were sent to *Iceland* and *Norway* for non-implementation of the *1997 Amendment to Ship Inspection and Survey Directive* (97/58/EC), but notifications were received from both countries before the end of the year and the cases were subsequently closed.

Letters of formal notice were also sent to both *Iceland* and *Norway* for non-notification of the *Second Amendment to the Port State Control Directive* (98/42/EC). While the Authority received a notification from *Norway*, final notification from *Iceland* was still due at the end of the reporting period.

Likewise, the Authority is still awaiting a final notification from *Iceland* after having sent a letter of formal notice for non-implementation of the *Marine Equipment Directive* (96/98/EC).

A reasoned opinion was sent to *Iceland* at the end of 1998 for not having implemented the *1996 and 1997 Amendments of the Vessels Carrying Dangerous Goods Directives* (96/39/EC and 97/34/EC). After receiving the requested notifications, both cases were finally closed in 1999.

An assessment of *Norway's* implementation of the *Port State Control Directive* (95/21/EC) and the *Vessels Carrying Dangerous Goods Directive* (93/75/EC), and further exchange of information with Norwegian authorities revealed that these directives have only been partially implemented. The Authority received a notification of the *Dangerous Goods Directive* at the end of 1999 and *Norway* has further informed that the remaining provisions concerning the *Port State Control Directive* will be implemented in early 2000.

With regard to *Regulation* (EC) No 179/98 on *Safety Management of Ro-Ro-Ferries*, the Authority was still awaiting notifications from both *Iceland* and *Norway* at the end of the reporting period.

#### **4.10.4.4 Civil aviation**

In the civil aviation sector, two new acts were added to the EEA Agreement to be implemented by the EFTA States during 1999. These were the *Commission Amending Directive* 1999/28/EC on *Chapter II*

*Aeroplanes* and the *Commission Amending Regulation* (EC) No 1069/1999 on *Technical Harmonisation*.

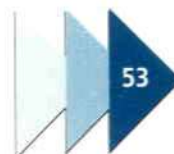
*Liechtenstein* had a transition period regarding civil aviation until 1 January 2000. By a decision of the EEA Joint Committee 17 December 1999 the transition period was prolonged until 1 January 2002.

With regard to *Regulation* (EC) No 2176/96 Amending *Technical Progress Regulation* (EEC) No 3922/91 on the *Harmonisation of Technical Requirements and Administrative Procedures in the Field of Civil Aviation*, no notifications were received from *Norway* at the end of 1999.

During the reporting period, the Authority assisted *Norway* and *Iceland* in publishing in the Official Journal of the European Communities and the EEA Supplement thereto, impositions of public service obligations on air routes and invitations to tender.

In September 1999, the Authority sent a reasoned opinion to *Iceland* concerning its failure to comply with EEA rules on the freedom to provide services in the area of civil aviation. Similarly, a reasoned opinion was sent to *Norway* in December. The Authority questioned that *Iceland* and *Norway*, by charging air transport taxes which discriminate between domestic flights and flights to other States of the EEA, secure a special advantage for the domestic market and the internal air transport services in *Iceland* and *Norway*, in contravention of the principle of free provision of services enshrined in Article 36 of the EEA Agreement and Article 3(1) of the Act referred to in point 64a of Annex XIII to the EEA Agreement, *Council Regulation* (EEC) No 2408/92 on *access for Community air-carriers to intra-Community air routes*. The Authority received a reply from *Iceland* in November 1999 in which *Iceland* maintains its position and informs that it will not accept the Authority's opinion at this juncture. Both cases will be further examined in 2000.

The Authority received a complaint against *Norway* in July 1999 concerning the Norwegian environmental tax on aviation fuel that was considered by the complainant to be incompatible with Article 36 of the EEA Agreement and the freedom to provide





services as well as Council Regulation (EEC) No 2408/92 on access for Community air carriers to intra-Community air routes. The complaint has been under examination during the second half of 1999 and a decision on the matter is expected of the beginning of 2000.

#### **4.10.4.5 Other transport acquis**

Two further acts were added to the EEA Agreement during 1999 amending Annex XIII on transport, namely the *Eighth Summertime Directive* (97/44/EC) and Council Decision 1692/96/EC on *Guidelines concerning the Trans-European Networks (TENS)*.

### **4.10.5 NON-HARMONISED SERVICE SECTORS**

In 1998, the Authority received a complaint against *Norway* alleging discriminatory restrictions on freedom to provide services as regards aerial photography services. According to the Norwegian legislation, foreign nationals may only in exceptional cases be granted permission to carry out aerial photography services, and the Norwegian practice was that foreign nationals normally "shall not be given security clearances" unless a special need existed.

The Authority concluded that the difference in treatment by reason of nationality was a discriminatory restriction on freedom to provide services, which could not be deemed justified on the grounds of public security. Accordingly, the Authority sent a letter of formal notice to Norway for failure to comply with Article 36 of the EEA Agreement.

In its reply, the Norwegian Government informed the Authority that it intended to amend its legislation and practice in order to make similar rules apply to both Norwegians and other EEA nationals. In November 1999, the Government stated that it expected the necessary amendments to be adopted by September 2000. Furthermore, the Government confirmed that in the meantime, non-Norwegian EEA nationals would be treated in accordance with the same regulations and on the same basis as Norwegian nationals.

A complaint registered by the Authority in 1998 concerned an EEA national who was

refused to use his foreign-registered car when providing services in *Norway*, due to the fact that his family was residing in Norway. According to the Norwegian legislation, an EEA national whose spouse and children reside in Norway is considered to have permanent residence in that State if he/she visits them regularly, at least once per month. In such a case, the person will not be permitted to use a foreign-registered car in Norway unless he/she pays import duties and taxes to Norway. However, it is possible to apply for permission to use the car for short periods on certain conditions. In November 1999, the Government informed the Authority that the current tax system would be replaced, and the new system is expected to be in force by July 2000. However, it is not clear how the new tax system will affect the rules concerned. The case will be further pursued in 2000.

A complaint from 1998 concerned alleged discriminatory restrictions regarding access to angling in *Norway*. In March 1999, the European Commission forwarded a second complaint concerning the same matter against Norway. The complainant alleged that the local fishing clubs discriminated against foreign anglers with regard to licence fees and quotas of fishing licences for foreign EEA nationals residing outside Norway. The cases will be further examined in 2000.

In April 1999, a complaint against *Norway* was lodged with the Authority in which the complainant alleged that the Norwegian practice on tax exemptions for welfare trips was discriminatory. If a Norwegian company arranged a weekend trip for the employees within the Nordic countries, the stay would be considered as a non-taxable benefit. However, if arranged in another EEA State, the coverage of costs by the employer would be considered as taxable remuneration for the employees. The company would then have to include the costs in the calculation of the contributions to the National Insurance Scheme. The Norwegian Government informed the Authority that it considered the present tax guidelines unsatisfactory, and consequently, they would be subject to a revision. Also the statutory rules would be reconsidered. The case will be further pursued in 2000.



In July 1999, a complaint was lodged against *Iceland* alleging that the Icelandic Act No. 139/1998 on a Health Sector Database was not in accordance with, *inter alia*, the EEA rules on the free provision of services. In November 1999, the Authority received information from the Icelandic Government about the subject matter. The case was under examination at the end of the reporting period.

In 1995, eight complaints were filed with the Authority concerning restrictions which the *Norwegian* Lottery Act introduced on operating gaming machines with pay-outs, insofar as the pursuit of these activities was being reserved for charitable organisations only. In 1999, the European Court of Justice gave judgements in two cases concerning

gaming legislation in Finland and Italy, which will be taken into account in the Authority's examination, which has not been finalised.

In December 1999, the Authority sent a letter of formal notice to *Norway* concerning access to justice, as plaintiffs, residing outside Norway, can be requested to furnish security for costs of legal proceedings where no such requirement can be imposed on plaintiffs residing in Norway. The situation in Norway was regarded as contrary to Articles 3 and 4 of the EEA Agreement. Following a Pre-Article 31 letter from the Authority, *Iceland* decided to change a similar rule and amending legislation was adopted in December 1999. The Authority is still examining the situation in *Liechtenstein* concerning access to justice.

## 4.11 FREE MOVEMENT OF CAPITAL

Article 40 of the EEA Agreement lays down the principle of free movement of capital. More specific provisions for the implementation of that principle are included in the *Capital Movements Directive* (88/361/EEC), referred to in point 1 of Annex XII to the Agreement.

According to the EEA Agreement, *Liechtenstein* had transitional periods regarding direct investment on national territory and investments in real estate on national territory. The first period expired on 1 January 1997 and the second came to an end on 1 January 1999.

In 1999, the Authority sent a questionnaire on intra-EEA investment, opened three own-initiative cases and issued two reasoned opinions.

In December, a reasoned opinion was sent to *Iceland* concerning a provision in the Law on Income and Net Worth Tax, which authorises taxable persons to deduct from total assets their properties in certain domestic financial instruments, and by that lower the base for net worth tax.

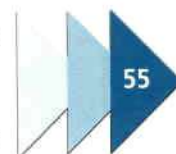
In November, a letter of formal notice was sent to *Iceland* concerning a provision in the Law on Income and Net Worth Tax, which authorises taxable persons to deduct investment in domestic shares from their

income and thereby lower the base for income tax.

In order to assess the situation on free movement of capital in the EFTA States and in order to preserve an homogeneous surveillance system of the EEA Agreement, the Authority sent the EFTA States a questionnaire on intra-EEA investment, similar to one sent by the European Commission to the EC States in 1997.

The Authority is in the process of examining the replies received to the questionnaire and has so far opened three own-initiative cases on legislation in *Norway*. The first case concerns restrictions on share ownership in financial institutions, the second case relates to the mechanism in the Law on Acquisition of Business Undertakings and the third case concerns tax incentives for investment in shares and collective investment funds (known as AMS in Norway).

Finally, it should be noted that the Authority examined two additional cases involving capital movements in 1999. One is discussed in the chapter on insurance and the other in the chapter on company law.





## 4.12 HORIZONTAL AREAS RELEVANT TO THE FOUR FREEDOMS

Part V of the EEA Agreement contains horizontal provisions relevant to the four freedoms in the areas of health and safety at work, labour law, equal treatment for men and women, consumer protection, and environment.

### 4.12.1 HEALTH AND SAFETY AT WORK

In Articles 66 and 67(1) of the Agreement, the parties to the EEA Agreement have agreed on the need to promote improved working conditions and an improved standard of living for workers, and have committed themselves to paying particular attention to encouraging improvements in the health and safety aspects of the working environment. Minimum requirements shall be applied for gradual implementation, but this shall not prevent any State from maintaining or introducing more stringent measures for the protection of working conditions compatible with the EEA Agreement.

Annex XVIII to the Agreement refers to 29 Directives laying down such minimum requirements. The areas covered by the directives include environment at the work place, protection against physical, biological and chemical agents and dangerous substances, protective and work equipment, protection of and facilities for pregnant and breastfeeding or nursing workers, mineral extracting industries, temporary construction sites, medical treatment on board ships and work on board fishing vessels. No new acts were added to the Agreement in 1999.

In 1999, further progress was achieved by the EFTA States in bringing down the number of non-implemented directives in the sector of health and safety at work.

At the end of 1997, the Authority started a systematic conformity assessment project regarding the implementation by all three EFTA States of the *Directive on Improvement of Safety and Health at Work* (89/391/EEC) - the so called "*Framework Directive*". In 1998, a letter of formal notice was sent to *Iceland* regarding partial implementation in the maritime and aviation sectors. At the end

of 1998, the Authority concluded that *Iceland* had notified the maritime sector as being fully implemented. In 1999 implementing measures concerning the aviation sector were notified. In late 1998, a second letter of formal notice was sent to *Iceland* regarding partial implementation as far as land based activities were concerned. The Authority sent a letter of formal notice to *Liechtenstein* in 1996 regarding partial implementation of the Directive. In 1998, *Liechtenstein* notified the "*Framework Directive*" as being fully implemented. Following an assessment, the Authority sent a request for information, and in mid-1999 received an updated table of correspondence from *Liechtenstein*. The Authority's examination of the case had not been concluded by the end of the reporting year.

In 1998, the Authority sent a reasoned opinion to *Norway* due to partial implementation of the *Mineral Extracting Industries (Drilling) Directive* (92/91/EEC) with respect to on-shore activities. In January 1999, *Norway* notified the national measures considered by it to ensure compliance the Directive. After having examined the measures and finding them appropriate, the Authority closed the case.

In 1998, a reasoned opinion was sent to *Norway* concerning partial implementation of the *Medical Treatment on Board Vessels Directive* (92/29/EEC). In October 1999, the Authority was informed at a meeting with the Norwegian Government that the implementation of national measures was foreseen by the end of 1999. However, at the end of the reporting period the necessary national measures had not been notified.

In 1996, a letter of formal notice was sent to *Liechtenstein* concerning partial implementation of the *Exposure to Noise at Work Directive* (86/188/EEC). In 1998, *Liechtenstein* notified the Directive as being fully implemented. The Authority's examination of the case will be finalised in 2000.

Concerning the *Indicative Limit Values Directive* (91/322/EEC) and the *Second Indicative Limit Values Directive* (96/94/EC),



*Norway* informed the Authority that final implementing measures would be adopted before the end of 1999. No such measures had been communicated to the Authority at the end of the reporting period.

A non-implementation case initiated in January 1999 against *Iceland* relating to the *Second Indicative Limit Values Directive* (96/94/EC) was closed in May 1999, following a notification from that State.

In 1998, a reasoned opinion was sent to *Norway* concerning partial implementation of the *Vinyl Chloride Monomer at Work Directive* (78/610/EEC) since the Authority concluded that the provisions concerning the binding limit values of the Directive had not been transposed. In July 1999, the Authority received a complete notification from *Norway*. Subsequently, the Authority established in its examination that the national measures were considered to ensure compliance with the relevant Articles of the Directive, and the Authority therefore closed the case.

In March 1999, a letter of formal notice was sent to *Norway* with respect to the *1995 Amendment to the Work Equipment Directive* (95/63/EC). At the end of the reporting period, *Norway* had notified national measures implementing the Directive, and the case may be closed in 2000.

Following examination of notified measures, the Authority in April 1999 sent a Pre-Article 31 letter to *Liechtenstein* requesting information about the implementation of the *Temporary or Mobile Construction Sites Directive* (92/57/EEC). *Liechtenstein* informed that additional implementing measures were being considered. No such measures had been communicated to the Authority at the end of the reporting period.

Following examination of notified measures, the Authority concluded that it had not received notifications of full implementation from *Norway* in the maritime sector of the *Work Equipment Directive* (89/655/EEC) as amended by *Directive* (95/63/EC), the *Carcinogens at Work Directive* (90/394/EEC) and the *Biological Agents Directive* (90/679/EEC) as amended by *Directive* (93/88/EC), *Directive* (95/30/EC), *Directive*

(97/59/EC) and *Directive* (97/65/EC). In June 1999, a Pre-Article 31 letter was sent to *Norway* requesting further information. In its reply, *Norway* informed that work with a new regulation would start in October 1999 and that the regulation would be adopted by mid-2000.

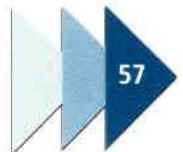
In late 1998, the Authority received a complaint against *Norway* alleging possible insufficiencies with regard to the national legal measures in *Norway* concerning the protection of workers exposed to the kinds of metals or chemicals in the workplace which are not covered by specific national legislation. The Authority focused its examination and assessment on directives with particular relevance to exposure to chemical agents at work. The information submitted by the complainant did not substantiate that the Norwegian implementing measures were not in conformity with the provisions of the relevant directives. Accordingly, the Authority concluded that there was evidently no ground for pursuing the case and it was closed.

A complaint against *Iceland* was received in January 1999, alleging insufficient implementation of a number of Articles of the *Pregnant and Breastfeeding Workers Directive* (92/85/EEC). The case was under examination at the end of the reporting period.

#### 4.12.2 LABOUR LAW

Article 68 of the EEA Agreement obliges the EEA States to introduce, in the field of labour law, measures necessary to ensure the good functioning of the EEA Agreement. In that respect, Annex XVIII refers to ten directives. These directives deal with the approximation of the laws relating to collective redundancies (dismissals), safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses, protection of employees in the event of insolvency of their employer, the employer's obligation to inform employees of the conditions applicable to the contract or employment relationship, the establishment of a European Works Council, the organisation of working time, the protection of young people at work and the posting of workers in the framework of the provision of services.

As regards the *Working Time Directive* (93/104/EC) and the *Protection of Young*





*People Directive* (94/33/EC), the *Liechtenstein Ordinance* on the amendment to the Ordinance of 8 January 1968 relating to the Labour Act was adopted on 19 January 1999 and entered into force on 10 February 1999. Subsequently, Liechtenstein notified the two directives as being fully implemented.

In 1998, the Authority sent two letters of formal notice to *Iceland* for failure to provide detailed information regarding the transposition of the *Working Time Directive* and the *Protection of Young People Directive*. During 1999, the Authority received the requested information from Iceland.

In 1999, the Authority initiated a conformity assessment project regarding the implementation by all three EFTA States of the *Working Time Directive* and the *Protection of Young People Directive*. The project will continue in 2000.

After Iceland finally notified fulfilment of constitutional requirements regarding the EEA Joint Committee Decision No. 55/95 of 22 June 1995 by which the *European Works Councils Directive* (94/45/EC) was added to the EEA Agreement, the Decision formally entered into force on 1 July 1999. 1 July 1999 was also the final date by which the EFTA States had to comply with the Directive. *Norway* implemented the Directive in 1996, while *Iceland* notified full implementation of the Directive in May 1999. However, Iceland has not yet provided detailed information regarding the transposition of the Directive.

In October 1999, a letter of formal notice was sent to *Liechtenstein* for failure to implement the *European Works Councils Directive*. In its reply at the end of the reporting period, Liechtenstein informed the Authority that a proposal for a new act implementing the Directive was under consideration by the Government. It was expected that the new legislation would enter into force by mid-2000. According to the Government, the Directive is of limited relevance to Liechtenstein due to the size of Liechtenstein and its economic operators.

The EFTA States were to transpose the *Directive 97/74/EC* extending the *European Works Councils Directive* to the United

Kingdom of Great Britain and Northern Ireland by 15 December 1999, but no national measures had been notified to the Authority by the end of the reporting period.

The EEA Joint Committee Decision No. 37/98 of 30 April 1998, by which the *Posting of Workers Directive* (96/71/EC) was added to the EEA Agreement, entered into force on 1 July 1999 with the compliance date being set for 16 December 1999. In December 1999, the Authority received information regarding transposition measures from both *Liechtenstein* and *Norway*. In Liechtenstein, a new act ensuring full implementation of the Directive is expected to be adopted by end of March 2000. The new Norwegian act implementing the Directive is expected to be adopted at the end of 1999 and to enter into force by end of January 2000. No national measures had been notified by *Iceland* by the end of the reporting period.

#### 4.12.3 EQUAL TREATMENT FOR MEN AND WOMEN

In Article 69(1) of the EEA Agreement, the EEA States undertake to ensure and maintain the application of the principle that men and women should receive equal pay for equal work. Annex XVIII to the Agreement refers to three directives dealing with equal treatment at work, and three directives that are concerned with equal treatment in matters of social security and in occupational social security schemes.

No new acts were added to the EEA Agreement in 1999. All EFTA States have notified national measures considered by them to ensure full compliance with all EEA acts on equal treatment for men and women.

#### 4.12.4 CONSUMER PROTECTION

Annex XIX refers to nine directives, which deal with the indication of prices, misleading advertising, contracts negotiated outside business premises, consumer credits, dangerous imitations, package travel, unfair terms and purchase of immovables on a timeshare basis. During 1999, no new acts with an implementation deadline in 1999 were included into the EEA Agreement.



All EFTA States had implemented the directives in the field, as *Liechtenstein* in 1999 notified implementation of the *Directive on the Purchase of Immovables on Timeshare Basis* (94/47/EEC).

## 4.12.5 ENVIRONMENT

Article 73 of the EEA Agreement provides that the objectives of the EEA States' action relating to environment shall be to preserve, protect and improve the quality of the environment, to help protect human health, and to ensure a prudent and rational utilisation of natural resources. The basic principles to be applied in this respect are that preventive action should be taken, that environmental damage should as a priority be rectified at source, and that the polluter should pay.

### 4.12.5.1 General provisions

With regard to the *Environmental Impact Assessment Directive* (85/337/EEC), *Liechtenstein* notified the Authority in May 1999 of a new legislation implementing Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment. An own-initiative case against *Liechtenstein* that had been initiated in 1995, due to non-implementation of the directive, was therefore closed in September 1999. Conformity assessment of the legislation was initiated. The new law in *Liechtenstein* is also intended to implement the new *Council Directive 97/11/EC*, a directive that includes considerable amendments to the EIA-Directive.

Following a conformity assessment of the measures notified to comply with the *Environmental Impact Assessment Directive* (85/337/EEC) and subsequent discussions with *Norway*, the Authority received information on how the Directive had been incorporated into the petroleum legislation. The Authority was also informed that *Directive 97/11/EC* had been implemented in *Norway*.

*Directive 97/11/EC* was made part of the EEA Agreement by a Joint Committee Decision in February 1999. However, the Directive has not entered into force due to constitutional requirements that have not been fulfilled in *Iceland*. As mentioned above, two of the EFTA States have already informed the Authority of its implementation.

*Directive 96/61/EC on Integrated Pollution Prevention and Control* (IPPC) was made a part of the EEA Agreement in 1997. It was to be complied with by October 1999. At the end of the reporting period, *Iceland* and *Liechtenstein* had notified national measures that by them were considered to fully implement the Directive, whereas *Norway* has notified partial implementation of the Directive.

### 4.12.5.2 Air and Water

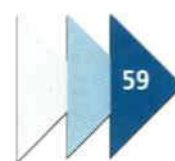
The *Directive on Ambient Air Quality and Management 96/62/EC* was to be complied with by January 1999. In January 1999, the Authority received a notification of national measures from *Liechtenstein* which by that State is considered to fully implement the Directive. The Authority, also in January 1999, received a notification from *Norway* on the partial implementation of the Directive. Later in the year the Authority received a letter from *Norway* indicating that the Directive had been implemented to the extent practically possible.

In June 1999, the Authority sent *Iceland* a letter of formal notice concerning the non-implementation of *Directive 96/62/EC*. At a meeting in *Iceland* in June, the Authority was informed that adoption, notification and entry into force of the necessary measures were foreseen by 31 December 1999. Towards the end of the reporting period the Authority received a notification from *Iceland* on national measures, that by that State are considered to fully implement the Directive.

In late 1998, the Authority initiated a project in order to verify *Norway's* designation of "sensitive areas" under the *Urban Waste Water Directive* (91/271/EEC) and "vulnerable zones" identified under the *Nitrates Directive* (91/676/EEC). The project was carried out by external consultants who delivered a final report in October 1999. The Authority is currently assessing the results of the report.

### 4.12.5.3 Chemicals, industrial risk and biotechnology

*Liechtenstein's* transitional period for the transposition of the *Contained Use of GMMs Directive* (90/219/EEC) as adapted by *Directive 94/51/EC* and the *Deliberate Release of GMOs Directive* (90/220/EEC), as adapted by *Directive 94/15/EC* expired on





1 July 1996. In 1998, the Authority delivered a reasoned opinion for failure to notify implementation of the directives. In May 1999, the Authority received a notification of national measures that by Liechtenstein were considered to fully implement the directives. Consequently the non-implementation cases against Liechtenstein were closed. The Authority has initiated conformity assessment projects of the national measures.

As regards *Norway*, the Authority finalised assessing the conformity of measures notified by Norway as implementing the directives on *Contained Use of GMMs* (90/219/EEC) and the *Deliberate Release of GMOs Directive* (90/220/EEC). The assessment revealed what the Authority considers to be discrepancies between the directives and the Norwegian implementing measures. Following correspondence and discussion at a meeting in Oslo, Norway was expected to reply to the Authority's comments by 15 December. By the end of the reporting period the Authority was still awaiting the replies.

In 1999, the Authority initiated a case against *Norway* due to non-implementation of *Directive 98/87/EC on Control of Major-accident Hazards involving Hazardous substances*. In November 1999, the Authority received a notification of national measures that are considered by that State to fully implement the Directive. The case against Norway has been closed.

#### 4.12.5.4 Waste

The *Hazardous Waste Directive* (91/689/EEC) was integrated into the EEA Agreement in 1994, and the *1994 Amendment* (94/31/EC) was made part of the Agreement in May 1995. Full implementation of the Directive depends on a binding list of hazardous waste. The list was established by *Council Decision 94/904/EC*, which was made part of the EEA Agreement as from 1 July 1997.

*Iceland* informed the Authority that the list on hazardous waste would be included in a regulation on pollution control and that an amendment was under preparation. By the end of the reporting year the Authority had not yet received notification from *Iceland* on this issue.

#### 4.12.5.5 Complaints

Regarding the *Environmental Impact Assessment Directive* (85/337/EEC) the Authority received two complaints in 1999 against *Iceland* and one complaint against *Norway*.

The complaints against *Iceland* concerned the intended construction of a hydro power plant in Fljótsdalur north of Vatnajökull. According to the complaints, the Icelandic Government has decided that this project may be launched without an environmental impact assessment procedure. In the view of the complainants, this is in contradiction with the Directive. At the end of the reporting period the Authority was awaiting a reply from the Icelandic Government to a request for information.

The complaint against *Norway* concerned the construction of the E 18 motorway in northern Vestfold. The complainant alleged that the Norwegian legislation on environmental impact assessment was not in compliance with the Directive with respect to when in the planning of a project the environmental impact assessment shall be undertaken, and that the assessment on the E 18 motorway was not in conformity with the requirements of the Directive. At the end of the report period the Authority was still examining this complaint.

In 1999, the Authority closed a case against *Norway* initiated on the basis of a complaint. The case concerned the construction of the Gardermoen railway tunnel. The complainant alleged that the environmental impact assessment carried out for the project was not in accordance with the Directive. The case was closed on the grounds that the development consent procedure and the subsequent consent by the decision of the Parliament of 8 October 1992 dated back before the entry into force of the Act, thus the Authority was not competent to deal with the complaint.

Finally, at the end of the reporting period a complaint against *Iceland* regarding the enlargement of a ferro silicone plant in Grundartangi received in 1998 was still under examination by the Authority.

#### 4.12.6 COMPANY LAW

Acts in the company law sector can be divided into two groups. One deals with "basic" company law issues, such as



safeguards to protect the interests of certain parties, mergers and divisions of companies, disclosure requirements, and the so-called European Economic Interest Grouping (EEIG). The other group is concerned with *accounting* and *auditing* issues. The transitional periods granted to *Iceland* and *Norway* expired at the beginning of 1996, whereas *Liechtenstein* had such a period until 1 May 1998.

#### **4.12.6.1. Basic Company law**

In 1996, the Authority initiated conformity assessment projects regarding the implementation by *Iceland* and *Norway* of the directives dealing with the "basic" company law issues. Similar projects will be started with respect to *Liechtenstein*, as soon as national measures fully implementing the directives have been notified.

In late 1996 and 1997, Pre-Article 31 letters regarding five of the seven company law directives, namely the *First*, *Second*, *Third*, *Sixth* and *Eleventh Company Law Directives* (68/151/EEC, 77/91/EEC, 78/855/EEC, 82/891/EEC and 89/666/EEC), were sent to *Iceland*. In 1997 and 1998, *Iceland* notified amendments to its company legislation, which enabled the Authority to complete its conformity assessment regarding *Iceland*.

In 1996 and 1997, similar letters were sent to *Norway* with respect to the *First*, *Second*, *Third* and *Eleventh Company Law Directives*. New implementing legislation was adopted by the Norwegian Parliament in 1997, but did not enter into force until 1 January 1999. The Authority made a conformity assessment of the new legislation during the year 1999 and sent Pre-Article 31 letters regarding the above-mentioned directives and, in addition, regarding the *Sixth Company Law Directive*. In December 1999, a letter of formal notice was sent to *Norway* for failure to comply fully with certain provisions of the *First Company Law Directive*. The conformity of the national legislation with the other directives is still under examination.

In 1998, *Liechtenstein* notified partial implementation of the basic company law directives to the Authority. In September 1999, the Authority sent six letters of formal notice to *Liechtenstein* for failure to comply fully with certain provisions of the *First*, *Second*, *Third*,

*Eleventh* and *Twelfth Company Law Directive* (89/667/EEC) and *Amending Directive to the Second Company Law Directive* (92/101/EEC). *Liechtenstein* has indicated that full implementation will most probably be achieved in the first half of the year 2000.

In May 1999, the Authority sent a Pre-Article 31 letter to *Liechtenstein* for non-compliance with the *Regulation on European Economic Interest Grouping* (2137/85). *Liechtenstein* has indicated that it will take steps during the year 2000 to comply with the Regulation.

#### **4.12.6.2. Complaints**

In 1996, the Authority received a complaint concerning the restriction of a subsidiary in *Norway* to provide a loan to a parent company registered in an EEA State other than a Nordic country. In 1998, the Authority sent a reasoned opinion to *Norway* for failure to fulfil its obligations under EEA rules on free movement of capital and freedom of establishment. In 1999, the relevant provisions of the Norwegian Company Law legislation were changed. After the amendments, the legislation restricts the rights of a Norwegian subsidiary to grant loans or provide guarantees to parent companies in another EEA State, unless that State has a legislation that is similar to or stricter than certain provisions of the Norwegian legislation. In December 1999, the Authority sent a letter to *Norway* requesting information on the application of the amended law.

In 1999, the Authority received a complaint against *Iceland* in which it was alleged - in the light of a Supreme Court Decision - that the Icelandic Company Law legislation was contrary to the *Second* and *Third Company Law Directives* as, in the case of a merger, shareholders in an acquiring and an acquired company are treated differently. As the directives referred to do not contain provisions supporting the claim and there is no authority for a general principle supporting it, the Authority concluded that the application of the national legislation was not contrary to the EEA Agreement and closed the case.

#### **4.12.6.3. Accounting and auditing**

As regards the directives in the field of *accounting*, the Authority sent reasoned



opinions to *Norway* in 1997 regarding the non-implementation of the *Fourth, Seventh and Eighth Company Law Directives* (78/660/EEC, 83/349/EEC and 84/253/EEC). In February 1999, the Authority received a notification of national measures ensuring full implementation of the three directives. After having received additional information on the implementing measures, the Authority closed these cases in September 1999. The Authority intends to initiate a conformity assessment project regarding the implementation of those directives in Norway.

In 1998, *Liechtenstein* notified partial implementation of the *Fourth, Seventh and Eighth Company Law Directives* by the existing company legislation from 1926, as amended.

Due to the delay of full transposition of the directives, the Authority sent three letters of formal notice to Liechtenstein in June 1999 and three reasoned opinions in December 1999. The Liechtenstein authorities have indicated that the necessary implementing measures will be adopted in 2000. The Authority intends to initiate a conformity assessment project regarding the implementation in Liechtenstein of those directives when full implementation has been notified.

The Authority has initiated a conformity assessment project regarding the implementation by *Iceland* of the *Fourth, Seventh and Eighth Company Law Directives*.





5. COMPETITION AND STATE AID



63

## 5.1 COMPETITION

### 5.1.1 INTRODUCTION

The EEA Agreement aims at the creation of a “level playing field”, where goods, services, persons and capital can move freely and economic operators can pursue their activities without competition being distorted. Artificial impediments to free trade and effective competition may result either from measures taken by States or from restrictive practices by undertakings. The competition rules applicable to undertakings aim at eliminating the latter kind of threats against the four freedoms and the homogeneous economic area.

Thus, whereas most of the Authority’s activities relate to the EFTA States, the competition rules contained in Articles 53 to 58 and 60 of the EEA Agreement concern individual economic operators. Article 59, on public undertakings, on the other hand, relates to measures taken by States.

These provisions, often referred to as antitrust rules, are in practice virtually the same in the EEA Agreement as in the Community Treaties. The following elements are the three corner-stones of the EEA competition regime, reflected in Articles 53, 54 and 57 respectively:

- ▶ a prohibition of agreements and practices which may distort or restrict competition, e.g. price fixing or market sharing agreements between competing companies,
- ▶ a prohibition of the abuse of a dominant market position by undertakings, and
- ▶ the control of large mergers and other concentrations of undertakings, which may create or strengthen a dominant position and consequently impede effective competition.

The procedural rules to be followed by the Authority when handling competition cases are laid down in Protocol 4 to the Surveillance and Court Agreement.

The responsibility for handling competition cases under the EEA Agreement is shared between the Authority and the European

Commission in accordance with attribution rules contained in Articles 56 and 57 of the EEA Agreement. Cases dealt with by the Authority may concern undertakings located not only in the EFTA States, but also in EC Member States or third countries.

In competition cases, one of the roles of the Authority is to ensure that infringements are put to an end through formal decisions directed at individual undertakings, possibly including sanctions. This is done either upon the Authority’s own initiative (*ex officio* cases) or upon application by interested parties (complaints).

Furthermore, the Authority is competent to grant exemptions from the prohibition against restrictive agreements in Article 53(1). In order for the Authority to be able to grant such exemptions, the undertakings concerned must notify the agreement in question. Notified agreements benefit from immunity from fines in respect of practices taking place during the period from the date of notification until the decision by the Authority to grant or reject an individual exemption.

Undertakings may also apply for negative clearance, i.e. a statement by the Authority certifying that there are no grounds for action under Articles 53(1) or 54 in respect of an agreement, decision or practice. Decisions by the Authority in competition cases may be challenged before the EFTA Court.

In addition to its role in taking formal decisions in competition cases, the Authority can, in certain cases, deal with cases informally by taking informal administrative steps in respect of a given case. Most of the Authority’s cases are currently concluded in this informal manner.

Finally, the Authority is competent to deal with applications to approve mergers which have an EFTA dimension, without at the same time having a Community dimension, i.e. in principle when the turnover of the participating undertakings exceeds certain thresholds world wide and within the territory of the EFTA States and the latter threshold is not attained within the EU. Such cases are



unlikely to occur in practice. However, the Authority regularly deals with a considerable amount of inquiries from companies involved in possible concentrations regarding the assessment of the rules on division of competence between the Authority, the European Commission and the national competition authorities.

The application of European antitrust rules will often directly benefit the consumers whose free choice of goods and services may be limited through restrictive practices. The enforcement of these rules may have equal importance for undertakings in trade and industry, protecting them from anti-competitive behaviour by other market players.

In the field of competition, the focus of the Authority's attention is on the handling of individual cases. Another task is implementation control, i.e. ensuring that the relevant provisions are in place in the national legal orders of the EFTA States. Furthermore, the Authority issues notices and guidelines for the interpretation of the competition rules, and co-operates with the European Commission in respect of certain individual cases and general policy issues. Most of the Authority's different activities also involve close co-operation with national authorities.

In the light of the ongoing process within the European Union to modernize competition law and Commission practice, the Authority in 1999 devoted a significant share of its resources to taking part in this work in order to assess the implications of implementing the proposed reforms into the EEA. Furthermore, there has been a considerable increase in mergers notified to the Commission which

are handled in cooperation with the Authority pursuant to Protocol 24 to the EEA Agreement and which have particular impacts on the EFTA markets. The proportion of the Authority's resources used on these cases has therefore increased correspondingly during the reporting period.

## 5.1.2 NEW ACTS

### 5.1.2.1 Legislation

During 1999 the EEA Joint Committee adopted two decisions to incorporate new acts in the competition field into the EEA Agreement. The first decision<sup>(1)</sup> relates to two procedural acts. One of these concerns new and simplified rules on hearings in competition cases, including those in the transport sector, replacing the current rules and updating them to reflect new case law and practice<sup>(2)</sup>. The second act incorporated by this decision consolidates and sets out the rules for how applications and notifications in competition cases in the transport sector are to be lodged<sup>(3)</sup>.

The other EEA Joint Committee decision<sup>(4)</sup> concerns the partial prolongation of the block exemption on tariff consultations etc. in the aviation sector, which expired on 28 June 1998<sup>(5)</sup>. The decision applies as of 1 July 1998, and the block exemption is extended until 30 June 2001 for passenger tariff consultations and slot allocation at airports. Joint planning and scheduling and joint operations were excluded from the block exemption for the same period.

During 1999, the EU-side adopted another two Regulations which were not yet implemented into the EEA Agreement at the end of the

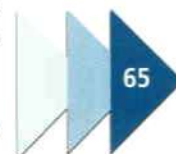
<sup>(1)</sup> Joint Committee Decision No 60/1999 of 30 April 1999.

<sup>(2)</sup> New points 5 and 15 of Article 3 (1) of Protocol 21 to the EEA Agreement, referring to Commission Regulation (EC) No 2842/98 of 22 December 1998 on the hearing of parties in certain proceedings under Articles 85 and 86 of the EC Treaty. The Regulation referred to replaced the earlier Commission Regulation No 99/63/EEC of 25 July 1963.

<sup>(3)</sup> New point 16 of Article 3 (1) of Protocol 21 to the EEA Agreement, referring to Commission Regulation (EC) No 2843/98 of 22 December 1998 on the form, content and other details of applications and notifications provided for in Council Regulations (EEC) No 1017/68, (EEC) No 4056/86 and (EEC) 3975/87 applying the rules on competition to the transport sector. The Regulation referred to replaces Regulations (EEC) No 1629/69, 4260/88 and 4261/88.

<sup>(4)</sup> Joint Committee Decision No 87/1999 of 25 June 1999.

<sup>(5)</sup> Point 11b of Article 1 of Annex XIV to the EEA Agreement, referring to Commission Regulation (EEC) No 1083/99 of 26 May 1999.





year. The first<sup>(10)</sup> concerns an amendment dispensing vertical agreements from notification prior to exemption, and the second<sup>(11)</sup> is a new block exemption for vertical restraints, extending the current block exemptions for exclusive purchasing, exclusive distribution and franchise agreements until 31 May 2000 and replacing them as from 1 June 2000 until 31 May 2010.

### 5.1.2.2 Non-binding acts

According to Annex XIV to the EEA Agreement, the Authority shall take due account of the principles and rules contained in the acts listed in points 16 to 25 when applying the EEA competition rules. The acts listed are notices and guidelines issued by the European Commission concerning the interpretation and application of various parts of Community competition legislation.

Through Article 25(2) of the Surveillance and Court Agreement, the Authority is given the power and obligation to adopt acts corresponding to the ones listed in Annex XIV. This obligation should be read in the light of Article 5(1)(b) of the Surveillance and Court Agreement, stating that the EFTA Surveillance Authority shall, in accordance with EEA legislation and in order to ensure the proper functioning of the EEA Agreement, ensure the application of the EEA competition rules.

As concerns non-binding acts adopted by the European Commission after the signing of the EEA Agreement, the Authority is to adopt corresponding acts when EEA relevant.

Neither the Authority nor the Commission adopted any new notices or any amendments to existing notices during 1999.

The preparation by the Authority of non-binding acts corresponding to those adopted by the European Commission is subject to internal resource allocation. However in the interim the Authority intends to apply the principles set out in the Commission notices whenever relevant. A comparative list of applicable notices adopted by the Commission and the Authority in the field of

competition is provided at Annex V of this report.

## 5.1.3 CASES

### 5.1.3.1 Overview

On 31 December 1998, there were 38 cases relating to Articles 53 and 54 of the EEA Agreement pending with the Authority. Of these, 22 were based on notifications and 16 were complaints. In addition the Authority had under consideration five cases relating to Article 59 of the EEA Agreement (state measures) in combination with Article 53 and/or 54, of which four were based on complaints and one was opened ex officio.

From 1 January to 31 December 1999, eight additional cases were opened, of which two raised Article 59 issues. Six of the new cases were opened on the basis of complaints, one on the basis of a notification and one, concerning a sector inquiry into the telecommunications sector, was opened ex officio. During the same period, 18 cases were closed by administrative means. Thus, by the end of 1999, 33 cases were pending, of which seven raised Article 59 issues.

The number of formal and informal complaints received in 1999 indicates a continued awareness among economic operators in the EFTA countries of the EEA competition rules and the way in which infringements can be addressed through the EEA institutional set-up. The complaints and other more informal contacts by economic operators with the Authority have for the most part dealt with competition problems in sectors which have recently been liberalised or are in the process of being deregulated. Examples of such sectors are the distribution of alcoholic beverages, telecommunications, postal services and energy.

In order to make efficient use of the Authority's resources in the field of competition, cases have as a rule been prioritised following a preliminary assessment of their importance. In 1999, a significant proportion of the Authority's resources in the field of competition was also devoted to addressing a

<sup>(10)</sup> Council Regulation (EC) No 1216/99 of 10 June 1999 amending Regulation No 17: first Regulation implementing Articles 81 and 82 of the EC Treaty, OJ No L 148 of 15 June 1999, p. 5.

<sup>(11)</sup> Council Regulation No 2790/1999 of 22 December 1999, OJ No L 336 of 29 December 1999, p. 21.



number of cases which had in the past been given low priority on the basis of the criteria applied by the Authority. As a result, several of those cases have now been closed.

Informal contact is frequently made by economic operators, often with a view to establishing whether there are grounds for making a formal complaint to the Authority. The Authority seeks to encourage such operators to undertake a certain amount of preparatory work before formally submitting their views to the Authority in respect of potential competition concerns. This gives the Authority a better opportunity to make an informed preliminary assessment of the arguments presented to it.

The cases under consideration by the Authority in 1999 have raised important issues in respect of the application of EEA competition rules. In order to ensure a homogeneous approach to these issues, the Authority has co-operated, exchanged information with and consulted the European Commission, in accordance with the provisions of the EEA Agreement.

### **5.1.3.2 Telecommunications**

The Authority has continued to follow market developments in the telecommunications sector, through informal meetings with operators and contact with government representatives. The Authority still had under review a number of cases concerning the use of telecommunications infrastructure and the provision of telecommunications services. Two such cases were closed in the course of the reporting period, following further contact between the Authority and the undertakings involved.

The Authority also received a complaint in 1999 concerning **alleged infringements by the incumbent telecoms operator in Liechtenstein** of the EEA competition rules, in relation to the terms on which it introduced its own Internet service provider, Blue Window. The Authority is currently conducting an initial investigation of the case.

In addition, the Authority started a broad investigation in the territory of the *EFTA*

*States* covered by the EEA Agreement regarding certain aspects of the telecommunications sector<sup>(12)</sup>. This is the first sector inquiry ever launched by the Authority under the EEA competition rules. The Authority's decision reflects its desire to conduct a parallel inquiry to the one currently being carried out by the Commission across the European Union<sup>(13)</sup>. The Authority's investigation relates specifically to the provision and pricing of leased lines; mobile roaming services; and the provision of access to and use of the residential local loop. For practical reasons, the Authority decided to assess these three areas in three phases. An inquiry into leased lines was thus initiated during the reporting period.

The Authority will continue to follow closely the development of the competitive environment within the framework of the liberalisation of the telecommunications sector in the EFTA pillar.

### **5.1.3.3 Pharmaceuticals**

On 18 November 1999 the Authority published a notice pursuant to Article 19(3) of Chapter II of Protocol 4 to the Surveillance and Court Agreement relating to a complaint from 1995 and a notification from 1996 concerning the **cooperation between 17 Norwegian counties in the organisation Legemiddel Innkjøp Samarbeid (LIS)** for joint purchasing of medicines for use in county hospitals<sup>(14)</sup>. The cases concern both Article 53 and Article 54 of the EEA Agreement.

LIS invites tenders on behalf of its members for the purchase of pharmaceuticals to be used in county hospitals in Norway. A provision in the LIS Statutes as notified prohibiting members from participating in other forms of joint purchasing cooperation with respect to the same products and users as those covered by LIS has, following discussions with the Authority, been deleted. Members are free to decide whether or not to take part in LIS tenders and whether or not to enter into framework purchase agreements with any of the suppliers submitting offers and which products such agreements would cover. Standard framework agreements are established

<sup>(12)</sup> Press release PR(99)19 of 2nd December 1999

<sup>(13)</sup> Commission press release IP/99/786

<sup>(14)</sup> OJ No C 330 of 18 November 1999, p. 8



by LIS for use by the members. LIS would generally recommend the offers it considers to be the best, but members are not obliged to follow these recommendations. If and when framework agreements are concluded, the members are, however, generally prohibited from entering into individual contracts with other suppliers for the same or substitutable products for the duration of the framework agreement. The duration of the framework agreements is one year.

In addition, LIS invites common tenders on behalf of its members for the distribution of pharmaceuticals bought via LIS. LIS makes a recommendation of the offer which it considers to be the best. In the tender invitation it is stated that the members intend to choose a common distributor, but that the members are nevertheless free in their choice. Each member then enters into a framework agreement with the distributor of its choice. A standard exclusive framework agreement is established by LIS for use by the members. Its duration is generally two and a half years with an option for the members to prolong it with one year.

The market share of LIS in the total market for pharmaceuticals in Norway is some 11%. In the market for pharmaceuticals only used in hospitals its share is approximately 66%, and the market for pharmaceuticals both used in hospitals and sold by pharmacies some 5%. In the market for wholesale/distribution of pharmaceuticals LIS has a market share of 11%.

In the notice, the Authority states that it intends to take a favourable position with regard to the LIS cooperation. The Authority expects to finalize the cases during the coming year.

#### **5.1.3.4 Insurance cases**

In 1999 the Authority completed its review of 6 notifications concerning various types of co-operation among Norwegian insurance companies, which had been submitted in 1994 by the **Association of Norwegian Insurance Companies (Norges Forsikringsforbund)**.

One notification concerned an arrangement by which the participating insurance companies submit on an exclusive basis all "sub-standard" applications for life insurance

covering the death risk to a foreign re-insurance company for review and possible full re-insurance. These are risks that are considered to be so much higher than normal that the insurance companies will deny coverage on their own accounts.

Taking into account *i.a.* the low number of applications handled under the scheme, the Authority concluded that the notified arrangement did not appear to violate the prohibition of Article 53 (1) of the EEA Agreement, as it did not to any appreciable extent neither restrict or distort competition nor affect trade between Contracting Parties to the EEA Agreement. The case was closed by means of a negative clearance type "comfort letter".

Another notification concerned a pool for so-called declined risks in occupational injury and sickness insurance. The pool will take over risks that the insurance companies will not carry individually because they find that the risk is too high. Since its inception in 1993 the pool has not had to take on any risks. The Authority thus concluded that the notified arrangement *i.a.* did not to any appreciable extent affect trade between Contracting Parties to the EEA Agreement. The case was closed by means of a negative clearance type "comfort letter".

The Authority also concluded an examination of three cases concerning a joint committee for development of standard repair cost calculations of damaged buildings, a joint committee for assessment of special or high risks in life and pension insurance, and a pool for collective property insurance. In light of the fact that the notified arrangements at the time of the assessment had been or were being discontinued, and that the Authority did not see sufficient reasons to pursue the cases with respect to the period that the arrangements were in force, the Authority decided to close its files without further action.

Finally, in the case of the **Norwegian Pool for Nuclear risks**, the Authority noted that it had recently been decided that the pool should cease insuring new risks as of 1 January 2000, and that future activity would be limited to the settlement of claims under existing insurance policies. In light of this fact, and the pool's low historic market shares in a European or world-wide market, which made it unlikely



that it could have appreciably restricted or distorted competition, the Authority decided to close its file without further action.

### 5.1.3.5 Energy

The Authority has closed its files on two complaints in the **Norwegian electricity supply sector**, informally rejecting the complaints. The first concerned the alleged abuse of a dominant position in violation of Article 54 of the EEA Agreement by a major Scandinavian supplier of electricity. As the Authority's examination of the electricity markets did not show that there was reason to open an *ex officio* investigation into other aspects of the complaint, the scope of the assessment was limited to those parts where the complainant was able to show a legitimate interest, namely the Norwegian end user market for electric power.

As a result of its initial investigation the Authority found that the history of the market is one of increasing competition, with the gradual abolition of restrictive measures. Consolidation and new entrants have brought structural change, market shares are unevenly distributed, there is transparency in the market and switching costs are low. In this situation the supplier named in the complaint and undertakings associated with it, taking into account their market shares, could not be said to occupy a dominant position. Consequently further investigation regarding a possible violation of Article 54 was unwarranted. In addition the Authority also noted that there were no indications of violations of Article 53 EEA.

The other complaint concerned the practice of certain suppliers of electric power to grant cheaper tariffs for end user customers connected to their own grids than for customers located elsewhere. The complainant also referred to that many suppliers applied so-called penalty clauses, providing for less advantageous conditions for customers connected to the company's grid who had contracted with other suppliers of electricity, when they again wished to buy electricity from the grid owner.

As described above, the Authority's initial investigation revealed that the development of the market is characterised by increased competition, with the gradual abolition of

restrictive measures. In particular the Authority noted that the use of penalty clauses had declined and currently only had limited application, and that the Norwegian competition authorities for a number of reasons no longer viewed their presence as a competition problem.

The Authority did not find indications that the practices complained of were the result of co-operation among the operators. Further, the characteristics of the market and the market position of suppliers applying such practices did not, absent concrete evidence to the opposite, warrant a conclusion that these companies occupied a dominant position. Accordingly, there were not sufficient reasons to pursue an investigation in respect of Articles 53 or 54 EEA.

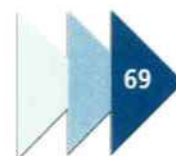
The case concerning the *Norwegian Gas Negotiation Committee* (Gassforhandlingsutvalget - GFU) remains under review.

### 5.1.3.6 Other cases

In connection with its review under Articles 59 (1) and 54 of the EEA Agreement of the monopoly granted to the **Norwegian public employment agency**, the Authority has monitored the developments in Norway during 1999 towards a new regime for employment placement services. Future initiatives of the Authority in this case will depend on whether the Norwegian authorities within a reasonable time frame will put in place rules and regulations consistent with the EEA competition rules.

The Authority continued its examination of a notification from 1994 of two exclusive trademark licensing agreements entered into by a *Norwegian* producer of chocolate and confectionery and a Norwegian ice-cream producer for two specific ice-cream products.

The agreements contain clauses providing territorial protection for both parties inside and outside the contract territory. Following discussions with the Authority in 1999 the parties undertook to amend these provisions to limit the degree of territorial protection. On this basis, and because the parties' market share for the products covered by the license agreements in relation to the total market for industrial ice-cream in Norway is marginal, the Authority found that the agreements





concerned may not appreciably affect trade between the Contracting Parties to the EEA Agreement, and the case was closed by means of an administrative letter.

In the course of 1999 the Authority initiated an *ex officio* investigation into plans for the creation of a single health sector database for *Iceland*, following the adoption of the relevant Icelandic Act No. 139/1998 on 17<sup>th</sup> December 1998. The Authority sought to ascertain whether special or exclusive rights would be granted for the preparation and operation of a centralised database in the healthcare sector in Iceland that would be in conflict with Articles 59(1) and 54 of the EEA Agreement. No licence was granted under the Act during the reporting period. The Authority continues to follow developments in this case closely.

The Authority has closed its case concerning the complaint by the *Icelandic* State Alcohol and Tobacco Monopoly (ATVR) about the actions of certain wholesale distributors of alcoholic beverages and their supplier that allegedly restricted the ATVR's ability to obtain supplies on competitive terms. The Authority found that, on the basis of its preliminary investigation of the case, there were insufficient grounds to pursue the matter any further.

Furthermore, the Authority continued its investigation of a complaint concerning exclusive rights to provide passenger transport by bus in *Liechtenstein* under Articles 59 and 54 of the EEA Agreement.

#### 5.1.4 CO-OPERATION WITH THE EUROPEAN COMMISSION

The EEA Agreement emphasises the need for close and constant co-operation between the Authority and the European Commission in order to develop and maintain a uniform application and enforcement of the EEA competition rules. In order to provide a "level playing field" for the economic operators, not only must the rules themselves be equal, but they must also be applied in such a way that the undertakings' legitimate expectations of legal certainty, efficient handling and foreseeability are met throughout the EEA.

Article 109(2) of the EEA Agreement therefore calls for co-operation, the exchange of information and consultations between the two surveillance authorities with regard to general policy issues and to the handling of individual cases. A special rule on co-operation in the competition field is laid down in Article 58 of the EEA Agreement and detailed co-operation rules are contained in Protocols 23 and 24.

The European Commission and the Authority co-operate in the handling of individual cases, which affect both EFTA and Community States, the so-called "mixed cases". In these cases, both authorities submit to each other copies of notifications and complaints and inform each other about the opening of *ex officio* procedures. The authority, which is not competent to deal with a mixed case may at any stage of the proceedings make any observations on the case it considers appropriate to the authority dealing with the case. The Authority considered that two of the eight cases opened by the Authority in 1999 potentially affected one or more Community States and consequently the relevant documents were forwarded to the Commission for comments. During the same time, the Authority received copies of relevant documents concerning 52 cases from the European Commission under the co-operation rules.

A specific aspect of the rules on co-operation laid down in Protocols 23 and 24 is the right of both authorities to take part in each others' hearings and Advisory Committee meetings. The Authority has focused on cases where the EFTA aspects are considered to be of particular importance. In 1999, the Authority was thus represented in two hearings conducted by the Commission, and in seven meetings of the various Community Advisory Committees in individual competition cases.

##### 5.1.4.1 Co-operation in the handling of individual merger cases

Seventeen of the 52 cases in which the Authority was involved under the co-operation rules, related to notifications under the EC Merger Regulation. Nine of these merger cases involved in-depth (Phase II) investigations by the European Commission (as compared to five out of the 14 merger cases the Authority was involved in during

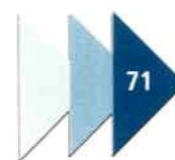


1998). Of the remaining eight cases which were cleared by the Commission in the initial one-month phase of the investigation, three were authorised subject to commitments offered by the parties.

Thus the Authority devoted more resources in 1999 than over the previous reporting period to participating in the assessment of concentrations in accordance with the rules on co-operation set out in the EEA Agreement. Besides its contacts with the Commission and the national authorities of the EFTA States concerned in any given case, the Authority was frequently approached by the parties to the concentration and by other market players who wished to make representations to the Authority in the context of the merger proceedings.

The following cases were given priority by the Authority on the basis of the significant impact of the proposed concentrations on one or more EFTA States:

- ▶ The merger between the producers of bathroom products **Sanitec and Sphinx** had a significant impact on the Norwegian and Icelandic markets for a number of relevant products concerned. It raised serious competition problems on these markets as well as in the other Nordic countries. The Commission therefore initiated an in-depth investigation of the concentration, which was finally cleared subject to wide-ranging undertakings proposed by the parties to remove the competition concerns raised.
  - ▶ The merger between the **Norwegian and Swedish telecoms incumbent operators, Telenor and Telia**, raised a number of important issues in the telecommunications and TV distribution services sectors. This was the first case under the merger rules of the EEA Agreement to involve the merger of two incumbent EEA telecom operators. The Authority commented extensively on the case and assisted the Commission in the fact-finding process, together with the competition authority in *Norway*. The concentration was cleared in October 1999 after an in-depth investigation by the Commission, subject to a number of far-reaching commitments by the parties. However the project has
- subsequently been abandoned by the parties.
- ▶ The Authority was involved in the consideration of the proposed joint venture between the **Anglo-Norwegian conglomerate Kvaerner and the Finnish-based Ahlström group**. The parties planned to combine certain business areas of Kvaerner Pulp and Paper and Ahlström Machinery Group. The operation raised very serious competition concerns in a number of markets related to the engineering and supply of equipment for chemical pulping mills. The proposal was the subject of an in-depth investigation by the Commission, which ultimately led to the parties' deciding to withdraw the notification and abandon their project for the time being.
  - ▶ The joint venture between **Skandia, Storebrand and Pohjola** combined the parties' respective property and casualty (non-life) insurance business and created a major Nordic entity in the property and casualty insurance sector. The Authority took an active interest in the case due to the significant impact on *Norwegian* markets. The concentration was cleared during the initial one-month period following notification after Skandia undertook to divest its Norwegian subsidiary Vesta.
  - ▶ The **acquisition of Saga by Norsk Hydro** combined two of the upstream oil and gas operators on the *Norwegian* continental shelf. The transaction was cleared during the initial phase of the proceedings as the parties' combined market positions in the mainly European or world-wide markets did not create or strengthen a dominant position, and consequently did not raise serious doubts as to the compatibility with the common market and the functioning of the EEA Agreement.
  - ▶ The Authority also took an interest in the review of the creation of a **Scandinavian joint venture between Statoil and ICA** concerning the sale of fuel and daily consumer goods. The concentration was cleared during the initial phase of the proceedings, as it did not give rise to





serious doubts as to the compatibility with the common market and the functioning of the EEA Agreement.

- ▶ **Schneider's acquisition of Lexel**, companies active in the sector of electrical distribution equipment, communication and control components and systems for buildings, was given priority by the Authority because of the parties' strong position on certain segments of the relevant product markets in *Norway*. The Commission declared the concentration compatible with the common market and the functioning of the EEA Agreement during the initial one month period following notification.
- ▶ At the end of the reporting period, **Volvo's acquisition of Scania** is still under consideration, having gone into Phase II in October 1999 due to the parties' combined position in the trucks and bus markets. The Authority, together with the *Norwegian* Competition Authority, has assisted the Commission in the fact-finding process.

#### **5.1.4.2 Co-operation in the handling of other Commission cases**

Thirty-five cases in which the Authority became involved in 1999 under the EEA co-operation rules concerned the application by the European Commission of Articles 81 and/or 82 of the EC Treaty, together with the corresponding provisions of the EEA Agreement (Articles 53 and/or 54). The Authority devoted resources to cases where the EFTA aspects were considered to be of particular importance.

#### **5.1.4.3 Consultations on general policy issues**

Protocol 23 provides for the exchange of information and consultations on general policy issues. This typically includes proposals for revised legislation in the competition field forwarded by the European Commission as well as other policy-related questions. In 1999 a significant proportion of the Competition and State Aid Directorate's resources were devoted to participating in discussions on legislative reform.

During 1999, the Authority took an active part in meetings concerning the proposals for a revision of the Community competition rules on **vertical restraints**, prior to the European Commission adopting a new Regulation on the application of Article 81(3) of the EC Treaty to categories of vertical agreements and concerted practices.<sup>(15)</sup> Discussions on the drafting of accompanying Guidelines in this field are expected to continue during 2000.

The Authority was also actively involved throughout the year in discussions concerning the Commission's proposals for the **modernisation** of the rules implementing Articles 81 and 82 of the EC Treaty, based on the Commission's White Paper on that subject (the "White Paper"). The Authority submitted written comments on the White Paper to the Commission in September 1999. The Authority has expressed its general support for the reform and for the Commission's preferred option. However the discussion is still in its early stages, and definite views can only be formulated by the Authority once further aspects of the proposed reform have been addressed. It is clear that a number of issues need further discussion or clarification. Specifically the Authority has raised issues relating to the impact of any such reform on the EEA Agreement. Whilst the transposition of the reform into the EEA framework appears to be relatively unproblematic from a legal perspective, it raises the additional question of a possible decentralisation of the co-operation rules which apply to the so-called "mixed cases". The Authority's position is that decentralisation should not be extended to the treatment of mixed cases for the time being.

In 1999, the Authority took part in consultations on three notices in the **merger field** relating to ancillary restraints, commitments and simplified procedure in routine cases respectively.

Finally, the Authority participated in consultations on the proposed renewal of the shipping consortia block exemption.

### **5.1.5 IMPLEMENTATION CONTROL**

The Authority is to ensure that the EEA competition rules are implemented into the

<sup>(15)</sup> Commission Regulation No. 2790/1999 of 22<sup>nd</sup> December 1999, OJ 1999 L336.



national legal orders of the EFTA States. This applies not only to the basic rules contained in Articles 53 to 60 of the Agreement, but also to the relevant provisions in Protocols 21 to 25 to the Agreement, the acts referred to in Annex XIV to the Agreement (such as the substantive rules on merger control and on the application of the competition rules in the transport sector as well as the acts corresponding to the Community block exemption regulations), and the procedural rules in Protocol 4 to the Surveillance and Court Agreement.

According to information received from *Norway*, all new acts incorporated into the EEA Agreement by the EEA Joint Committee in 1999 in the competition field have been implemented on a national level.

None of the new acts incorporated by Joint Committee decisions in 1999 had been incorporated in *Iceland* at the end of the reporting period. In addition, the delayed implementation of the EEA adapted versions of Commission Regulation No. 3385/94 on the form, content and other details of applications and notifications in competition cases had still not been completed. The Authority will continue to pursue the matter in 2000. However, *Iceland* informed the Authority that the delayed implementation of the EEA-adapted version of Commission Regulation No 447/98 on the notifications, time limits and hearings in merger cases is now finalised.

As regards *Liechtenstein*, international agreements entered into by the State automatically become a part of the national legal order. Thus, it is not necessary to undertake specific implementation measures to the same extent as in *Norway* and *Iceland*. The Authority has not found that any specific implementation measures were necessary in *Liechtenstein* as a consequence of the new acts included in the EEA Agreement during 1999.

### 5.1.6 LIAISON WITH NATIONAL AUTHORITIES

An important element in the application of EEA competition rules is co-operation between the Authority and the national authorities. Protocol 4 to the Surveillance and Court Agreement lays down rules which provide for close and constant liaison between the

Surveillance Authority and the competent authorities of the EFTA States. The competent authorities are in *Norway* and *Iceland* the national competition authorities, and in *Liechtenstein* the Office for National Economy.

As regards co-operation in the field of individual cases, the national authorities were invited to give their comments on cases handled by the Authority, including cases falling under the European Commission's competence which were being considered by the Authority in the context of the co-operation procedure outlined above. Comments submitted by the national authorities proved to be valuable contributions, enabling the Authority to benefit from the knowledge of national markets which the national authorities have to hand and to have access to their staff specialized in different sectors of the economy.

The Authority finds such contacts to be particularly important when there are parallel proceedings before national competition authorities under national law and before the Authority under EEA competition law. In these situations the national authorities are likely to have more extensive knowledge of the national markets than in situations where no similar case were pending on a national level, and would increase the possibility for the Authority to make use of valuable information under its own procedures. Furthermore, to the extent possible within the framework of the EEA Agreement, the Authority believes that such contacts may increase the possibility of reaching decisions also on a national level, which would be compatible with the competition rules within the EEA.

In the context of general co-operation, the Authority organised seminars during 1999 with the Norwegian and the *Liechtenstein* competition authorities in order to increase the knowledge of procedures in competition cases handled under the EEA Agreement and to enable a review of the procedures to maintain a smooth working relationship between the national competition authorities and the Authority.





## 5.2 STATE AID

### 5.2.1 MAIN RULES OF THE EEA AGREEMENT

The basic substantive provisions on State aid are found in Article 61 of the EEA Agreement. The primary procedural rules are set out in Article 1 of Protocol 3 to the Surveillance and Court Agreement. These provisions are comparable to Articles 87 (previously Article 92) and 88 (previously Article 93) of the EC Treaty. Their aim is to ensure that conditions of competition for enterprises are equal and not distorted by State measures.

The main rule in Article 61 is that aid granted through State resources which distorts or threatens to distort competition and affects trade between the EEA Contracting Parties, is incompatible with the EEA Agreement. The second and third paragraphs of Article 61 add certain exception clauses to this main rule.

The concept of State aid is a broad one, embracing not only subsidies in the strict sense of the word, but also public support measures in various other forms. This can be *i.a.* tax exemptions, loans on preferential terms, State guarantees and investments in share capital by public authorities on terms not acceptable to a private investor.

An EFTA State shall not put into effect a new aid measure before the Authority has approved it. State aid plans must therefore be notified to the Authority prior to implementation. The Authority has to assess whether such a plan constitutes State aid and, if it does, examine whether it is eligible for exemption.

In a first stage of State aid procedures, the Authority can either decide not to raise objections to an aid proposal, or it will open a formal investigation pursuant to Article 1(2) of Protocol 3 of the Surveillance and Court Agreement. The final decision can be positive (approving the aid), negative (prohibiting the aid) or conditional (approving the aid subject to conditions).

If aid is granted in breach of the notification requirements, the Authority may request that the EFTA State suspend payment of the aid pending the outcome of an investigation. If the Authority concludes that such unlawfully granted aid is also incompatible with the EEA Agreement, it orders, as a rule, the EFTA State to reclaim the aid from the recipient.

Apart from deciding on all plans to grant or alter aid, the Authority is also obliged, under Article 1(1) of Protocol 3 to the Surveillance and Court Agreement, to keep under constant review all systems of existing aid in the EFTA States. If the Authority finds that existing measures are incompatible with the State aid rules, it shall propose appropriate measures to the EFTA State concerned to amend or to abolish the measures. If such a proposal is declined, the Authority can open the formal investigation procedure mentioned above.

Decisions by the Authority in State aid cases may be challenged before the EFTA Court.

Protocol 26 to the EEA Agreement stipulates that the Authority is entrusted with equivalent powers and similar functions to those of the European Commission in the field of State aid. Provisions to that effect are contained in Articles 5 and 24 of, and Protocol 3 to, the Surveillance and Court Agreement. Furthermore, Protocol 27 to the EEA Agreement lays down the principles according to which the Authority and the Commission shall co-operate in order to ensure a uniform application of the State aid rules.

### 5.2.2 DEVELOPMENT OF STATE AID RULES

#### 5.2.2.1 Legislation

By Decision of the EEA Joint Committee of 29 January 1999, *Council Regulation (EC) No 1540/98 of 29 June 1998 establishing new rules on aid to shipbuilding*<sup>(16)</sup>, hereafter referred to as the Shipbuilding Regulation, was incorporated into the EEA Agreement. This Regulation lays down the rules under which aid related to ship building, ship

<sup>(16)</sup> OJ No L 202, 18.7.1998



conversion and ship repair may be considered compatible with the functioning of the EEA Agreement. It should be recalled that operating aid is permissible, provided that the conditions of the Regulation are met, only until 31 December 2000.

In 1999, the EC Council adopted a regulation concerning State aid procedures<sup>(17)</sup>. The Regulation, which aims at increasing transparency and legal certainty by codifying and clarifying procedural rules in the State aid field, has not been integrated in the EEA framework by the end of the year.

### 5.2.2.2 The Authority's State Aid Guidelines

Points 2 to 37 of Annex XV to the EEA Agreement refer to acts, adopted by the EC Commission up to 31 July 1991, of which the Authority shall take due account (non-binding acts) when applying the EEA State aid rules. These acts comprise communications, frameworks, guidelines and letters to Member States which the Commission, at various points of time, has issued for the interpretation and application of Articles 87 and 88 (previously Articles 92 and 93) of the EC Treaty.

In accordance with Article 5(2)(b) and Article 24 of the Surveillance and Court Agreement, the Authority has adopted corresponding acts. Relevant communications, frameworks, guidelines and notices issued by the Commission have been codified by the Authority in one single document, the Procedural and Substantive Rules in the Field of State Aid<sup>(18)</sup>, also referred to as the State Aid Guidelines. The Authority initially issued these Guidelines in January 1994. They have since been regularly updated.

A comparative list of acts adopted by the Commission and the Authority in the field of State Aid is provided at Annex VI of this report.

<sup>(17)</sup> OJ No L 83, 27.3.1999

<sup>(18)</sup> *Procedural and Substantive Rules in the field of State Aid – Guidelines on the application and interpretation of Articles 61 and 62 of the EEA Agreement and Article 1 of Protocol 3 to the Surveillance and Court Agreement (EFTA Surveillance Authority Decision No. 4/94/COL of 19 January 1994, published in OJ No L 231, 03.09.94 and in the EEA Supplement thereto No. 32 on the same date), as last amended by Decision No. 329/99/COL of 16 December 1999 (not yet published). A consolidated updated version of the guidelines is available on the Authority's homepage on the Internet at <http://www.efta.int>.*

<sup>(19)</sup> OJ No C 279, 15.09.97

<sup>(20)</sup> OJ No C 343, 11.11.98

The State Aid Guidelines lay down the procedural rules for the assessment of new aid, for the review of existing aid, and for the formal investigation procedure. They also include all substantive State aid guidelines adopted by the Authority. The Guidelines contribute to increased transparency in the field of State aid by providing guidance on substantive and procedural matters to national authorities and interested parties.

The Authority has closely followed the development on new non-binding State aid acts being prepared by the European Commission and has contributed to the preparation of such acts. In 1999, the Authority held two multi-lateral meetings in the field of State aid, in which developments mainly concerning new non-binding acts were discussed with experts of the EFTA States. Once such new acts have been discussed with the EFTA States and adopted by the Commission, the Authority adopts corresponding acts with the necessary adaptations to the EEA Agreement and includes them in the State Aid Guidelines.

The State Aid Guidelines were amended six times during 1999.

In June 1999, the Authority introduced **revised guidelines on State aid to the motor vehicle industry** (not published at the end of the reporting period). These new guidelines, which will apply for two years with effect from 1 September 1999, correspond to a framework on the same subject adopted by the European Commission in 1997<sup>(19)</sup> and replace an earlier set of guidelines for the same industry.

In June 1999, the Authority also decided to introduce **new guidelines on State aid for training** (not published at the end of the reporting period) corresponding to a framework on the same subject adopted by the European Commission.<sup>(20)</sup> The new rules will apply for a period of up to five years from the





date of their publication. The objective of the Authority's guidelines on training aid is to clarify which measures involve aid within the meaning of the EEA Agreement, to spell out the conditions for training aid to be exemptable and to ensure consistency between the rules on training aid and those laid down for related types of aid.

In June 1999, the Authority also decided to introduce **new guidelines on the application of State aid rules to measures relating to direct business taxation** (not published at the end of the reporting period). These guidelines correspond to a notice on the same subject adopted by the European Commission in 1998.<sup>(21)</sup> The aim of the guidelines is to clarify which tax measures fall under the concept of State aid. The guidelines take into account that, as a general rule, a tax system of an EFTA/EEA State is not covered by the EEA Agreement. However, in certain cases such a tax system may have consequences that would bring it within the scope of the State aid provisions of the EEA Agreement.

In November 1999, the Authority decided to introduce **new guidelines on State aid elements in sales of land and buildings by public authorities** (not published at the end of the reporting period). These guidelines correspond to a communication on the same subject adopted by the European Commission<sup>(22)</sup>. The objective of the new guidelines is to draw up general guidance to the EFTA States in order to make its general approach transparent with regard to the issue of State aid through sales of land and buildings by public authorities.

In November 1999, the Authority also made some **amendments to the guidelines on State aid to shipbuilding granted as development assistance to a developing country** (not published at the end of the reporting period) corresponding to a notice from the European Commission<sup>(23)</sup>. The changes imply an updated list of eligible countries for development aid.

In December 1999, the Authority introduced **revised guidelines on State aid for rescuing and restructuring firms in difficulty** (not published at the end of the reporting period) corresponding to a notice on the same subject adopted by the European Commission<sup>(24)</sup>. The new set of rules provide clarifications, in particular with respect to the scope of application of the guidelines, and furthermore constitute a tightening up of the previous rules, while taking into account the role of appropriate levels of aid in cushioning the social effects of restructuring.

## 5.2.3 CASES

### 5.2.3.1 Statistics on cases

At the beginning of the reporting period, 31 State aid cases were under examination by the Authority, including 3 notifications of new aid, 14 complaints and 14 own initiative cases.

18 new cases were opened in 1999 and an equal number of cases was closed, implying that 31 cases were also pending with the Authority at the end of the year. Of the 18 new cases registered, 10 were notifications of new aid, 4 were complaints and 4 were opened on the Authority's own initiative. In 10 cases of notified new aid and in 3 own initiative cases the Authority was able to conclude that measures – some times after adjustments – were compatible with the functioning of the EEA Agreement. Five complaints were closed without further action. One decision was taken by the Authority to open a formal State aid investigation in 1999.

### 5.2.3.2 Sectoral aid

In February 1999, the EFTA Surveillance Authority closed a case regarding **aid granted to the Norwegian shipyard Aukra Industrier A/S** for the construction of a fishing vessel destined for the Icelandic fleet. The aid took the form of a grant amounting to 9% of the contract value before aid. The Authority found that the aid was granted under an approved scheme and was thus legally granted. On that occasion the Authority clarified that according to European

<sup>(21)</sup> OJ No C 384, 10.12.98

<sup>(22)</sup> OJ No C 209, 10.7.97

<sup>(23)</sup> OJ No C 218, 18.7.97

<sup>(24)</sup> OJ No C 288, 9.10.99



Commission practice and interpretation of the relevant provisions of the former *Shipbuilding Directive*, as well as according to the Authority's Decision of 15 October 1997 regarding Norwegian aid schemes to shipbuilding, no contract-related operating aid can be granted to shipyards for the construction or conversion of fishing vessels, except in respect of vessels to be delivered outside the EEA. This decision applied as from January 1998. Since the contract at issue was signed and the vessel delivered well before the Authority's decision came into effect (the contract was signed in February 1996 and the vessel's delivery date was 31 October 1997), it took the view that the restrictive interpretation of the *Shipbuilding Directive* could not be applied to the case under appraisal.

In February 1999, the Authority also closed a procedure initiated in November 1995 under Article 4 (5) of the *Shipbuilding Directive* as integrated into the EEA Agreement in Annex XV. Based on this provision the *Icelandic* authorities requested the EFTA Surveillance Authority to open the procedure in order to ensure that there was no distortion

**of competition between shipyards from different EEA States, namely Spain, Norway and Iceland, participating in a bidding process for the conversion of the Icelandic trawler Snorri Sturluson.** However, since during the investigation a binding contract had been entered into between the Icelandic owner of the vessel concerned and the Spanish shipyard P. Freire SA, it became clear that any plans by the Icelandic or Norwegian authorities to grant aid would not be realised and that accordingly, it would not be relevant for the EFTA Surveillance Authority to take a decision in the matter.

In November 1999, the Authority decided to authorise **State aid in relation to the construction of a fishery patrol vessel by a Norwegian shipyard**, granted partly as development assistance to Namibia. The aid measure contained two elements: a grant to the yard of either 9% or 4,5% of the contract value, depending on the actual contract price, and favourable financing terms regarding the purchase of the vessel. The contract for building the vessel was to be granted subsequent to a tender procedure. The tender procedure is administered by an independent



*Competition and State Aid Directorate.*

*From left to right: Harald Evensen, Amy Tubbs, Alexandra Antoniadis, Henning Rummelhoff, Ann-Kristin Hanssen, Director Amund Utne, Trond Kvarsvik, Rolf Egil Tønnessen*



maritime consultancy firm and the final decision regarding the selection of the shipyard is to be taken by the Namibian authorities. As to the grant related to the shipbuilding contract, the Authority considered it to be in accordance with Article 3 (1) of the Shipbuilding Regulation. With regards to the aid given as development assistance, the Authority considered all requirements laid down in Article 3 (5) of the Shipbuilding Regulation to be fulfilled. The Authority verified in particular the development content of the aid and that the offer of development assistance was open to bids from different yards.

On the basis of the Shipbuilding Regulation the Authority decided not to raise objections to **amendments and the prolongation of two Norwegian aid schemes in support of the shipbuilding industry until the end of 2000**. The decision covered grants for shipbuilding, new-buildings and conversions and export credit guarantee for ships. These schemes were initially assessed and authorized by the Authority in 1995. The amendment to the grant scheme consisted in an increase of the permissible aid ceilings from 7% to 9% for new-buildings with a contract value of more than Euro 10 millions and from 3,5% to 4,5% for smaller ships and ship conversions. The export credit guarantee scheme for ships was amended so as to include guarantees for credits for certain domestic deliveries of ships, namely ships of owners registered in Norway and which have their income from foreign trade and/or the offshore sector. The Authority considered the grant scheme to be in accordance with Article 3 (1) of the Shipbuilding Regulation. The guarantee scheme for shipbuilding complies with Article 3 (4) of the Shipbuilding Regulation in combination with the 1981 OECD Understanding on Export Credits for Ships insofar as the guaranteed export credits do not exceed eight-and-a-half years and do not cover more than 80% of the contract price. Given the fact that the interest rates of the guaranteed credits were determined under commercial conditions and, furthermore, given the high level of guarantee premiums, the Authority concluded that the guarantee scheme did not contain aid.

### 5.2.3.3 Regional aid

In March, the Authority decided not to raise objections to a notification from Norway on aid from the **Rural Development Fund** ("Bygdeutviklingsfondet") **in support of certain investments by Granvin Bruk P/L**. Granvin Bruk is a saw-, planing- and impregnate-mill located in the municipality of Granvin in the county of Hordaland. The aid project consisted of investment in a new crosscut saw line. The County Commissioner of Hordaland had decided to award a grant of NOK 3 million (EUR 0.34 million) from the Rural Development Fund. The grant constituted (net of taxes) 3.05% of the eligible investment costs. The aid intensity was therefore well below the relevant maximum aid ceiling of 15%, with a supplement of 10% gross for small and medium-sized enterprises (SMEs), for regional investment aid which the Authority had approved for the municipality of Granvin. The Authority therefore concluded that the aid qualified for exemption under Article 61(3)(c) of the EEA Agreement.

In September 1999, the Authority decided not to raise objections to a notification on a proposed new *Norwegian* scheme of **regionally differentiated social security contributions** from employers. Previously, in July 1998, the Authority had decided to require the Norwegian Government to amend the system. On 2 September 1998, the Norwegian authorities brought an action before the EFTA Court for annulment of the Decision. On 20 May 1999 the Court, however, dismissed the application and upheld the Authority's Decision<sup>(25)</sup>.

The notified areas are divided into four geographical zones with differentiated rates. The rates vary from 10.6% in zone 2 to 0% in zone 5 ("preferential zones"). The full rate (in zone 1) is 14.1%. The notification further defines which activities, although located in preferential zones, could not benefit from lower social security contributions. Such activities are related to hydropower production, mining of metal ores and certain minerals, gas and oil production, shipbuilding, steel, telecommunications, financial services, and freight transport by road.

<sup>(25)</sup> Case E-6/98. Not reported by the end of the reporting period. The Judgment is available from the EFTA Court homepage ([www.efta.int](http://www.efta.int)).



After assessing the notification in the light of its Decision of 2 July 1998, and the rules on regional transport aid as provided for in Chapter 25 of the Authority's State Aid Guidelines, the Authority concluded that the reduced social security contributions could be accepted as indirect compensation for additional transport costs. The notified aid thus qualifies for exemption under Article 61(3)(c) of the EEA Agreement. In accordance with its Decision from July 1998, the approval of the scheme is limited in time, not going beyond 31 December 2003. The Norwegian authorities are also obliged to submit to the EFTA Surveillance Authority simplified annual reports, to facilitate the monitoring of the application of the scheme. Finally, the Norwegian authorities are also obliged to introduce specific rules to ensure that cumulation control measures are in place.

In June 1999, the Authority closed the procedure regarding the implementation of its decision of 7 February 1996 to propose appropriate measures to *Iceland* with regard to **State aid in the form of sectorally differentiated social security tax**, without further action. In its decision of 1996, the Authority requested Iceland to remove the sectoral differentiation in the rates of the social security tax. By Acts No 156 of 27 December 1996 and No 130 of 23 December 1997, the Icelandic Parliament adjusted tax rates implying a gradual convergence of the two tax rates in operation until a uniform tax rate for all economic sectors is levied as from the income year 2000.

In December 1999, the Authority approved a proposal from the Norwegian authorities, on the **system of regional aid** in *Norway*. The new map of assisted areas was authorised for the period of 1 January 2000 to 31 December 2006. The assisted areas in Norway are divided into three target zones; A, B and C. They cover 25.8% of the total population. Compared to the previous scheme some rather minor amendments were made to the geographical scope of the assisted areas.

Target zone A consists of the county of Finnmark plus the northernmost parts of the county of Troms. The general aid ceiling, expressed in a percentage of investment costs, for large enterprises in zone A is 25%, plus a supplement of 5% for small and

medium-sized enterprises (SMEs). As a derogation from this provision, aid ceilings in 2000 are fixed at 30% for large enterprises, plus 10% for SMEs. For 2001, the corresponding ceilings are 30%, plus 5% for SMEs.

Target zone B covers mainly other parts of northern Norway, plus the most remote and sparsely populated areas in southern Norway. The aid ceilings for large enterprises in target zone B are 20%. For SMEs a supplement of 5% may be granted. Target zone C covers other assisted areas in southern Norway, plus the municipalities of Tromsø and Bodø in northern Norway. The aid ceilings for target zone C are 10% for large enterprises plus an additional 10% for SMEs. Except for the three counties Vest-Agder, Rogaland and Hordaland, it is possible to give 5% extra in target zone C in cases where one can expect an extraordinary regional impact.

In December 1999, the Authority also decided not to raise objections to plans to **amend and prolong the application of higher aid intensities for two existing Norwegian regional aid schemes** within four municipalities in the County of Finnmark. Previously, in 1994 and in 1998, the Authority approved higher aid intensities for these municipalities, all with a high percentage of Sami population. The Norwegian authorities proposed to reduce the intensity for one of the schemes, the Investment grants scheme, from 50 per cent to 45 per cent and to keep the aid intensity for the other scheme, the Company development grants, at 75 per cent in the four municipalities until 31 December 2000. The aid is confined to small and medium-sized enterprises. The rules and intensities foreseen for the two schemes were found to reflect the relevant criteria set out in the State Aid Guidelines. The Authority therefore concluded that the aid schemes continued to qualify for exemption under Article 61(3)(c) of the EEA Agreement until 31 December 2000.

#### **5.2.3.4 Horizontal aid**

Horizontal aid is a term referring to aid with horizontal objectives, which is neither regional nor sectoral in scope, such as aid to promote small and medium-sized enterprises, research and development, environmental protection, to create new employment or for rescuing/restructuring firms in difficulty.





In May 1999, the Authority decided not to raise objections to a notification from *Norway* on a new aid scheme: **The Norwegian Environment Fund** ("Statens Miljøfond" (SMF)). SMF is a new loan scheme financed by the Ministry of Environment and administered by the Industrial and Regional Development Fund (SND). The objective of SMF is to stimulate the use and development of new technology, which can improve the environment. Projects that go beyond mandatory environmental standards, or projects in fields where there are no mandatory standards, reducing the emissions of greenhouse gases and other discharges harmful to the environment, can be subsidised by SMF through loans with lower interest rates than can be achieved in the capital markets. The aid intensity foreseen for loans from SMF was within the maximum limits set by the State Aid Guidelines. The Authority therefore concluded that aid in the form of loans from SMF qualified for exemption under Article 61(3)(c) of the EEA Agreement.

In June 1999, the Authority opened a formal investigation procedure regarding a **film support scheme in Iceland**. Under the Act on temporary repayment of costs of films produced in Iceland, film producers are entitled to receive a repayment of costs incurred in Iceland. Doubts as to the compatibility of the scheme were based in particular on the lack of cultural criteria for the selection of eligible films. Further issues of concern were that only those costs incurred in Iceland would be eligible for repayment under the scheme and the requirement that the film producer must be established in Iceland. In November 1999, the Icelandic authorities submitted their written comments. In the light of these comments and further consultations with the Icelandic authorities, the Authority endeavours to adopt a final decision in 2000. In this context it should be mentioned that the Authority also initiated a **review of existing film support schemes in Norway** in order to ensure a level playing field in this sector.

In November 1999, the Authority decided not to raise objections to a notification from *Norway* on a new aid scheme: **Project Development Grant** ("Prosjektutviklingstilskudd"). Project Development Grant is a new scheme financed by the Ministry of Trade and Industry and administered by the Industrial and Regional

Development Fund. The main objective of the scheme is to support the preparation of new technology for commercialization, i.e. up to a point where commercial investors are ready to provide venture capital. Small and medium-sized enterprises (SMEs) and start-up businesses will have priority on aid awards. SMEs may also apply for aid for consultancy services, training and dissemination of knowledge. The criteria and the intensities foreseen for the new scheme reflect the requirements set out in the State Aid Guidelines and it was therefore concluded that the new scheme qualifies for exemption under Article 61(3)(c) of the EEA Agreement.

By decision of 16 December 1999, the Authority approved a **financial contribution of Swiss Francs 1.125 million to Radio Liechtenstein**. Radio Liechtenstein is the only Liechtenstein radio station, focusing on Liechtenstein events and information. Due to the limited catchment area, which is mostly confined to Liechtenstein, advertising revenues are not sufficient to cover the costs of running a radio station. The Authority considered the aid to be justified in order to ensure the maintenance of public service objectives. Due to only limited cross-border trade in the radio market, the Authority concluded that trade was not affected to an extent contrary to the common interest.

#### **5.2.3.5 Public enterprises and public authorities' holdings**

In October 1996, the Authority decided to open an investigation procedure regarding a complaint against the *Norwegian Government's financing of the Arcus Group* (Arcus). The Authority concluded in a decision in December 1998 that Arcus had received illegal State aid and ordered a recovery. In February 1999, the Norwegian authorities informed the Authority that they would carry out the corrective measures as laid down in the Decision. In July 1999, the Norwegian authorities submitted documentation that confirmed that their obligations concerning the recovery of illegal State aid were fulfilled. The case was thus closed without further action.

By judgment of 3 March 1999, the EFTA Court annulled the Authority's decision in the **Husbanken case**. In its decision of 9 July 1997 the Authority closed the procedure





*Legal and Executive Affairs.*

*In front from left to right: Lorraine Deakin, Director Peter Dyrberg, Bjarnveig Eiríksdóttir, Behind from left to right: Matthildur Steinsdóttir, Michael Sanchez Rydelski, Jan Magne Langseth, Anne-Lise Rolland, Jesper Svenningsen*

regarding aid to the *Norwegian* Housing Bank (“Husbanken”) without further action on the grounds that the aid granted to Husbanken was justified under Article 59 (2) of the EEA Agreement.

The Court in its judgment upheld the Authority’s finding that the funding and other framework conditions of Husbanken constituted existing aid. Consequently, the Court shared the Authority’s view that the aid considered as existing aid, it was under no obligation to initiate a formal investigation under Article 1 (2) of Protocol 3 to the Surveillance and Court Agreement. The Court further followed the Authority’s finding that Husbanken was entrusted with services of general economic interest in the meaning of Article 59 (2) of the EEA Agreement in so far as it operates a loan system which is provided on equal terms throughout the territory of Norway and is thus an important instrument in the State’s housing policy. However, the Court considered that the Authority did not sufficiently examine the question to what extent trade is affected to an extent contrary to the interests of the Contracting parties. Since the Authority did not carry out the necessary “proportionality test”, it had wrongly

interpreted and applied Article 59 (2) of the EEA Agreement.

Following this judgement, the Authority initiated a re-examination of the issues raised by the Court and gave both the Norwegian Government and the complainant ample opportunity to submit their observations. As the complaint is upheld, the Authority expects to take a new decision in the course of 2000.

According to an opinion issued by the *Icelandic* Competition Council, **Landssiminn**, the Icelandic Telecom operator, received illegal aid when the former Post and Telecom Administration was transformed into a public limited liability company. The Competition Council came to the conclusion that Landssiminn received Ikr 11,5 billion in illegal State aid by means of an undervaluation of the transferred assets and through reductions of pension obligations. Therefore, in July 1999, the Authority requested information regarding possible aid. In the meantime the Icelandic Government has set up a committee to re-value the fixed assets, liabilities and good will of Landssiminn at the time of the transformation. The fresh assessment will also examine the question to what

extent the reductions of pension obligations constitute aid. In light of the ongoing examination carried out by the Icelandic authorities, the EFTA Surveillance Authority will continue to monitor the outcome of the committee's work closely.

#### **5.2.4 CO-OPERATION WITH THE EUROPEAN COMMISSION**

Protocol 27 to the EEA Agreement lays down the various areas in which the European Commission and the Authority are to co-operate in order to ensure a uniform application of the State aid rules. Information and views on general policy issues were exchanged between the two authorities in meetings held at different levels. The practice established in 1994 of holding periodic meetings at Director level was continued. Formal consultations took place on the Commission's new drafts on non-binding State aid acts, thus enabling the Authority to submit its comments and those of the EFTA States to the Commission. Cross-representation of both authorities in multi-lateral meetings also continued. Furthermore, the Authority and the Commission informed each other of all State aid decisions. With regard to individual cases, further information was also provided on a case-by-case basis upon request by the other authority.

The co-operation between the two surveillance authorities in the field of State aid has

worked well in practice. The close contacts and co-operation at different levels contributed to a homogenous application of the State aid rules throughout the EEA.

#### **5.2.5 OTHER TASKS**

##### **5.2.5.1 Annual reporting on existing aid schemes**

As is foreseen in the State Aid Guidelines, it has been the Authority's practice to request the submission of annual reports on new State aid schemes that it has authorised. The information in these reports is particularly focused on the annual aid expenditure under the schemes and its breakdown with regards to the main recipients as well as according to sectors, forms of aid, etc. Furthermore, based on decisions by the Authority in 1995, *Iceland* and *Norway* have agreed to submit standardised annual reports on existing aid schemes.

##### **5.2.5.2 State aid survey**

According to Protocol 27 of the EEA Agreement, the Authority is charged with the responsibility to periodically prepare a quantitative survey of State aid in the EFTA States. Besides enabling the Authority to monitor the application of existing aid schemes, annual reports will be the primary source of information for such surveys. The Authority will draw up the State aid surveys in co-operation with the EFTA States. It aims to finalise its first survey in the course of 2000.



# ANNEX I:

## THE EFTA STATES ICELAND, LIECHTENSTEIN AND NORWAY

### FACTS AND FIGURES<sup>(26)</sup>

|   | ICELAND                     | LIECHTENSTEIN                 | NORWAY                             |
|---|-----------------------------|-------------------------------|------------------------------------|
| NAME OF STATE   | REPUBLIC OF ICELAND         | PRINCIPALITY OF LIECHTENSTEIN | KINGDOM OF NORWAY                  |
| SIZE IN KM <sup>2</sup>                                 | 103 000                     | 160                           | 324 000                            |
| FOREST (%) OF TOTAL AREA                                | 0.3                         | 34.8                          | 37                                 |
| WATER (%)   | 2.7                         | -                             | 4.6                                |
| CULTIVATED LAND (%)                                     | 1.3                         | 24.3                          | 3.2                                |
| 1.1.1999 - POPULATION                                   | 276 000                     | 32 015                        | 4 445 329                          |
| 1.1.1999 - FOREIGN RESIDENTS (% OF POP.)                | 5                           | 34,8                          | 3.7                                |
| 1.1.1999 - POPULATION DENSITY (INHAB./KM <sup>2</sup> ) | 2.7                         | 200                           | 15                                 |
| GROSS DOMESTIC PRODUCT IN BILLION EURO (1998)           | 7.4                         | N/A                           | 131                                |
| UNEMPLOYMENT RATE (1999)                                | 2.7                         | 2                             | 3,2                                |
| HEAD OF GOVERNMENT                                      | David Oddsson<br>since 1991 | Mario Frick<br>since 1993     | Kjell Magne Bondevik<br>since 1997 |
| NATIONAL HOLIDAY  | 17 June                     | 15 August                     | 17 May                             |

<sup>(26)</sup> Source: Office of the EFTA Statistical Adviser, Luxembourg

# ANNEX II:

## EFTA SURVEILLANCE AUTHORITY

### DIVISION OF RESPONSIBILITIES AMONG COLLEGE MEMBERS

84

**KNUT ALMESTAD  
(PRESIDENT)**

GENERAL POLICIES  
CO-ORDINATION  
EXTERNAL RELATIONS  
ADMINISTRATION  
LEGAL & EXECUTIVE AFFAIRS  
STATE AID AND MONOPOLIES

**HANNES HAFSTEIN**

FREE MOVEMENT OF GOODS  
(INCL. TECHNICAL BARRIERS TO  
TRADE, OTHER TRADE MATTERS,  
VETERINARY AND PHYTOSANITARY  
MATTERS)  
PUBLIC PROCUREMENT  
COMPETITION

**BERND HAMMERMANN**

FREE MOVEMENT OF PERSONS  
SOCIAL SECURITY  
MUTUAL RECOGNITION OF DIPLOMAS  
RIGHT OF ESTABLISHMENT  
FINANCIAL SERVICES  
AUDIOVISUAL AND  
TELECOMMUNICATIONS SERVICES  
TRANSPORT  
CAPITAL MOVEMENTS  
SOCIAL POLICIES  
CONSUMER PROTECTION  
ENVIRONMENT  
COMPANY LAW



# ANNEX III: EFTA SURVEILLANCE AUTHORITY

## COLLEGE

| GOODS DIRECTORATE   | PERSONS, SERVICES AND CAPITAL MOVEMENTS DIRECTORATE  | COMPETITION AND STATE AID DIRECTORATE   | LEGAL & EXECUTIVE AFFAIRS  | ADMINISTRATION  |
|---|--|---|--|---|
| <p>GENERAL TRADE PROVISIONS INCLUDING:<br/>Quantitative restrictions and measures having equivalent effect<br/>Discriminatory taxation</p> <p>HARMONISING DIRECTIVES INTER ALIA IN THE FIELDS OF:<br/>Motor vehicles<br/>Foodstuffs<br/>Pharmaceuticals<br/>Chemicals<br/>Fertilisers<br/>Construction products<br/>Toys<br/>Product safety including information procedures</p> <p>VETERINARY AND PHYTOSANITARY MATTERS</p> <p>INTELLECTUAL PROPERTY</p> <p>ENERGY</p> <p>PUBLIC PROCUREMENT</p> | <p>FREE MOVEMENT OF PERSONS</p> <p>FREE MOVEMENT OF WORKERS</p> <p>SOCIAL SECURITY</p> <p>MUTUAL RECOGNITION OF DIPLOMAS</p> <p>RIGHT OF ESTABLISHMENT</p> <p>SOCIAL POLICIES</p> <p>CONSUMER PROTECTION</p> <p>ENVIRONMENT</p> <p>COMPANY LAW</p> <p>FINANCIAL SERVICES</p> <p>BANKING</p> <p>SECURITIES TRADING</p> <p>INSURANCE</p> <p>AUDIO-VISUAL SERVICES</p> <p>TELECOMMUNICATIONS SERVICES</p> <p>TRANSPORT</p> <p>CAPITAL MOVEMENTS</p> | <p>COMPETITION RULES APPLICABLE TO ENTERPRISES<br/>Prohibition of cartels<br/>Prohibition of abuse of dominant position<br/>Control of concentrations</p> <p>STATE AID<br/>Review of existing aid<br/>Examination of new aid measures</p> <p>MONOPOLIES</p> <p>RULES ON PUBLIC UNDERTAKINGS</p> | <p>REPRESENTING THE AUTHORITY IN COURT PROCEEDINGS</p> <p>FORMAL PART OF INFRINGEMENT PROCEEDINGS</p> <p>ADVICE ON LEGAL QUESTIONS</p> <p>JURIST LINGUIST SERVICES</p> <p>LIBRARY</p> <p>MEETINGS OF THE COLLEGE</p> <p>ORAL, WRITTEN AND DELEGATION PROCEDURES</p> <p>FOLLOW-UP OF COLLEGE DECISIONS</p> <p>PUBLICATION</p> <p>PRESS AND INFORMATION</p> <p>VISITORS GROUPS</p> | <p>HUMAN RESOURCES</p> <p>BUDGET PLANNING</p> <p>FINANCE CONTROL</p> <p>INFORMATION TECHNOLOGY</p> <p>STAFF SOCIAL SECURITY</p> <p>OFFICE FACILITIES</p> <p>PROCUREMENT</p> <p>REGISTRY</p> |

# ANNEX IV:

## IMPLEMENTATION STATUS OF DIRECTIVES IN VARIOUS SECTORS

### EXPLANATORY NOTE

In this Annex the implementation status of the Directives which are part of the EEA Agreement in the various sectors is presented in *tabular* form. Reflecting the relevant entries made by the Authority's services in the Acquis Implementation Database (AIDA), two basic types of information are given in the tables.

#### SHADINGS

The Authority's understanding of the *actual implementation situation* is illustrated by the different shadings in the tables. The principles according to which the shadings appear are the following:

- (a) The fact that the respective field is left *blank (white)*, means that the EFTA State concerned has no duty to implement the Directive in question.

**No duty to implement:**



- (b) A field with a *light shading* means that the EFTA State in question has notified the Directive concerned as fully implemented, and also submitted to the Authority the legal texts of all the notified national measures.

**Full implementation notified:**



It should be noted that this shading will *not* appear in the table, even if an EFTA State has notified full implementation as described above, if the Authority or its services, after a preliminary examination of the legal texts received, or upon a detailed conformity assessment, are of the opinion that the Directive has *not* actually been fully implemented. (In that case one of the two shadings discussed below will appear, depending on whether implementation is considered to be only partial, or whether the measures notified by the EFTA State are *not* actually deemed to implement any provisions of the Directive in question.)

- (c) When a field has a *medium shading* it means either that the EFTA State in question has notified the Directive concerned as only partially implemented, or that the Authority or its services have come to the same conclusion following a preliminary examination of the notified legal texts or of a detailed conformity assessment.

**Partial implementation:**



- (d) A *dark shading* of the field means either that the Authority has received no notification relative to the Directive concerned from the EFTA State or, that following a preliminary examination of the legal texts that have been notified or of a detailed conformity assessment of the measures contained in the texts, the Authority or its services have concluded that no national measures exist in that State that would actually transpose any of the provisions of the Directive.

**Non-implementation:**



#### Abbreviations

When appropriate, certain additional information is given in the form of abbreviations which appear in the respective fields. Thus, the abbreviation "*NNN*" in a blank field means that, due to the circumstances prevailing in the EFTA State in question, *no implementing measures are considered necessary* for the time being. For instance, in the sector of mutual recognition of diplomas and professional qualifications, no implementing measures are necessary either in Iceland or in Norway with respect to the Directives relative to the film industry, since in those EFTA States, the respective activities are liberalised, and therefore no restrictions exist in the sense of the Directives. Consequently, the value "*NNN*" has been entered in the *AIDA* for both Iceland and Norway for all the four Directives concerned, and the abbreviation appears in the respective fields of the table.

The second abbreviation that may appear in a blank field is "*TRP*". This means that the EFTA State in question enjoys a *transitional period* for the implementation of the whole Directive concerned.

When a Directorate concludes that a Directive has not been properly implemented, it may, instead of proposing to the respective College member that formal proceedings be initiated, decide to send an *informal* letter to the EFTA State concerned inviting it to adopt the measures necessary to comply with the Directive or, to provide the Authority with information on the actual status of implementation. Whenever this kind of *Pre Article 31* letter is sent, the value "*PRE*" is entered into the *AIDA*, and the abbreviation appears in the respective field with medium or dark shading.

By the same token, if the Authority has sent a letter of formal notice or a reasoned opinion for non-implementation or partial implementation to the EFTA State, the corresponding value - "*LFN*" or "*RDO*", respectively - is entered into the *AIDA*, and thus also appears in the respective field. The abbreviation "*EFC*" means that the Authority has referred the case to the EFTA Court.



## IMPLEMENTATION STATUS OF DIRECTIVES

| <b>Control Matters</b>                                    | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| <b>Vet. checks - intra Com. internal market</b>           |            |            |            |
| Directive 89/662 Annex I,1,1,1,1                          |            | PWH        |            |
| <b>Vet. checks - intra Com. internal market</b>           |            |            |            |
| Directive 92/67 Annex I,1,1,1,1                           |            | PWH        |            |
| <b>Vet. and zoo checks -intra Com. trade live animals</b> |            |            |            |
| Directive 90/425 Annex I,1,1,1,2                          |            | PWH        |            |
| <b>Vet. and zoo checks -intra Com. trade live animals</b> |            |            |            |
| Directive 92/60 Annex I,1,1,1,2                           |            | PWH        |            |
| <b>Mutual assistance</b>                                  |            |            |            |
| Directive 89/608 Annex I,1,1,1,3                          | PWH        | PWH        |            |
| <b>Third country checks</b>                               |            |            |            |
| Directive 97/78 Annex I,1,1,1,4                           |            | PWH        |            |
| <b>Vet. checks - animals third countries</b>              |            |            |            |
| Directive 91/496 Annex I,1,1,1,5                          |            | PWH        |            |
| <b>Vet. checks - animals third countries</b>              |            |            |            |
| Directive 96/43 Annex I,1,1,1,5                           |            | PWH        |            |
| <b>Identification/reg. of animals</b>                     |            |            |            |
| Directive 92/102 Annex I,1,1,1,7                          | PWH        | PWH        |            |
| <b>Financing of vet. inspections and control</b>          |            |            |            |
| Directive 85/73 Annex I,1,1,1,8                           | LFN        | PWH        | LFN        |
| <b>Financing veterinary inspections</b>                   |            |            |            |
| Directive 97/79 Annex I,1,1,1,8                           |            | PWH        |            |
| <b>Certification of animal products</b>                   |            |            |            |
| Directive 96/93 Annex I,1,1,1,9                           | PWH        | PWH        |            |
| <b>Zootechnics</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Zootechnics – pure breed bovines</b>                   |            |            |            |
| Directive 77/504 Annex I,1,2,1,1                          | PWH        | PWH        |            |
| <b>Zootechnics – pure breed bovines</b>                   |            |            |            |
| Directive 79/268 Annex I,1,2,1,1                          | PWH        | PWH        |            |
| <b>Zootechnics – pure breed bovines</b>                   |            |            |            |
| Directive 85/586 Annex I,1,2,1,1                          | PWH        | PWH        |            |
| <b>Zootechnics – pure breed bovines</b>                   |            |            |            |
| Directive 94/28 Annex I,1,2,1,1                           | PWH        | PWH        |            |
| <b>Zootechnical standards for breeding pigs</b>           |            |            |            |
| Directive 88/661 Annex I,1,2,1,2                          | PWH        | PWH        |            |
| <b>Zootechnics – pure breeding sheep and goats</b>        |            |            |            |
| Directive 89/361 Annex I,1,2,1,3                          | PWH        | PWH        |            |
| <b>Zootechnics – intra Com. trade equidae</b>             |            |            |            |
| Directive 90/427 Annex I,1,2,1,4                          | PWH        | PWH        |            |



### Meaning of shades:

No duty to implement:



Partial implementation



Full implementation notified\*



Non implementation



### Meaning of abbreviations:

NNN: No measures necessary

TRP: Transition period

PWH: Permanent derogation for the whole act.

PRE: Pre Article 31 letter

LFN: Letter of formal notice.

RDO: Reasoned opinion

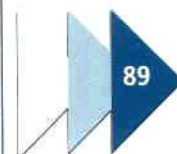
EFC: Referral to EFTA Court

\* Does not include Directives which the EFTA States have notified as fully implemented but which the Authority deemed not to have been implemented or to have been only partially implemented.

| <b>Zootechnics (cont.)</b>                            | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| <b>Zootechnics – equine competitions</b>              |            |            |            |
| Directive 90/428 Annex I,1,2,1,5                      | PWH        | PWH        |            |
| <b>Zootechnics – pure breed animals</b>               |            |            |            |
| Directive 91/174 Annex I,1,2,1,6                      | PWH        | PWH        |            |
| <b>Acceptance of pure bred bovines for breeding</b>   |            |            |            |
| Directive 87/328 Annex I,1,2,2,5                      | PWH        | PWH        |            |
| <b>Zootechnics – pure breeding pigs</b>               |            |            |            |
| Directive 90/118 Annex I,1,2,2,14                     | PWH        | PWH        |            |
| <b>Zootechnics – hybrid pigs</b>                      |            |            |            |
| Directive 90/119 Annex I,1,2,2,15                     | PWH        | PWH        |            |
| <b>Control measures - notification of disease</b>     | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Control of Foot and Mouth disease (FMD)</b>        |            |            |            |
| Directive 85/511 Annex I,1,3,1,1                      | PWH        | PWH        |            |
| <b>Control of Foot and Mouth disease</b>              |            |            |            |
| Directive 90/423 Annex I,1,3,1,2                      | PWH        | PWH        |            |
| <b>Control of classical swine fever (CSF)</b>         |            |            |            |
| Directive 80/1274 Annex I,1,3,1,3                     | PWH        | PWH        |            |
| <b>Control of classical swine fever (CSF)</b>         |            |            |            |
| Directive 80/217 Annex I,1,3,1,3                      | PWH        | PWH        |            |
| <b>Control of classical swine fever (CSF)</b>         |            |            |            |
| Directive 81/476 Annex I,1,3,1,3                      | PWH        | PWH        |            |
| <b>Control of classical swine fever (CSF)</b>         |            |            |            |
| Directive 84/645 Annex I,1,3,1,3                      | PWH        | PWH        |            |
| <b>Control of classical swine fever (CSF)</b>         |            |            |            |
| Directive 87/486 Annex I,1,3,1,3                      | PWH        | PWH        |            |
| <b>Control of classical swine fever (CSF)</b>         |            |            |            |
| Directive 91/685 Annex I,1,3,1,3                      | PWH        | PWH        |            |
| <b>Control AHS</b>                                    |            |            |            |
| Directive 92/35 Annex I,1,3,1,4                       | PWH        | PWH        |            |
| <b>Control Avian influenza</b>                        |            |            |            |
| Directive 92/40 Annex I,1,3,1,5                       | PWH        | PWH        |            |
| <b>Control of Newcastle disease</b>                   |            |            |            |
| Directive 92/66 Annex I,1,3,1,6                       | PWH        | PWH        |            |
| <b>Control of fish diseases</b>                       |            |            |            |
| Directive 93/53 Annex I,1,3,1,7                       |            | PWH        |            |
| <b>Community measures control of bivalve molluscs</b> |            |            |            |
| Directive 95/70 Annex I,1,3,1,8                       | PWH        | PWH        |            |
| <b>Control of SVD and general control Directive</b>   |            |            |            |
| Directive 92/119 Annex I,1,3,1,9                      | PWH        | PWH        |            |
| <b>Animal disease notification</b>                    |            |            |            |
| Directive 82/894 Annex I,1,3,1,10                     | PWH        | PWH        | NNN        |



| <b>Animal Health: Live Animals</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| Animal health - intra Com. trade bovine and swine Directive 64/432 Annex I,1,4,1,1 | PWH        | PWH        |            |
| Animal health - intra Com. trade bovine and swine Directive 97/12 Annex I,1,4,1,1  | PWH        | PWH        |            |
| Animal health - intra Com. trade bovine and swine Directive 98/46 Annex I,1,4,1,1  | PWH        | PWH        |            |
| Animal health - intra Com. trade bovine and swine Directive 98/99 Annex I,1,4,1,1  | PWH        | PWH        |            |
| Animal health - intra Com. trade sheep and goats Directive 91/68 Annex I,1,4,1,2   | PWH        | PWH        |            |
| Animal health - intra Com. movement of equidae Directive 90/426 Annex I,1,4,1,3    | PWH        | PWH        |            |
| Animal health - intra Com. movement of equidae Directive 92/36 Annex I,1,4,1,3     | PWH        | PWH        |            |
| Animal health - intra Com. trade poultry Directive 90/539 Annex I,1,4,1,4          | PWH        | PWH        |            |
| Animal health - intra Com. trade poultry Directive 93/120 Annex I,1,4,1,4          | PWH        | PWH        |            |
| Animal health - placing on the market aquaculture Directive 91/67 Annex I,1,4,1,5  |            | PWH        |            |
| Animal health - placing on the market aquaculture Directive 93/54 Annex I,1,4,1,5  |            | PWH        |            |
| Animal health - placing on the market aquaculture Directive 95/22 Annex I,1,4,1,5  |            | PWH        |            |
| Animal health - placing on the market aquaculture Directive 98/45 Annex I,1,4,1,5  | PWH        | PWH        |            |
| Animal health - intra Com. trade bovine embryos Directive 89/556 Annex I,1,4,1,6   | PWH        | PWH        |            |
| Animal health - intra Com. trade bovine embryos Directive 93/52 Annex I,1,4,1,6    | PWH        | PWH        |            |
| Animal health - intra Com. trade bovine semen Directive 88/407 Annex I,1,4,1,7     | PWH        | PWH        |            |
| Animal health - intra Com. trade bovine semen Directive 90/120 Annex I,1,4,1,7     | PWH        | PWH        |            |
| Animal health - intra Com. trade bovine semen Directive 93/60 Annex I,1,4,1,7      | PWH        | PWH        |            |
| Animal health - intra Com. trade porcine semen Directive 90/429 Annex I,1,4,1,8    | PWH        | PWH        |            |
| Animal health - balai live animals Directive 92/65 Annex I,1,4,1,9                 | PWH        | PWH        |            |



Meaning of shades:

No duty to implement



Partial implementation



Full implementation certified



Not implemented



Meaning of abbreviations:

NNN: No measures necessary

TRP: Transition period

PWH: Permanent derogation for the whole act

PRE: Pre Article 31 letter

LFN: Letter of formal notice

RDO: Reasoned opinion

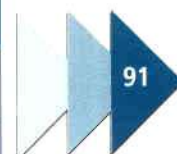
EFC: Referral to EFTA Court

\*States that include Directive which the EFTA States have adopted as fully implemented, but which the Authority does not yet have been apprised of. \* to have been only partially implemented

| <b>Animal Health: Animal Products</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| Animal health - intra Com. trade fresh meat<br>Directive 72/461 Annex I,1,5,1,1      | PWH        | PWH        |            |
| Animal health - intra Com. trade fresh meat<br>Directive 77/98 Annex I,1,5,1,1       | PWH        | PWH        |            |
| Animal health - intra Com. trade fresh meat<br>Directive 80/1099 Annex I,1,5,1,1     | PWH        | PWH        |            |
| Animal health - intra Com. trade fresh meat<br>Directive 80/213 Annex I,1,5,1,1      | PWH        | PWH        |            |
| Animal health - intra Com. trade fresh meat<br>Directive 85/322 Annex I,1,5,1,1      | PWH        | PWH        |            |
| Animal health - intra Com. trade fresh meat<br>Directive 87/64 Annex I,1,5,1,1       | PWH        | PWH        |            |
| Animal health - intra Com. trade fresh meat<br>Directive 91/266 Annex I,1,5,1,1      | PWH        | PWH        |            |
| Animal health - intra Com. trade fresh meat<br>Directive 91/687 Annex I,1,5,1,1      | PWH        | PWH        |            |
| Animal health - intra Com. trade poultry meat<br>Directive 91/494 Annex I,1,5,1,2    | PWH        | PWH        |            |
| Animal health - poultry meat<br>Directive 92/116 Annex I,1,5,1,2                     | PWH        | PWH        |            |
| Animal health - intra Com. trade poultry meat<br>Directive 93/121 Annex I,1,5,1,2    | PWH        | PWH        |            |
| Animal health - meat products<br>Directive 80/1100 Annex I,1,5,1,3                   | PWH        | PWH        |            |
| Animal health - meat products<br>Directive 80/215 Annex I,1,5,1,3                    | PWH        | PWH        |            |
| Animal health - meat products<br>Directive 85/321 Annex I,1,5,1,3                    | PWH        | PWH        |            |
| Animal health - meat products<br>Directive 87/491 Annex I,1,5,1,3                    | PWH        | PWH        |            |
| Animal health - meat products<br>Directive 88/660 Annex I,1,5,1,3                    | PWH        | PWH        |            |
| Animal health - milk and milk-based products<br>Directive 92/46 Annex I,1,5,1,4      | PWH        | PWH        |            |
| Animal health - milk and milk-based products<br>Directive 94/71 Annex I,1,5,1,4      | PWH        | PWH        |            |
| Animal health - rabbit meat and farmed game meat<br>Directive 91/495 Annex I,1,5,1,5 | PWH        | PWH        |            |
| Animal health - wild game meat<br>Directive 92/45 Annex I,1,5,1,6                    | PWH        | PWH        |            |
| Animal health - products of other animals<br>Directive 92/118 Annex I,1,5,1,7        |            | PWH        |            |
| Animal health - products of other animals<br>Directive 96/90 Annex I,1,5,1,7         | PWH        | PWH        |            |



| <b>Public Health</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| Public health - fresh meat<br>Directive 64/433 Annex I,1,6,1,1                         | PWH        | PWH        |            |
| Public health - fresh meat<br>Directive 91/497 Annex I,1,6,1,1                         | PWH        | PWH        |            |
| Public health - fresh meat<br>Directive 92/5 Annex I,1,6,1,1                           | PWH        | PWH        |            |
| Public health - fresh meat<br>Directive 95/23 Annex I,1,6,1,1                          | PWH        | PWH        |            |
| Public health - fresh poultry meat<br>Directive 71/118 Annex I,1,6,1,2                 | PWH        | PWH        |            |
| Public health - fresh meat derogations<br>Directive 91/498 Annex I,1,6,1,3             | PWH        | PWH        |            |
| Public health - meat products<br>Directive 77/99 Annex I,1,6,1,4                       | PWH        | PWH        |            |
| Public health - meat products<br>Directive 85/327 Annex I,1,6,1,4                      | PWH        | PWH        |            |
| Public health - meat products<br>Directive 95/68 Annex I,1,6,1,4                       | PWH        | PWH        |            |
| Public health - meat products<br>Directive 97/76 Annex I,1,6,1,4                       | PWH        | PWH        |            |
| Public health - minced meat<br>Directive 94/65 Annex I,1,6,1,6                         | PWH        | PWH        |            |
| Public health - egg products<br>Directive 89/437 Annex I,1,6,1,7                       | PWH        | PWH        |            |
| Public health - egg products<br>Directive 91/684 Annex I,1,6,1,7                       | PWH        | PWH        |            |
| Public health - fishery products<br>Directive 91/493 Annex I,1,6,1,8                   |            | PWH        |            |
| Public health - fishery products<br>Directive 95/71 Annex I,1,6,1,8                    |            | PWH        |            |
| Public health - fishery products - vessels<br>Directive 92/48 Annex I,1,6,1,9          |            | PWH        |            |
| Public health - molluscs - placing on the market<br>Directive 91/492 Annex I,1,6,1,10  |            | PWH        |            |
| Public health - molluscs - placing on the market<br>Directive 97/61 Annex I,1,6,1,10   |            | PWH        |            |
| Public health - milk and milk-based products<br>Directive 92/47 Annex I,1,6,1,12       | PWH        | PWH        |            |
| Public health - small percentage meat -derogations<br>Directive 83/201 Annex I,1,6,2,1 | PWH        | PWH        |            |
| Public health - small percentage meat -derogations<br>Directive 83/577 Annex I,1,6,2,1 | PWH        | PWH        |            |
| Public health - milk hygiene<br>Directive 89/362 Annex I,1,6,2,5                       | PWH        | PWH        |            |
| Public health - checks on untreated milk<br>Directive 89/384 Annex I,1,6,2,6           | PWH        | PWH        |            |



**Meaning of shades:**

- No duty to implement:
- Full implementation notified\*
- Partial implementation:
- Non-implementation:

**Meaning of abbreviations:**

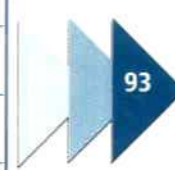
- NNN:** No measures necessary
- TRP:** Transition period
- PWH:** Permanent derogation for the whole act
- PRE:** Pre Article 31 letter
- LFN:** Letter of formal notice
- RDO:** Reasoned opinion
- EFC:** Referral to EFTA Court

\* If the date of notification is not indicated, the date of notification is the date of publication of the act in the EFTA Treaty.

| <b>Measures relating to many sectors</b>           |        |                  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|--------|------------------|------------|------------|------------|
| <b>Hormonal/thyrostatic effects – stockfarming</b> |        |                  |            |            |            |
| Directive  | 96/22  | Annex I,1,7,1,1  | PWH        | PWH        | LFN        |
| <b>Residues in live animals and products</b>       |        |                  |            |            |            |
| Directive  | 96/23  | Annex I,1,7,1,2  | PWH        | PWH        | LFN        |
| <b>Zoonoses</b>                                    |        |                  |            |            |            |
| Directive  | 92/117 | Annex I,1,7,1,8  | PWH        | PWH        |            |
| <b>Zoonoses</b>                                    |        |                  |            |            |            |
| Directive  | 97/22  | Annex I,1,7,1,8  | PWH        | PWH        |            |
| <b>Animal waste, pathogens</b>                     |        |                  |            |            |            |
| Directive  | 90/667 | Annex I,1,7,1,9  |            | PWH        |            |
| <b>Medicated feedingstuffs</b>                     |        |                  |            |            |            |
| Directive  | 90/167 | Annex I,1,7,1,10 | PWH        | PWH        |            |
| <b>Hormones in animals</b>                         |        |                  |            |            |            |
| Directive  | 88/299 | Annex I,1,7,2,1  | PWH        | PWH        |            |
| <b>Import from third countries</b>                 |        |                  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Import of meat from third countries</b>         |        |                  |            |            |            |
| Directive  | 72/462 | Annex I,1,8,1,1  | PWH        | PWH        |            |
| <b>Import of meat from third countries</b>         |        |                  |            |            |            |
| Directive  | 83/91  | Annex I,1,8,1,1  | PWH        | PWH        |            |
| <b>Import of meat from third countries</b>         |        |                  |            |            |            |
| Directive  | 88/289 | Annex I,1,8,1,1  | PWH        | PWH        |            |
| <b>Import of meat from third countries</b>         |        |                  |            |            |            |
| Directive  | 88/657 | Annex I,1,8,1,1  | PWH        | PWH        |            |
| <b>Import of meat from third countries</b>         |        |                  |            |            |            |
| Directive  | 89/227 | Annex I,1,8,1,1  | PWH        | PWH        |            |
| <b>Import of meat from third countries</b>         |        |                  |            |            |            |
| Directive  | 91/688 | Annex I,1,8,1,1  | PWH        | PWH        |            |
| <b>Import of meat from third countries</b>         |        |                  |            |            |            |
| Directive  | 91/69  | Annex I,1,8,1,1  | PWH        | PWH        |            |
| <b>Import of meat from third countries</b>         |        |                  |            |            |            |
| Directive  | 96/91  | Annex I,1,8,1,1  | PWH        | PWH        |            |
| <b>Trichina fresh meat from third countries</b>    |        |                  |            |            |            |
| Directive  | 77/96  | Annex I,1,8,1,17 | PWH        | PWH        |            |
| <b>Trichina fresh meat from third countries</b>    |        |                  |            |            |            |
| Directive  | 84/319 | Annex I,1,8,1,17 | PWH        | PWH        |            |
| <b>Trichina fresh meat from third countries</b>    |        |                  |            |            |            |
| Directive  | 89/321 | Annex I,1,8,1,17 | PWH        | PWH        |            |
| <b>Trichina fresh meat from third countries</b>    |        |                  |            |            |            |
| Directive  | 94/59  | Annex I,1,8,1,17 | PWH        | PWH        |            |
| <b>Animal Welfare</b>                              |        |                  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Animal welfare - transport</b>                  |        |                  |            |            |            |
| Directive  | 91/628 | Annex I,1,9,1,1  | PWH        | PWH        |            |
| <b>Animal welfare – transport</b>                  |        |                  |            |            |            |
| Directive  | 95/29  | Annex I,1,9,1,1  | PWH        | PWH        |            |



| <b>Animal Welfare (cont.)</b>                          |                 |  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|-----------------|--|------------|------------|------------|
| <b>Slaughter/killing</b>                               |                 |  |            |            |            |
| Directive 93/119                                       | Annex I,I,9,1,2 |  | PWH        | PWH        |            |
| <b>Hens kept in battery cages</b>                      |                 |  |            |            |            |
| Directive 88/166                                       | Annex I,I,9,1,3 |  | PWH        | PWH        |            |
| <b>Calves</b>  |                 |  |            |            |            |
| Directive 91/629                                       | Annex I,I,9,1,4 |  | PWH        | PWH        |            |
| <b>Minimum standards for the protection of calves</b>  |                 |  |            |            |            |
| Directive 97/2   | Annex I,I,9,1,4 |  | PWH        | PWH        |            |
| <b>Pigs</b>  |                 |  |            |            |            |
| Directive 91/630                                       | Annex I,I,9,1,5 |  | PWH        | PWH        |            |
| <b>Protection of animals kept for farming purposes</b> |                 |  |            |            |            |
| Directive 98/58  | Annex I,I,9,1,6 |  | PWH        | PWH        |            |
|  |                 |  |            |            |            |
| <b>Feeding stuffs</b>                                  |                 |  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Additives</b>                                       |                 |  |            |            |            |
| Directive 70/524                                       | Annex I,II,1    |  |            |            |            |
| <b>Guidelines for additives</b>                        |                 |  |            |            |            |
| Directive 87/153                                       | Annex I,II,2    |  |            |            |            |
| <b>Enzymes</b>   |                 |  |            |            |            |
| Directive 93/113                                       | Annex I,II,3    |  |            |            |            |
| <b>Straight feedingstuffs</b>                          |                 |  |            |            |            |
| Directive 77/101                                       | Annex I,II,4    |  |            |            |            |
| <b>Compound feedingstuffs</b>                          |                 |  |            |            |            |
| Directive 79/373                                       | Annex I,II,5    |  |            |            |            |
| <b>Ingredients of compound feedingstuffs</b>           |                 |  |            |            |            |
| Directive 92/87  | Annex I,II,7    |  |            |            |            |
| <b>Feedingstuffs for nutritional purpose</b>           |                 |  |            |            |            |
| Directive 93/74  | Annex I,II,8    |  |            |            |            |
| <b>List of uses for particular nutritional purpose</b> |                 |  |            |            |            |
| Directive 94/39  | Annex I,II,9    |  |            |            |            |
| <b>Energy value of dog and cat food</b>                |                 |  |            |            |            |
| Directive 95/10  | Annex I,II,10   |  |            |            |            |
| <b>Compound feedingstuffs - package</b>                |                 |  |            |            |            |
| Directive 80/511                                       | Annex I,II,11   |  |            |            |            |
| <b>Labelling of compound feedingstuffs</b>             |                 |  |            |            |            |
| Directive 82/475                                       | Annex I,II,12   |  |            |            |            |
| <b>Energy value - compound poultryfeed</b>             |                 |  |            |            |            |
| Directive 86/174                                       | Annex I,II,13   |  |            |            |            |
| <b>Labelling of compound feedingstuffs</b>             |                 |  |            |            |            |
| Directive 91/357                                       | Annex I,II,14   |  |            |            |            |
| <b>Bioproteins</b>                                     |                 |  |            |            |            |
| Directive 82/471                                       | Annex I,II,15   |  |            |            |            |
| <b>Guidelines- bioproteins</b>                         |                 |  |            |            |            |
| Directive 83/228                                       | Annex I,II,16   |  |            |            |            |



**Meaning of shades:**

No duty to implement:



Partial implementation:



Full implementation notified\*:



Non-implementation:



**Meaning of abbreviations:**

NNN: No measures necessary

TRP: Transition period

PWH: Permanent derogation for the whole act

PRE: Pre Article 31 letter

LFN: Letter of formal notice

RDO: Reasoned opinion

EFC: Referral to EFTA Court

\* Full implementation notified by the EFTA Surveillance Authority in accordance with Article 2(1) of the EFTA Surveillance Authority Act. The implementation has been notified by the EFTA Surveillance Authority on the following dates:

| <b>Feeding stuffs (cont.)</b>                          |        |                 | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|--------|-----------------|------------|------------|------------|
| <b>Methods of sampling and analysis</b>                |        |                 |            |            |            |
| Directive  | 70/373 | Annex I,II,18   |            |            |            |
| <b>First Com. Dir. - methods of analysis</b>           |        |                 |            |            |            |
| Directive  | 71/250 | Annex I,II,19   |            |            |            |
| <b>Second Com. Dir. - methods of analysis</b>          |        |                 |            |            |            |
| Directive  | 71/393 | Annex I,II,20   |            |            |            |
| <b>Third Com. Dir. - methods of analysis</b>           |        |                 |            |            |            |
| Directive  | 72/199 | Annex I,II,21   |            |            |            |
| <b>Fourth Com. Dir. - methods of analysis</b>          |        |                 |            |            |            |
| Directive  | 73/46  | Annex I,II,22   |            |            |            |
| <b>Fifth Com. Dir. - methods of analysis</b>           |        |                 |            |            |            |
| Directive  | 74/203 | Annex I,II,23   |            |            |            |
| <b>Sixth Com. Dir. - methods of analysis</b>           |        |                 |            |            |            |
| Directive  | 75/84  | Annex I,II,24   |            |            |            |
| <b>First Com. Dir. - methods of sampling</b>           |        |                 |            |            |            |
| Directive  | 76/371 | Annex I,II,25   |            |            |            |
| <b>Seventh Com. Dir. - methods of analysis</b>         |        |                 |            |            |            |
| Directive  | 76/372 | Annex I,II,26   |            |            |            |
| <b>Eighth Com. Dir. - methods of analysis</b>          |        |                 |            |            |            |
| Directive  | 78/633 | Annex I,II,27   |            |            |            |
| <b>Ninth Com. Dir. - methods of analysis</b>           |        |                 |            |            |            |
| Directive  | 81/715 | Annex I,II,28   |            |            |            |
| <b>Tenth Com. Dir. - methods of analysis</b>           |        |                 |            |            |            |
| Directive  | 84/425 | Annex I,II,29   |            |            |            |
| <b>Analysis and control of feedingstuffs</b>           |        |                 |            |            |            |
| Directive  | 93/70  | Annex I,II,30   |            |            |            |
| <b>Analysis and control of feedingstuffs</b>           |        |                 |            |            |            |
| Directive  | 93/117 | Annex I,II,31   |            |            |            |
| <b>Undesirable substances</b>                          |        |                 |            |            |            |
| Directive  | 74/63  | Annex I,II,32   |            |            |            |
| <b>Seeds</b>   |        |                 | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Marketing of beet seed</b>                          |        |                 |            |            |            |
| Directive  | 66/400 | Annex I,III,1,1 |            |            |            |
| <b>Marketing of fodder plant seed</b>                  |        |                 |            |            |            |
| Directive  | 66/401 | Annex I,III,1,2 |            |            |            |
| <b>Marketing of cereal seed</b>                        |        |                 |            |            |            |
| Directive  | 66/402 | Annex I,III,1,3 |            |            |            |
| <b>Marketing of seed oil and fibre plants</b>          |        |                 |            |            |            |
| Directive  | 69/208 | Annex I,III,1,4 |            |            |            |
| <b>Common catalogue –agricultural plants</b>           |        |                 |            |            |            |
| Directive  | 70/457 | Annex I,III,1,5 |            |            |            |
| <b>Marketing of vegetable seed</b>                     |        |                 |            |            |            |
| Directive  | 70/458 | Annex I,III,1,6 |            |            |            |
| <b>Conditions for inspecting vegetable varieties</b>   |        |                 |            |            |            |
| Directive  | 72/168 | Annex I,III,1,7 |            |            |            |
| <b>Conditions for examining agricultural varieties</b> |        |                 |            |            |            |
| Directive  | 72/180 | Annex I,III,1,8 |            |            |            |



| <b>Seeds (cont.)</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| <b>Avena fatua in fodder plant and cereal seed</b><br>Directive 74/268 Annex I,III,1,9     |            |            |            |
| <b>Limiting the marketing of Poa pratensis</b><br>Directive 75/502 Annex I,III,2,1         |            |            |            |
| <b>Marketing of seed as "basic seed"</b><br>Directive 86/109 Annex I,III,2,4               |            |            |            |
| <b>Crop isolation conditions – spinach etc.</b><br>Directive 89/14 Annex I,III,2,6         |            |            |            |
| <b>Motor Vehicles</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Type approval of motor vehicles and their trailers</b><br>Directive 70/156 Annex II,1,1 |            |            |            |
| <b>Type approval of motor vehicles (new Directive)</b><br>Directive 92/53 Annex II,1,1     |            |            |            |
| <b>Type approval of motor vehicles</b><br>Directive 93/81 Annex II,1,1                     |            |            |            |
| <b>Adapting to technical progress 70/156</b><br>Directive 98/14 Annex II,1,1               |            |            |            |
| <b>Permissible sound level and exhaust system</b><br>Directive 70/157 Annex II,1,2         |            |            |            |
| <b>Permissible sound level and exhaust system</b><br>Directive 92/97 Annex II,1,2          |            |            |            |
| <b>Adaptation of sound level and exhaust system</b><br>Directive 96/20 Annex II,1,2        |            |            |            |
| <b>Emissions from motor vehicles</b><br>Directive 70/220 Annex II,1,3                      |            |            |            |
| <b>Emissions from motor vehicles</b><br>Directive 93/59 Annex II,1,3                       |            |            |            |
| <b>Amendment to Dir. 70/220 emissions</b><br>Directive 94/12 Annex II,1,3                  |            |            |            |
| <b>Adapting to technical progress Dir. 70/220</b><br>Directive 96/44 Annex II,1,3          |            |            |            |
| <b>Amending Dir. 70/220 emissions from motor vehicles</b><br>Directive 96/69 Annex II,1,3  |            |            |            |
| <b>Amending 70/220</b><br>Directive 98/69 Annex II,1,3                                     |            |            |            |
| <b>Amending 70/220, Air pollution</b><br>Directive 98/77 Annex II,1,3                      |            |            |            |
| <b>Liquid fuel tanks and rear protective devices</b><br>Directive 70/221 Annex II,1,4      |            |            |            |
| <b>Adapting to technical progress Dir. 70/221</b><br>Directive 97/19 Annex II,1,4          |            |            |            |
| <b>Space for rear registration plates</b><br>Directive 70/222 Annex II,1,5                 |            |            |            |



**Meaning of shades:**

No duty to implement:



Partial implementation:



Full implementation notified\*:



Non-implementation:



**Meaning of abbreviations:**

NNN: No measures necessary

TRP: Transition period

PWH: Permanent derogation for the whole act

PRE: Pre Article 31 letter

LFN: Letter of formal notice

RDO: Reasoned opinion

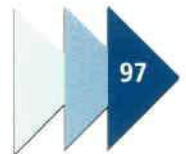
EFC: Referral to EFTA Court

\* Directives and/or Directives which are EFTA States have notified as fully implemented, but which the Authority, based on 1 – have been subject to review, or 2 – have been only partially implemented.

| <b>Motor Vehicles (cont.)</b>                                 |        |               | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|--------|---------------|------------|------------|------------|
| <b>Adapting to technical progress</b>                         |        |               |            |            |            |
| Directive   | 1999/7 | Annex II,I,6  |            |            |            |
| <b>Steering equipment for motor vehicles &amp; trailers</b>   |        |               |            |            |            |
| Directive   | 70/311 | Annex II,I,6  |            |            |            |
| <b>Steering equipment for motor vehicles &amp; trailers</b>   |        |               |            |            |            |
| Directive   | 92/62  | Annex II,I,6  |            |            |            |
| <b>Doors of motor vehicles &amp; trailers</b>                 |        |               |            |            |            |
| Directive   | 70/387 | Annex II,I,7  |            |            |            |
| <b>Adapting to technical progress</b>                         |        |               |            |            |            |
| Directive   | 98/90  | Annex II,I,7  |            |            |            |
| <b>Audible warning devices for motor vehicles</b>             |        |               |            |            |            |
| Directive   | 70/388 | Annex II,I,8  |            |            |            |
| <b>Rear-view mirrors of motor vehicles</b>                    |        |               |            |            |            |
| Directive   | 71/127 | Annex II,I,9  |            |            |            |
| <b>Braking devices of cert. categ. of mot.veh.&amp;trail.</b> |        |               |            |            |            |
| Directive   | 71/320 | Annex II,I,10 |            |            |            |
| <b>Braking devices</b>  |        |               |            |            |            |
| Directive   | 91/422 | Annex II,I,10 |            |            |            |
| <b>Adapting to technical progress Dir. 71/320</b>             |        |               |            |            |            |
| Directive   | 98/12  | Annex II,I,10 |            |            |            |
| <b>Radio interference by engines of motor vehicles</b>        |        |               |            |            |            |
| Directive   | 72/245 | Annex II,I,11 |            |            |            |
| <b>Adaptation of radio interference</b>                       |        |               |            |            |            |
| Directive   | 95/54  | Annex II,I,11 |            |            |            |
| <b>Emissions of pollutants from diesel engines</b>            |        |               |            |            |            |
| Directive   | 72/306 | Annex II,I,12 |            |            |            |
| <b>Adapting to technical progress Dir. 72/306</b>             |        |               |            |            |            |
| Directive   | 97/20  | Annex II,I,12 |            |            |            |
| <b>Interior fittings of motor vehicles</b>                    |        |               |            |            |            |
| Directive   | 74/60  | Annex II,I,13 |            |            |            |
| <b>Devices to prevent unauthorized use of motor veh.</b>      |        |               |            |            |            |
| Directive   | 74/61  | Annex II,I,14 |            |            |            |
| <b>Adaptation of devices to prevent unauthorized use</b>      |        |               |            |            |            |
| Directive   | 95/56  | Annex II,I,14 |            |            |            |
| <b>Interior fittings of motor vehicles (steering)</b>         |        |               |            |            |            |
| Directive   | 74/297 | Annex II,I,15 |            |            |            |
| <b>Steering wheel and column in an impact</b>                 |        |               |            |            |            |
| Directive   | 91/662 | Annex II,I,15 |            |            |            |
| <b>Interior fittings of motor vehicles (seat &amp; anch.)</b> |        |               |            |            |            |
| Directive   | 74/408 | Annex II,I,16 |            |            |            |
| <b>Adapting to technical progress Dir. 74/408</b>             |        |               |            |            |            |
| Directive   | 96/37  | Annex II,I,16 |            |            |            |
| <b>External projections of motor vehicles</b>                 |        |               |            |            |            |
| Directive   | 74/483 | Annex II,I,17 |            |            |            |
| <b>Reverse and speedometer equipment of motor veh.</b>        |        |               |            |            |            |
| Directive   | 75/443 | Annex II,I,18 |            |            |            |
| <b>Adapting to technical progress Dir. 75/443</b>             |        |               |            |            |            |
| Directive   | 97/39  | Annex II,I,18 |            |            |            |
| <b>Statutory plates and inscriptions for mot.veh.&amp;tr.</b> |        |               |            |            |            |
| Directive   | 76/114 | Annex II,I,19 |            |            |            |



| <b>Motor Vehicles (cont.)</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| <b>Anchorage for motor-vehicle safety belts</b><br>Directive 76/115 Annex II,1,20                  |            |            |            |
| <b>Anchorage for safety belts</b><br>Directive 90/629 Annex II,1,20                                |            |            |            |
| <b>Adapting to technical progress Dir. 76/115</b><br>Directive 96/38 Annex II,1,20                 |            |            |            |
| <b>Lighting &amp; light-signalling devices on mot.v.&amp;tr.</b><br>Directive 76/756 Annex II,1,21 |            |            |            |
| <b>Lighting &amp; light-signalling devices</b><br>Directive 91/663 Annex II,1,21                   |            |            |            |
| <b>Amending Dir. 76/756 signalling devices</b><br>Directive 97/28 Annex II,1,21                    |            |            |            |
| <b>Reflex reflectors for motor vehicles &amp; trailers</b><br>Directive 76/757 Annex II,1,22       |            |            |            |
| <b>Adapting Directive 76/757</b><br>Directive 97/29 Annex II,1,22                                  |            |            |            |
| <b>End-outline marker lamps etc. for motor veh. &amp; tr.</b><br>Directive 76/758 Annex II,1,23    |            |            |            |
| <b>Adapting to technical progress Dir. 76/758</b><br>Directive 97/30 Annex II,1,23                 |            |            |            |
| <b>Direction indicator lamps for motor vehicles &amp; tr.</b><br>Directive 76/759 Annex II,1,24    |            |            |            |
| <b>Rear registration plate lamps for motor veh. &amp; tr.</b><br>Directive 76/760 Annex II,1,25    |            |            |            |
| <b>Adapting to technical progress Dir. 76/760</b><br>Directive 97/31 Annex II,1,25                 |            |            |            |
| <b>Motor-vehicle headlamps (main- and/or dipped-beam)</b><br>Directive 76/761 Annex II,1,26        |            |            |            |
| <b>Front fog lamps for motor vehicles</b><br>Directive 76/762 Annex II,1,27                        |            |            |            |
| <b>Motor-vehicle towing-devices</b><br>Directive 77/389 Annex II,1,28                              |            |            |            |
| <b>Adapting Dir. 77/389 regarding towing devices</b><br>Directive 96/64 Annex II,1,28              |            |            |            |
| <b>Rear fog lamps for motor vehicles &amp; trailers</b><br>Directive 77/538 Annex II,1,29          |            |            |            |
| <b>Reversing lamps for motor vehicles &amp; trailers</b><br>Directive 77/539 Annex II,1,30         |            |            |            |
| <b>Adapting to technical progress Dir. 77/539</b><br>Directive 97/32 Annex II,1,30                 |            |            |            |
| <b>Parking lamps for motor vehicles</b><br>Directive 77/540 Annex II,1,31                          |            |            |            |
| <b>Safety belts and restraint systems of motor veh.</b><br>Directive 77/541 Annex II,1,32          |            |            |            |



**Meaning of shades:**

No duty to implement:



Partial implementation:



Full implementation notified:



Non-implementation:



**Meaning of abbreviations:**

**NNN:** No measures necessary

**TRP:** Transition period

**PWH:** Permanent derogation for the whole act

**PRE:** Pre Article 31 letter

**LFN:** Letter of formal notice

**RDO:** Reasoned opinion

**EFC:** Referral to EFTA Court

(\*) Does not include Directives which the EFTA States have notified as fully implemented, but which the Authority deems not to have been implemented, or to have been only partially implemented.


| <b>Motor Vehicles (cont.)</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| <b>Adapting Dir. 77/541 regarding safety belts</b><br>Directive 96/36 Annex II,1,32          |            |            |            |
| <b>Field of vision of motor-vehicle drivers</b><br>Directive 77/649 Annex II,1,33            |            |            |            |
| <b>Field of vision</b><br>Directive 90/630 Annex II,1,33                                     |            |            |            |
| <b>Int. fittings of mot.v. (identif. of controls etc)</b><br>Directive 78/316 Annex II,1,34  |            |            |            |
| <b>Interior fittings (identif. of controls etc.)</b><br>Directive 93/91 Annex II,1,34        |            |            |            |
| <b>Defrosting and demisting systems of motor vehicles</b><br>Directive 78/317 Annex II,1,35  |            |            |            |
| <b>Wiper and washer systems of motor vehicles</b><br>Directive 78/318 Annex II,1,36          |            |            |            |
| <b>Windscreen wiper tech. adaptation Directive</b><br>Directive 94/68 Annex II,1,36          |            |            |            |
| <b>Heating systems for passenger compartm. of mot. v.</b><br>Directive 78/548 Annex II,1,37  |            |            |            |
| <b>Wheel guards of motor vehicles</b><br>Directive 78/549 Annex II,1,38                      |            |            |            |
| <b>Wheel guards tech. adaptation Directive</b><br>Directive 94/78 Annex II,1,38              |            |            |            |
| <b>Head restraints of seats of motor vehicles</b><br>Directive 78/932 Annex II,1,39          |            |            |            |
| <b>Fuel consumption of motor vehicles</b><br>Directive 80/1268 Annex II,1,42                 |            |            |            |
| <b>Fuel consumption</b><br>Directive 93/116 Annex II,1,42                                    |            |            |            |
| <b>Engine power of motor vehicles</b><br>Directive 80/1269 Annex II,1,43                     |            |            |            |
| <b>Adapting to technical progress Dir. 80/1269</b><br>Directive 97/21 Annex II,1,43          |            |            |            |
| <b>Emission of gaseous pollutants from diesel engines</b><br>Directive 88/77 Annex II,1,44   |            |            |            |
| <b>Emission of gaseous pollutants from diesel engines</b><br>Directive 91/542 Annex II,1,44  |            |            |            |
| <b>Amending emissions from diesel engines</b><br>Directive 96/1 Annex II,1,44                |            |            |            |
| <b>Lateral protection of motor vehicles &amp; trailers</b><br>Directive 89/297 Annex II,1,45 |            |            |            |
| <b>Spray-suppression systems</b><br>Directive 91/226 Annex II,1,45a                          |            |            |            |
| <b>Masses and dimensions of M1</b><br>Directive 92/21 Annex II,1,45b                         |            |            |            |
| <b>Masses and dimensions, technical adaptation</b><br>Directive 95/48 Annex II,1,45b         |            |            |            |
| <b>Safety glazing and glazing materials</b><br>Directive 92/22 Annex II,1,45c                |            |            |            |
| <b>Tyres</b><br>Directive 92/23 Annex II,1,45d   |            |            |            |



| <b>Motor Vehicles (cont.)</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| <b>Speed limitation devices</b><br>Directive 92/24 Annex II, I, 45e                           |            |            |            |
| <b>Type approval of two or three-wheel motor vehicles</b><br>Directive 92/61 Annex II, I, 45f |            |            |            |
| <b>External projections forward of cab's rear panel</b><br>Directive 92/114 Annex II, I, 45g  |            |            |            |
| <b>Braking of 2- or 3-wheelers</b><br>Directive 93/14 Annex II, I, 45h                        |            |            |            |
| <b>Controls, tell-tales etc. for 2- or 3-wheelers</b><br>Directive 93/29 Annex II, I, 45i     |            |            |            |
| <b>Audible warning devices for 2- or 3-wheelers</b><br>Directive 93/30 Annex II, I, 45j       |            |            |            |
| <b>Stands for 2- or 3-wheelers</b><br>Directive 93/31 Annex II, I, 45k                        |            |            |            |
| <b>Passenger hand holds on 2-wheelers</b><br>Directive 93/32 Annex II, I, 45l                 |            |            |            |
| <b>Protective devices (anti-vol) of 2- or 3-wheelers</b><br>Directive 93/33 Annex II, I, 45m  |            |            |            |
| <b>Statutory markings for 2- or 3-wheelers</b><br>Directive 93/34 Annex II, I, 45n            |            |            |            |
| <b>Lighting and light signalling on 2- or 3-wheelers</b><br>Directive 93/92 Annex II, I, 45o  |            |            |            |
| <b>Masses and dimensions of 2- or 3-wheelers</b><br>Directive 93/93 Annex II, I, 45p          |            |            |            |
| <b>Rear registration plate space of 2- or 3-wheelers</b><br>Directive 93/94 Annex II, I, 45q  |            |            |            |
| <b>Mechanical coupling devices</b><br>Directive 94/20 Annex II, I, 45r                        |            |            |            |
| <b>Maximum design speed Directive</b><br>Directive 95/1 Annex II, I, 45s                      |            |            |            |
| <b>Burning behaviour of materials</b><br>Directive 95/28 Annex II, I, 45t                     |            |            |            |
| <b>Protection in event of side impact</b><br>Directive 96/27 Annex II, I, 45u                 |            |            |            |
| <b>Frontal impact resistance</b><br>Directive 96/79 Annex II, I, 45v                          |            |            |            |
| <b>Masses and dimensions</b><br>Directive 97/27 Annex II, I, 45w                              |            |            |            |
| <b>Type approval of motor vehicles and their trailers</b><br>Directive 97/24 Annex II, I, 45x | <b>LFN</b> |            |            |



**Meaning of shades:**

No duty to implement: 

Full implementation notified\*: 

Partial implementation: 

Non-implementation: 

**Meaning of abbreviations:**

**NNN:** No measures necessary

**TRP:** Transition period

**PWH:** Permanent derogation for the whole act

**PRE:** Pre Article 31 letter

**LFN:** Letter of formal notice

**RDO:** Reasoned opinion

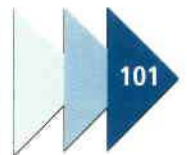
**EFC:** Referral to EFTA Court

\* (\*) Does not include Directives which the EFTA States have notified as fully implemented, but which the Authority deems not to have been implemented, or to have been only partially implemented.


| <b>Agriculture and Forestry Tractors</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| Type approval of tractors<br>Directive 74/150 Annex II,II,1                          |            |            |            |
| Amending maximum design speed<br>Directive 97/54 Annex II,II,1                       |            |            |            |
| Certain parts and characteristics of tractors<br>Directive 74/151 Annex II,II,2      |            |            |            |
| Adapting Directive 74/151<br>Directive 98/38 Annex II,II,2                           |            |            |            |
| Maximum design speed & load platforms of tractors<br>Directive 74/152 Annex II,II,3  |            |            |            |
| Adapting to technical progress<br>Directive 98/89 Annex II,II,3                      |            |            |            |
| Rear-view mirrors for tractors<br>Directive 74/346 Annex II,II,4                     |            |            |            |
| Adapting Directive 74/346<br>Directive 98/40 Annex II,II,4                           |            |            |            |
| Field of vision and windscreen wipers for tractors<br>Directive 74/347 Annex II,II,5 |            |            |            |
| Steering equipment of tractors<br>Directive 75/321 Annex II,II,6                     |            |            |            |
| Adapting Directive 75/321<br>Directive 98/39 Annex II,II,6                           |            |            |            |
| Radio interference produced by tractors<br>Directive 75/322 Annex II,II,7            |            |            |            |
| Braking devices of tractors<br>Directive 76/432 Annex II,II,8                        |            |            |            |
| Amending Dir. 76/432 on braking devices<br>Directive 96/63 Annex II,II,8             |            |            |            |
| Passenger seats for tractors<br>Directive 76/763 Annex II,II,9                       |            |            |            |
| Driver-perceived noise level of tractors<br>Directive 77/311 Annex II,II,10          |            |            |            |
| Roll-over protection structures of tractors<br>Directive 77/536 Annex II,II,11       |            |            |            |
| Emissions from diesel engines for tractors<br>Directive 77/537 Annex II,II,12        |            |            |            |
| Driver's seat on tractors<br>Directive 78/764 Annex II,II,13                         |            |            |            |
| Lighting and light-signalling devices on tractors<br>Directive 78/933 Annex II,II,14 |            |            |            |
| Type-approval of lighting & signalling – tractors<br>Directive 79/532 Annex II,II,15 |            |            |            |
| Coupling device and reverse of tractors<br>Directive 79/533 Annex II,II,16           |            |            |            |
| Roll-over protection structures of tractors<br>Directive 79/622 Annex II,II,17       |            |            |            |
| Operating space etc. of tractors<br>Directive 80/720 Annex II,II,18                  |            |            |            |
| Power take-offs of tractors<br>Directive 86/297 Annex II,II,19                       |            |            |            |




| <b>Agriculture and Forestry Tractors (cont.)</b>                                      | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| Rear roll-over protection of narrow track tractors<br>Directive 86/298 Annex II,II,20 |            |            |            |
| Controls of tractors<br>Directive 86/415 Annex II,II,21                               |            |            |            |
| Front roll-over protection – narrow track tractors<br>Directive 87/402 Annex II,II,22 |            |            |            |
| Certain components & characteristics of tractors<br>Directive 89/173 Annex II,II,23   |            |            |            |
| <b>Lifting and Mechanical Handling Appliances</b>                                     | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| Self-propelled industrial trucks<br>Directive 86/663 Annex II,III,4                   |            |            |            |
| Lifts<br>Directive 95/16 Annex II,III,5   | LFN        |            |            |
| <b>Household Appliances</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| Electric ovens, labelling of energy consumption<br>Directive 79/531 Annex II,IV,2     | NNN        |            | NNN        |
| Noise emitted by household appliances<br>Directive 86/594 Annex II,IV,3               |            |            |            |
| Labelling of household appliances<br>Directive 92/75 Annex II,IV,4                    |            |            |            |
| Energy labelling of household appliances<br>Directive 94/2 Annex II,IV,4a             |            |            |            |
| Energy labelling of washing machines<br>Directive 95/12 Annex II,IV,4b                |            |            |            |
| Amending Directive 95/12<br>Directive 96/89 Annex II,IV,4b                            |            |            |            |
| Energy labelling of tumble dryers<br>Directive 95/13 Annex II,IV,4c                   |            |            |            |
| Labelling of combined washer-driers<br>Directive 96/60 Annex II,IV,4d                 |            |            |            |
| Energy labelling of household lamps<br>Directive 98/11 Annex II,IV,4e                 | LFN        |            |            |
| Implementing Dir. 92/75 reg. household dishwashers<br>Directive 97/17 Annex II,IV,4f  |            |            |            |
| <b>Gas Appliances</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| Gas appliances<br>Directive 90/396 Annex II,V,2                                       |            |            |            |
| Hot-water boilers<br>Directive 92/42 Annex II,V,3                                     |            |            |            |




**Meaning of shades:**

No duty to implement: 

Partial implementation: 

Full implementation notified\*: 

Non-implementation: 

**Meaning of abbreviations:**

NNN: No measures necessary

PRE: Pre Article 31 letter

TRP: Transition period

LFN: Letter of formal notice

PWH: Permanent derogation  
for the whole act

RDO: Reasoned opinion

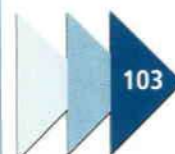
EFC: Referral to EFTA Court

(\*) Directives and Regulations which the EFTA States have notified as fully implemented, but which the Authority does not to have been implemented, or to have been only partially implemented.

| <b>Construction Plant and Equipment</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| <b>Noise emission of construction plant and equipment</b><br>Directive 79/113 Annex II,VI,1 |            |            |            |
| <b>Construction plant and equipment</b><br>Directive 84/532 Annex II,VI,2                   |            |            |            |
| <b>Compressors</b><br>Directive 84/533 Annex II,VI,3  |            |            |            |
| <b>Tower cranes</b><br>Directive 84/534 Annex II,VI,4                                       |            |            |            |
| <b>Welding generators</b><br>Directive 84/535 Annex II,VI,5                                 |            |            |            |
| <b>Power generators</b><br>Directive 84/536 Annex II,VI,6                                   |            |            |            |
| <b>Concrete-breakers and picks</b><br>Directive 84/537 Annex II,VI,7                        |            |            |            |
| <b>Roll-over protective structures</b><br>Directive 86/295 Annex II,VI,8                    |            |            |            |
| <b>Falling-object protective structures</b><br>Directive 86/296 Annex II,VI,9               |            |            |            |
| <b>Excavators, dozers and loaders</b><br>Directive 86/662 Annex II,VI,10                    |            |            |            |
| <b>Noise limitation by excavators, dozers etc.</b><br>Directive 95/27 Annex II,VI,10        |            |            |            |
| <b>Other Machines</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Lawnmowers</b><br>Directive 84/538 Annex II,VII,1  |            |            |            |
| <b>Pressure Vessels</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Aerosol dispensers</b><br>Directive 75/324 Annex II,VIII,1                               |            |            |            |
| <b>Aerosol dispensers</b><br>Directive 94/1 Annex II,VIII,1                                 |            |            |            |
| <b>Pressure vessels</b><br>Directive 76/767 Annex II,VIII,2                                 |            |            |            |
| <b>Seamless steel gas cylinders</b><br>Directive 84/525 Annex II,VIII,3                     |            |            |            |
| <b>Seamless aluminium gas cylinders</b><br>Directive 84/526 Annex II,VIII,4                 |            |            |            |
| <b>Welded steel gas cylinders</b><br>Directive 84/527 Annex II,VIII,5                       |            |            |            |
| <b>Simple pressure vessels</b><br>Directive 87/404 Annex II,VIII,6                          |            |            |            |
| <b>Pressure equipments</b><br>Directive 97/23 Annex II,VIII,6a                              | <b>LFN</b> |            |            |



| Measuring Instruments  | ISL | LIE | NOR |
|--|-----|-----|-----|
| <b>Measuring instruments &amp; metrological control – FD</b> |     |     |     |
| Directive 71/316 Annex II, IX, 1                             |     |     |     |
| <b>5 – 50 kg bar and 1 g – 10 kg cylindrical weights</b>     |     |     |     |
| Directive 71/317 Annex II, IX, 2                             |     |     |     |
| <b>Gas volume meters</b>                                     |     |     |     |
| Directive 71/318 Annex II, IX, 3                             |     |     |     |
| <b>Meters for liquids other than water</b>                   |     |     |     |
| Directive 71/319 Annex II, IX, 4                             |     |     |     |
| <b>Meas. Standard mass per storage volume of grain</b>       |     |     |     |
| Directive 71/347 Annex II, IX, 5                             |     |     |     |
| <b>Ancillary equipment for non-water liquid meters</b>       |     |     |     |
| Directive 71/348 Annex II, IX, 6                             |     |     |     |
| <b>Calibration of tanks of vessels</b>                       |     |     |     |
| Directive 71/349 Annex II, IX, 7                             |     |     |     |
| <b>Non-automatic weighing machines (old)</b>                 |     |     |     |
| Directive 73/360 Annex II, IX, 8                             |     |     |     |
| <b>Material measures of length</b>                           |     |     |     |
| Directive 73/362 Annex II, IX, 9                             |     |     |     |
| <b>Weights of 1 mg – 50 kg above medium-accuracy</b>         |     |     |     |
| Directive 74/148 Annex II, IX, 10                            |     |     |     |
| <b>Cold-water meters</b>                                     |     |     |     |
| Directive 75/33 Annex II, IX, 11                             |     |     |     |
| <b>Making up by volume of prepacked liquids</b>              |     |     |     |
| Directive 75/106 Annex II, IX, 12                            |     |     |     |
| <b>Bottles used as measuring containers</b>                  |     |     |     |
| Directive 75/107 Annex II, IX, 13                            |     |     |     |
| <b>Continuous totalizing weighing machines</b>               |     |     |     |
| Directive 75/410 Annex II, IX, 14                            |     |     |     |
| <b>Making up by weight or volume prepackaged product</b>     |     |     |     |
| Directive 76/211 Annex II, IX, 15                            |     |     |     |
| <b>Clinical mercury-in-glass thermometers</b>                |     |     |     |
| Directive 76/764 Annex II, IX, 16                            |     |     |     |
| <b>Alcoholometers and alcohol hydrometers</b>                |     |     |     |
| Directive 76/765 Annex II, IX, 17                            |     |     |     |
| <b>Alcohol tables</b>  |     |     |     |
| Directive 76/766 Annex II, IX, 18                            |     |     |     |
| <b>Electrical energy meters</b>                              |     |     |     |
| Directive 76/891 Annex II, IX, 19                            |     |     |     |
| <b>Taximeters</b>  |     |     |     |
| Directive 77/95 Annex II, IX, 20                             |     |     |     |
| <b>Measuring systems for liquids other than water</b>        |     |     |     |
| Directive 77/313 Annex II, IX, 21                            |     |     |     |
| <b>Automatic checkweighing &amp; weight grading machines</b> |     |     |     |
| Directive 78/1031 Annex II, IX, 22                           |     |     |     |



#### Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified\*:



Non-implementation:



#### Meaning of abbreviations:

NNN: No measures necessary

TRP: Transition period

PWH: Permanent derogation for the whole act

PRE: Pre Article 31 letter

LFN: Letter of formal notice

RDO: Reasoned opinion

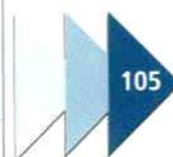
EFC: Referral to EFTA Court

\*1 Does not include Directives which the EFTA States have notified as fully implemented, but which the Authority deems not to have been implemented, or to have been only partially implemented.



| <b>Measuring Instruments (cont.)</b>                      | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| <b>Hot water meters</b>                                   |            |            |            |
| Directive 79/830 Annex II,IX,23                           |            |            |            |
| <b>Units of measurement</b>                               |            |            |            |
| Directive 80/181 Annex II,IX,24                           |            |            |            |
| <b>Prepackaged products – nom. Quantities, capacities</b> |            |            |            |
| Directive 80/232 Annex II,IX,25                           |            |            |            |
| <b>Tyre pressure gauges for motor vehicles</b>            |            |            |            |
| Directive 86/217 Annex II,IX,26                           |            |            |            |
| <b>Non-automatic weighing instruments (NAWI)</b>          |            |            |            |
| Directive 90/384 Annex II,IX,27                           |            |            |            |
| <b>Electrical Material</b>                                | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Low Voltage Directive (LVD)</b>                        |            |            |            |
| Directive 73/23 Annex II,X,1                              |            |            |            |
| <b>Electrical Ex Equipment Directive</b>                  |            |            |            |
| Directive 76/117 Annex II,X,2                             |            |            |            |
| <b>Implementation of Electrical Ex Equip. Directive</b>   |            |            |            |
| Directive 79/196 Annex II,X,3                             |            |            |            |
| <b>Electrical equipment</b>                               |            |            |            |
| Directive 97/53 Annex II,X,3                              |            |            |            |
| <b>Electrical Ex in Mines Directive</b>                   |            |            |            |
| Directive 82/130 Annex II,X,4                             |            |            |            |
| <b>New Annex A to Dir. 82/130</b>                         |            |            |            |
| Directive 94/44 Annex II,X,4                              |            |            |            |
| <b>Electrical equipment</b>                               |            |            |            |
| Directive 98/65 Annex II,X,4                              |            |            |            |
| <b>Electro-medical equipment</b>                          |            |            |            |
| Directive 84/539 Annex II,X,5                             |            |            |            |
| <b>Electromagnetic Compatibility Directive (EMC)</b>      |            |            |            |
| Directive 89/336 Annex II,X,6                             |            |            |            |
| <b>Amending EMC Directive</b>                             |            |            |            |
| Directive 92/31 Annex II,X,6                              |            |            |            |
| <b>Active Implantable Medical Devices (AIMD)</b>          |            |            |            |
| Directive 90/385 Annex II,X,7                             |            |            |            |
| <b>ATEX Directive</b>                                     |            |            |            |
| Directive 94/9 Annex II,X,7a                              |            |            |            |
| <b>New Annex I for Dir. 79/196</b>                        |            |            |            |
| Directive 94/26 Annex II,X,7b                             |            |            |            |
| <b>Textiles</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Quantitative analysis of ternary fibre mixtures</b>    |            |            |            |
| Directive 73/44 Annex II,XI,3                             |            |            |            |
| <b>Quantitative analysis of binary textile</b>            |            |            |            |
| Directive 96/73 Annex II,XI,4a                            |            |            |            |
| <b>Textile names</b>                                      |            |            |            |
| Directive 96/74 Annex II,XI,4b                            |            |            |            |
| <b>Adapting to technical progress Dir. 96/74</b>          |            |            |            |
| Directive 97/37 Annex II,XI,4b                            |            |            |            |



| <b>Foodstuffs</b>                                     | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| <b>Colourants</b>                                     |            |            |            |
| Directive 62/2645 Annex II,XII,1                      |            | TRP        |            |
| <b>Preservatives</b>                                  |            |            |            |
| Directive 64/54 Annex II,XII,2                        |            | TRP        |            |
| <b>Purity of preservatives</b>                        |            |            |            |
| Directive 65/66 Annex II,XII,3                        |            | TRP        |            |
| <b>Use of preservatives on citrus fruit</b>           |            |            |            |
| Directive 67/427 Annex II,XII,4                       |            | TRP        |            |
| <b>Antioxidants</b>                                   |            |            |            |
| Directive 70/357 Annex II,XII,5                       |            | TRP        |            |
| <b>Cocoa and chocolate</b>                            |            |            |            |
| Directive 73/241 Annex II,XII,6                       |            | TRP        |            |
| <b>Sugars for human consumption</b>                   |            |            |            |
| Directive 73/437 Annex II,XII,7                       |            | TRP        |            |
| <b>Emulsifiers, stabilizers and thickeners</b>        |            |            |            |
| Directive 74/329 Annex II,XII,8                       |            | TRP        |            |
| <b>Honey</b>  |            |            |            |
| Directive 74/409 Annex II,XII,9                       |            | TRP        |            |
| <b>Dehydrated preserved milk</b>                      |            |            |            |
| Directive 76/118 Annex II,XII,11                      |            | TRP        |            |
| <b>Erucic acid in oils and fats</b>                   |            |            |            |
| Directive 76/621 Annex II,XII,12                      |            | TRP        |            |
| <b>Pesticides in fruit and vegetables – basic act</b> |            |            |            |
| Directive 76/895 Annex II,XII,13                      |            | TRP        |            |
| <b>Pesticides in fruit and vegetables – annex</b>     |            |            |            |
| Directive 93/58 Annex II,XII,13                       |            | TRP        |            |
| <b>Pesticides in fruit and vegetables – annex</b>     |            |            |            |
| Directive 96/32 Annex II,XII,13                       |            | TRP        |            |
| <b>Pesticide residues – general amendment</b>         |            |            |            |
| Directive 97/41 Annex II,XII,13                       |            | TRP        |            |
| <b>Materials and articles – vinyl chloride</b>        |            |            |            |
| Directive 78/142 Annex II,XII,15                      |            | TRP        |            |
| <b>Purity criteria for miscellaneous additives</b>    |            |            |            |
| Directive 78/663 Annex II,XII,16                      |            | TRP        |            |
| <b>Purity of miscellaneous additives – amendment</b>  |            |            |            |
| Directive 92/4 Annex II,XII,16                        |            | TRP        |            |
| <b>Purity criteria for antioxidants</b>               |            |            |            |
| Directive 78/664 Annex II,XII,17                      |            | TRP        |            |
| <b>Labelling of foodstuffs – derogations</b>          |            |            |            |
| Directive 1999/10 Annex II,XII,18                     |            | TRP        |            |
| <b>Labelling of foodstuffs – basic act</b>            |            |            |            |
| Directive 79/112 Annex II,XII,18                      |            | TRP        |            |
| <b>Labelling – categories</b>                         |            |            |            |
| Directive 93/102 Annex II,XII,18                      |            | TRP        |            |



**Meaning of shades:**

No duty to implement:   
 Full implementation notified: 

Partial implementation:   
 Non-implementation: 

**Meaning of abbreviations:**

**NNN:** No measures necessary  
**TRP:** Transition period  
**PWH:** Permanent derogation for the whole act  
**PRE:** Pre-Article 31 letter  
**LFN:** Letter of formal notice  
**RDO:** Reasoned opinion  
**EFC:** Referral to EFTA Court

(\*) Do not include Directives which the EFTA States have notified as fully implemented, but which the Authority deems not to have been implemented, or to have been only partially implemented.

| <b>Foodstuffs (cont.)</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| <b>Labelling - packaging gases</b><br>Directive 94/54 Annex II,XII,18                    |            | TRP        |            |
| <b>Labelling - sell out stocks</b><br>Directive 95/42 Annex II,XII,18                    |            | TRP        |            |
| <b>Labelling - food containing sweeteners</b><br>Directive 96/21 Annex II,XII,18         |            | TRP        |            |
| <b>Labelling - QUID</b><br>Directive 97/4 Annex II,XII,18                                |            | TRP        |            |
| <b>Fruit jams, jellies and marmalades</b><br>Directive 79/693 Annex II,XII,19            |            | TRP        |            |
| <b>Pesticides - sampling</b><br>Directive 79/700 Annex II,XII,20                         |            | TRP        |            |
| <b>Sugars - analysis</b><br>Directive 79/796 Annex II,XII,21                             |            | TRP        |            |
| <b>Coffee and chicory - analysis</b><br>Directive 79/1066 Annex II,XII,22                |            | TRP        |            |
| <b>Dehydrated preserved milk - analysis</b><br>Directive 79/1067 Annex II,XII,23         |            | TRP        |            |
| <b>Symbol - materials in contact with foodstuffs</b><br>Directive 80/590 Annex II,XII,24 |            | TRP        |            |
| <b>Vinyl chloride monomer - analysis</b><br>Directive 80/766 Annex II,XII,25             |            | TRP        |            |
| <b>Natural mineral waters</b><br>Directive 80/777 Annex II,XII,26                        |            | TRP        |            |
| <b>Natural mineral waters - amendment</b><br>Directive 96/70 Annex II,XII,26             |            | TRP        |            |
| <b>Erucic acid in oils and fats - analysis</b><br>Directive 80/891 Annex II,XII,27       |            | TRP        |            |
| <b>Vinyl chloride - analysis</b><br>Directive 81/432 Annex II,XII,28                     |            | TRP        |            |
| <b>Purity of additives - analysis</b><br>Directive 81/712 Annex II,XII,29                |            | TRP        |            |
| <b>Migration constituents of plastic materials</b><br>Directive 82/711 Annex II,XII,30   |            | TRP        |            |
| <b>Migration constituents of plastic materials</b><br>Directive 93/8 Annex II,XII,30     |            | TRP        |            |
| <b>Migration constituents of plastic materials</b><br>Directive 97/48 Annex II,XII,30    |            | TRP        |            |
| <b>Lactoproteins - caseins and caseinates</b><br>Directive 83/417 Annex II,XII,32        |            | TRP        |            |
| <b>Labelling - EEC numbers</b><br>Directive 83/463 Annex II,XII,33                       |            | TRP        |            |
| <b>Ceramic articles</b><br>Directive 84/500 Annex II,XII,34                              |            | TRP        |            |
| <b>Caseins and caseinates - analysis</b><br>Directive 85/503 Annex II,XII,35             |            | TRP        |            |
| <b>Simulants - testing migration of plastics</b><br>Directive 85/572 Annex II,XII,36     |            | TRP        |            |



| <b>Foodstuffs (cont.)</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| <b>Sampling and analysis of foodstuffs – basic act</b><br>Directive 85/591 Annex II,XII,37 | NNN        | TRP        | NNN        |
| <b>Pesticides in cereals – basic act</b><br>Directive 86/362 Annex II,XII,38               |            | TRP        |            |
| <b>Pesticides in cereals – annex</b><br>Directive 93/57 Annex II,XII,38                    |            | TRP        |            |
| <b>Pesticides in cereals and fruit – annex</b><br>Directive 94/29 Annex II,XII,38          |            | TRP        |            |
| <b>Pesticides in cereals – annex</b><br>Directive 95/39 Annex II,XII,38                    |            | TRP        |            |
| <b>Pesticides in cereals – annex</b><br>Directive 96/33 Annex II,XII,38                    |            | TRP        |            |
| <b>Pesticide residues – new dates</b><br>Directive 97/71 Annex II,XII,38                   | NNN        | NNN        | NNN        |
| <b>Pesticide residues – annex</b><br>Directive 98/82 Annex II,XII,38                       |            | TRP        |            |
| <b>Pesticides in food of animal origin – basic act</b><br>Directive 86/363 Annex II,XII,39 |            | TRP        |            |
| <b>Caseins and caseinates – sampling</b><br>Directive 86/424 Annex II,XII,40               |            | TRP        |            |
| <b>Labelling of alcoholic beverages</b><br>Directive 87/250 Annex II,XII,41                |            | TRP        |            |
| <b>Preserved milk – sampling</b><br>Directive 87/524 Annex II,XII,42                       |            | TRP        |            |
| <b>Extraction solvents – basic act</b><br>Directive 88/344 Annex II,XII,43                 |            | TRP        |            |
| <b>Extraction solvents – 1st amendment</b><br>Directive 92/115 Annex II,XII,43             |            | TRP        |            |
| <b>Extraction solvents – amending</b><br>Directive 94/52 Annex II,XII,43                   |            | TRP        |            |
| <b>Extraction solvents – amendment</b><br>Directive 97/60 Annex II,XII,43                  |            | TRP        |            |
| <b>Flavourings – basic act</b><br>Directive 88/388 Annex II,XII,44                         |            | TRP        |            |
| <b>Food additives – framework directive</b><br>Directive 89/107 Annex II,XII,46            |            | TRP        |            |
| <b>Food additives – traditional foods</b><br>Directive 94/34 Annex II,XII,46               | NNN        | TRP        | NNN        |
| <b>Purity of miscellaneous additives</b><br>Directive 96/77 Annex II,XII,46                |            | TRP        |            |
| <b>Purity of miscellaneous additives – amendment</b><br>Directive 98/86 Annex II,XII,46    |            | TRP        |            |
| <b>Purity of sweeteners in foodstuffs</b><br>Directive 95/31 Annex II,XII,46a              |            | TRP        |            |



**Meaning of shades:**

No duty to implement:



Partial implementation



Full implementation notified\*\*:



Non-implementation:



**Meaning of abbreviations:**

NNN: No measures necessary

TRP: Transition period

PWH: Permanent derogation for the whole act

PRE: Pre Article 31 letter

LFN: Letter of formal notice

RDO: Reasoned opinion

EFC: Referral to EFTA Court

\*\*1) See also table Biv. (Ann. II) to the EFTA States Law – related to fully implemented, but other than with a temporary not to have been, have been, if to be used only partially, implemented.

| <b>Foodstuffs (cont.)</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| <b>Purity of sweeteners – amendment</b><br>Directive 98/66 Annex II,XII,46a                 |            | TRP        |            |
| <b>Purity criteria for colourants</b><br>Directive 95/45 Annex II,XII,46b                   |            | TRP        |            |
| <b>Quick frozen foodstuffs</b><br>Directive 89/108 Annex II,XII,47                          |            | TRP        |            |
| <b>Materials and articles in contact with food</b><br>Directive 89/109 Annex II,XII,48      |            | TRP        |            |
| <b>Labelling of foodstuffs – lot numbers</b><br>Directive 89/396 Annex II,XII,49            |            | TRP        |            |
| <b>Labelling of foodstuffs – lot numbers</b><br>Directive 92/11 Annex II,XII,49             |            | TRP        |            |
| <b>Official control of foodstuffs</b><br>Directive 89/397 Annex II,XII,50                   |            | TRP        |            |
| <b>Food for particular nutritional uses – basic act</b><br>Directive 89/398 Annex II,XII,51 |            | TRP        |            |
| <b>Plastic materials and articles</b><br>Directive 90/128 Annex II,XII,52                   |            | TRP        |            |
| <b>Plastic materials and articles – amendment</b><br>Directive 92/39 Annex II,XII,52        |            | TRP        |            |
| <b>Plastic materials and articles – amendment</b><br>Directive 93/9 Annex II,XII,52         |            | TRP        |            |
| <b>Plastic materials and articles – amendment</b><br>Directive 95/3 Annex II,XII,52         |            | TRP        |            |
| <b>Plastic materials and articles – amendment</b><br>Directive 96/11 Annex II,XII,52        |            | TRP        |            |
| <b>Nutritional labelling</b><br>Directive 90/496 Annex II,XII,53                            |            | TRP        |            |
| <b>Pesticides in fruit and vegetables</b><br>Directive 90/642 Annex II,XII,54               |            | TRP        |            |
| <b>Pesticides in fruit and vegetables – annex</b><br>Directive 94/30 Annex II,XII,54        |            | TRP        |            |
| <b>Pesticides in fruit and vegetables – annex</b><br>Directive 95/38 Annex II,XII,54        |            | TRP        |            |
| <b>Pesticides in fruit and vegetables – annex</b><br>Directive 95/61 Annex II,XII,54        |            | TRP        |            |
| <b>Infant formulae and follow-on formulae</b><br>Directive 91/321 Annex II,XII,54a          |            | TRP        | LFN        |
| <b>Quick-frozen food – monitoring temperatures</b><br>Directive 92/1 Annex II,XII,54c       |            | TRP        |            |
| <b>Quick-frozen food – sampling and analysis</b><br>Directive 92/2 Annex II,XII,54d         |            | TRP        |            |
| <b>Scientific co-operation</b><br>Directive 93/5 Annex II,XII,54g                           | NNN        | TRP        | NNN        |
| <b>Plastic materials and articles – cellulose film</b><br>Directive 93/10 Annex II,XII,54h  |            | TRP        |            |
| <b>Plastic materials and articles – cellulose film</b><br>Directive 93/111 Annex II,XII,54h |            | TRP        |            |



| <b>Foodstuffs (cont.)</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| <b>Rubber teats and soothers – release of substances</b><br>Directive 93/11 Annex II,XII,54i |            | TRP        |            |
| <b>Hygiene of foodstuffs – raw sugar</b><br>Directive 98/28 Annex II,XII,54j                 |            | TRP        |            |
| <b>Hygiene of foodstuffs</b><br>Directive 93/43 Annex II,XII,54j                             |            | TRP        |            |
| <b>Hygiene of foodstuffs – bulk liquid oils and fats</b><br>Directive 96/3 Annex II,XII,54j  |            | TRP        |            |
| <b>Nectars without sugars and honey</b><br>Directive 93/45 Annex II,XII,54k                  |            | TRP        |            |
| <b>Fruit juices</b><br>Directive 93/77 Annex II,XII,54m                                      |            | TRP        |            |
| <b>Additional control measures for foodstuffs</b><br>Directive 93/99 Annex II,XII,54n        |            | TRP        |            |
| <b>Energy restricted diets</b><br>Directive 96/8 Annex II,XII,54p                            |            | TRP        |            |
|  |            |            |            |
| <b>Medicinal Products</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>First Directive PMP</b><br>Directive 65/65 Annex II,XIII,1                                |            |            | LFN        |
| <b>Homeopathic pharmaceuticals</b><br>Directive 92/73 Annex II,XIII,1                        |            |            |            |
| <b>Standards and testing PMP</b><br>Directive 75/318 Annex II,XIII,2                         |            |            |            |
| <b>Testing/amending annex</b><br>Directive 91/507 Annex II,XIII,2                            |            |            |            |
| <b>Second Directive PMP</b><br>Directive 75/319 Annex II,XIII,3                              |            |            | RDO        |
| <b>Colouring matters</b><br>Directive 78/25 Annex II,XIII,4                                  |            |            |            |
| <b>VMP</b><br>Directive 81/851 Annex II,XIII,5   |            |            |            |
| <b>Homeopathic veterinary pharmaceuticals</b><br>Directive 92/74 Annex II,XIII,5             |            |            |            |
| <b>Standards and testing VMP</b><br>Directive 81/852 Annex II,XIII,6                         |            |            |            |
| <b>Standards and testing/Annex modified</b><br>Directive 92/18 Annex II,XIII,6               |            |            |            |
| <b>Protection of experimental animals</b><br>Directive 86/609 Annex II,XIII,7                | PRE        |            |            |
| <b>Pricing of pharmaceuticals</b><br>Directive 89/105 Annex II,XIII,9                        | LFN        |            | RDO        |



**Meaning of shades:**

No duty to implement:

Partial implementation:

Full implementation notified\*:

Non-implementation:

**Meaning of abbreviations:**

**NNN:** No measures necessary

**TRP:** Transition period

**PWH:** Permanent derogation for the whole act

**PRE:** Pre Article 31 letter

**LFN:** Letter of formal notice

**RDO:** Reasoned opinion

**EFC:** Referral to EFTA Court

\*) Only for the Directives which the EFTA States have notified as fully implemented but which do not fully comply with the requirements of the Directive. They have not been notified as fully implemented.

| <b>Medicinal Products (cont.)</b>         | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| <b>Immunological PMP</b>                  |            |            |            |
| Directive 89/342 Annex II,XIII,10         |            |            |            |
| <b>Radiopharmaceuticals</b>               |            |            | <b>LFN</b> |
| Directive 89/343 Annex II,XIII,11         |            |            |            |
| <b>Human blood</b>                        |            |            |            |
| Directive 89/381 Annex II,XIII,12         |            |            |            |
| <b>Immunological VMP</b>                  |            |            |            |
| Directive 90/677 Annex II,XIII,13         |            |            |            |
| <b>Good manufacturing practice</b>        |            |            |            |
| Directive 91/356 Annex II,XIII,15         |            |            |            |
| <b>Good manufacturing practice/VMP</b>    |            |            |            |
| Directive 91/412 Annex II,XIII,15a        |            |            |            |
| <b>Wholesale distribution</b>             |            |            | <b>RDD</b> |
| Directive 92/25 Annex II,XIII,15b         |            |            |            |
| <b>Classification for supply</b>          |            |            |            |
| Directive 92/26 Annex II,XIII,15c         |            |            |            |
| <b>Labelling of pharmaceuticals</b>       |            |            |            |
| Directive 92/27 Annex II,XIII,15d         |            |            |            |
| <b>Advertising of pharmaceuticals</b>     |            |            |            |
| Directive 92/28 Annex II,XIII,15e         |            |            |            |
| <b>Narcotic precursors</b>                |            |            |            |
| Directive 92/109 Annex II,XIII,15f        |            |            |            |
| <b>Narcotic precursors/Annex modified</b> |            |            |            |
| Directive 93/46 Annex II,XIII,15f         |            |            |            |
|   |            |            |            |
| <b>Fertilizers</b>                        | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Fertilizers Directive</b>              |            |            |            |
| Directive 76/116 Annex II,XIV,1           |            |            |            |
| <b>Fertilizers Directive</b>              |            |            |            |
| Directive 93/69 Annex II,XIV,1            |            |            |            |
| <b>Fertilizers – urea</b>                 |            |            |            |
| Directive 96/28 Annex II,XIV,1            |            |            |            |
| <b>Fertilizers – EC marking</b>           |            |            |            |
| Directive 97/63 Annex II,XIV,1            |            |            |            |
| <b>Fluid fertilizers</b>                  |            |            |            |
| Directive 98/3 Annex II,XIV,1             |            |            |            |
| <b>Cadmium in fertilizers</b>             | <b>NNN</b> | <b>NNN</b> | <b>NNN</b> |
| Directive 98/97 Annex II,XIV,1            |            |            |            |
| <b>Analysis of fertilizers</b>            |            |            |            |
| Directive 77/535 Annex II,XIV,2           |            |            |            |
| <b>Analysis of fertilizers</b>            |            |            |            |
| Directive 93/1 Annex II,XIV,2             |            |            |            |
| <b>Analysis of fertilizers</b>            |            |            |            |
| Directive 95/8 Annex II,XIV,2             |            |            |            |
| <b>High nitrogen fertilizers</b>          |            |            |            |
| Directive 80/876 Annex II,XIV,3           |            |            |            |



| <b>Fertilizers (cont.)</b>                    | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| <b>Detonation of hi-N fertilizers</b>         |            |            |            |
| Directive 87/94 Annex II,XIV,4                |            |            |            |
| <b>Trace elements in fertilizers</b>          |            |            |            |
| Directive 89/284 Annex II,XIV,5               |            |            |            |
| <b>Analysis of fertilizers, add</b>           |            |            |            |
| Directive 89/519 Annex II,XIV,6               |            |            |            |
| <b>Trace elements in fertilizers, add</b>     |            |            |            |
| Directive 89/530 Annex II,XIV,7               |            |            |            |
|   |            |            |            |
| <b>Dangerous Substances</b>                   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Substance Directive - basic act</b>        |            |            |            |
| Directive 67/548 Annex II,XV,1                |            |            |            |
| <b>Substance Directive - child res. fast.</b> |            |            |            |
| Directive 91/410 Annex II,XV,1                |            |            |            |
| <b>Substance Directive - 15th TA</b>          |            |            |            |
| Directive 91/632 Annex II,XV,1                |            |            |            |
| <b>Substance Directive - 7th amendment</b>    |            |            |            |
| Directive 92/32 Annex II,XV,1                 |            |            |            |
| <b>Substance Directive - 16th TA</b>          |            |            |            |
| Directive 92/37 Annex II,XV,1                 |            |            |            |
| <b>Substance Directive - 17th TA</b>          |            |            |            |
| Directive 92/69 Annex II,XV,1                 |            |            |            |
| <b>Substance Directive - 20th TA</b>          |            |            |            |
| Directive 93/101 Annex II,XV,1                |            |            |            |
| <b>Substance Directive - polymers</b>         |            |            |            |
| Directive 93/105 Annex II,XV,1                |            |            |            |
| <b>Substance Directive - 18th TA</b>          |            |            |            |
| Directive 93/21 Annex II,XV,1                 |            |            |            |
| <b>Substance Directive - 19th TA</b>          |            |            |            |
| Directive 93/72 Annex II,XV,1                 |            |            |            |
| <b>Substance Directive - pesticides</b>       |            |            |            |
| Directive 93/90 Annex II,XV,1                 |            |            |            |
| <b>Substance Directive - EC number</b>        |            |            |            |
| Directive 96/56 Annex II,XV,1                 |            |            |            |
| <b>Non-ionic detergents</b>                   |            |            |            |
| Directive 73/404 Annex II,XV,2                |            |            |            |
| <b>Anionic detergents</b>                     |            |            |            |
| Directive 73/405 Annex II,XV,3                |            |            |            |
| <b>Restrictions Directive</b>                 |            |            |            |
| Directive 76/769 Annex II,XV,4                |            |            |            |
| <b>Restrictions Directive - asbestos</b>      |            |            |            |
| Directive 91/659 Annex II,XV,4                | <b>TRP</b> | <b>TRP</b> | <b>TRP</b> |



**Meaning of shades:**

No duty to implement: Partial implementation:

Full implementation notified\*: Non-implementation:

Partial implementation:

Non-implementation:

**Meaning of abbreviations:**

**NNN:** No measures necessary

**TRP:** Transition period

**PWH:** Permanent derogation for the whole act

**PRE:** Pre Article 31 letter

**LFN:** Letter of formal notice

**RDO:** Reasoned opinion

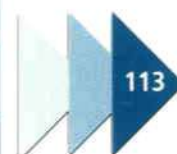
**EFC:** Referral to EFTA Court

\* (\*) Does not include Directives which the EFTA States have notified as fully implemented, but which the Authority deems not to have been implemented, or to have been only partially implemented.

| <b>Dangerous Substances (cont.)</b>                  |        |                 | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|--------|-----------------|------------|------------|------------|
| <b>Restrictions Directive - nickel</b>               |        |                 |            |            |            |
| Directive  | 94/27  | Annex II,XV,4   | NNN        | NNN        | NNN        |
| <b>Aerosol restrictions - 13th amendment</b>         |        |                 |            |            |            |
| Directive  | 94/48  | Annex II,XV,4   | NNN        | NNN        | NNN        |
| <b>CMR restrictions - 14th TA</b>                    |        |                 |            |            |            |
| Directive  | 94/60  | Annex II,XV,4   |            |            |            |
| <b>Restrictions - chlorinated solvents</b>           |        |                 |            |            |            |
| Directive  | 96/55  | Annex II,XV,4   |            |            |            |
| <b>CMR restrictions - 3rd TA</b>                     |        |                 |            |            |            |
| Directive  | 97/10  | Annex II,XV,4   |            |            |            |
| <b>HCE restrictions - 15th TA</b>                    |        |                 |            |            |            |
| Directive  | 97/16  | Annex II,XV,4   |            |            |            |
| <b>CMT restrictions - 16th amendment</b>             |        |                 | <b>LFN</b> |            |            |
| Directive  | 97/56  | Annex II,XV,4   |            |            |            |
| <b>Restriction on lamp oils</b>                      |        |                 |            |            |            |
| Directive  | 97/64  | Annex II,XV,4   |            |            |            |
| <b>Pesticides Directive</b>                          |        |                 |            |            |            |
| Directive  | 78/631 | Annex II,XV,5   | NNN        | NNN        | NNN        |
| <b>PPP Directive old</b>                             |        |                 |            |            |            |
| Directive  | 79/117 | Annex II,XV,6   | NNN        | NNN        | NNN        |
| <b>PPP Directive</b>                                 |        |                 |            |            |            |
| Directive  | 90/335 | Annex II,XV,6   | NNN        | NNN        | NNN        |
| <b>Non-ionic detergent biodegradability</b>          |        |                 |            |            |            |
| Directive  | 82/242 | Annex II,XV,7   |            |            |            |
| <b>GLP Directive</b>                                 |        |                 |            |            |            |
| Directive  | 87/18  | Annex II,XV,8   |            |            |            |
| <b>Inspection of GLP</b>                             |        |                 |            |            |            |
| Directive  | 88/320 | Annex II,XV,9   |            |            |            |
| <b>Inspection of GLP - amending Annex</b>            |        |                 |            |            |            |
| Directive  | 90/18  | Annex II, XV,9  |            |            |            |
| <b>Preparations Directive</b>                        |        |                 |            |            |            |
| Directive  | 88/379 | Annex II,XV,10  |            |            |            |
| <b>Preparations Directive - SDS</b>                  |        |                 |            |            |            |
| Directive  | 93/112 | Annex II,XV,10  |            |            |            |
| <b>Preparations Directive - 3rd TA</b>               |        |                 |            |            |            |
| Directive  | 93/18  | Annex II,XV,10  |            |            |            |
| <b>Aspiration hazard</b>                             |        |                 |            |            |            |
| Directive  | 96/65  | Annex II,XV,10  |            |            |            |
| <b>Batteries Directive</b>                           |        |                 |            |            |            |
| Directive  | 91/157 | Annex II,XV,11  |            |            |            |
| <b>Batteries Directive - amendment</b>               |        |                 |            |            |            |
| Directive  | 93/86  | Annex II,XV,11  |            |            |            |
| <b>Active substance (kresoxim-methyl) in Annex I</b> |        |                 |            |            |            |
| Directive  | 1999/1 | Annex II,XV,12a | NNN        | NNN        | NNN        |
| <b>PPP Directive new</b>                             |        |                 |            |            |            |
| Directive  | 91/414 | Annex II,XV,12a | NNN        | NNN        | NNN        |
| <b>PPP Directive new - amendment</b>                 |        |                 |            |            |            |
| Directive  | 93/71  | Annex II,XV,12a | NNN        | NNN        | NNN        |





| <b>Dangerous Substances (cont.)</b>                |        |                 | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|--------|-----------------|------------|------------|------------|
| <b>PPP Directive - active substances</b>           |        |                 |            |            |            |
| Directive  | 94/37  | Annex II,XV,12a | NNN        | NNN        | NNN        |
| <b>PPP Directive - uniform principles</b>          |        |                 |            |            |            |
| Directive  | 94/43  | Annex II,XV,12a | NNN        | NNN        | NNN        |
| <b>PPP Directive - amending Annexes II and III</b> |        |                 |            |            |            |
| Directive  | 94/79  | Annex II,XV,12a | NNN        | NNN        | NNN        |
| <b>PPP Directive - amending Annexes II and III</b> |        |                 |            |            |            |
| Directive  | 95/35  | Annex II,XV,12a | NNN        | NNN        | NNN        |
| <b>PPP Directive - environment</b>                 |        |                 |            |            |            |
| Directive  | 95/36  | Annex II,XV,12a | NNN        | NNN        | NNN        |
| <b>PPP Directive - ecotox studies</b>              |        |                 |            |            |            |
| Directive  | 96/12  | Annex II,XV,12a | NNN        | NNN        | NNN        |
| <b>PPP Directive - analytical methods</b>          |        |                 |            |            |            |
| Directive  | 96/46  | Annex II,XV,12a | NNN        | NNN        | NNN        |
| <b>PPP Directive - amending Annexes II and III</b> |        |                 |            |            |            |
| Directive  | 96/68  | Annex II,XV,12a | NNN        | NNN        | NNN        |
| <b>PPP Directive - uniform principles</b>          |        |                 |            |            |            |
| Directive  | 97/57  | Annex II,XV,12a | NNN        | NNN        | NNN        |
| <b>PPP - imazalil in Annex I</b>                   |        |                 |            |            |            |
| Directive  | 97/73  | Annex II,XV,12a | NNN        | NNN        | NNN        |
| <b>PPP - amending Annex I of Dir. 91/414</b>       |        |                 |            |            |            |
| Directive  | 98/47  | Annex II,XV,12a | NNN        | NNN        | NNN        |
| <b>Fastenings on preparations</b>                  |        |                 |            |            |            |
| Directive  | 91/442 | Annex II,XV,12b |            |            |            |
| <b>Risk assessment of new chemicals</b>            |        |                 |            |            |            |
| Directive  | 93/67  | Annex II,XV,12d |            |            |            |
| <b>Cosmetics</b>                                   |        |                 | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Cosmetics – basic act</b>                       |        |                 |            |            |            |
| Directive  | 76/768 | Annex II,XVI,1  |            |            |            |
| <b>Cosmetics – 14th TA</b>                         |        |                 |            |            |            |
| Directive  | 92/8   | Annex II,XVI,1  |            |            |            |
| <b>Cosmetics – 15th TA</b>                         |        |                 |            |            |            |
| Directive  | 92/86  | Annex II,XVI,1  |            |            |            |
| <b>Cosmetics – 6th amendment</b>                   |        |                 |            |            |            |
| Directive  | 93/35  | Annex II,XVI,1  |            |            |            |
| <b>Cosmetics – 16th TA</b>                         |        |                 |            |            |            |
| Directive  | 93/47  | Annex II,XVI,1  |            |            |            |
| <b>Cosmetics – 17th TA</b>                         |        |                 |            |            |            |
| Directive  | 94/32  | Annex II,XVI,1  |            |            |            |
| <b>Cosmetics – 18th TA</b>                         |        |                 |            |            |            |
| Directive  | 95/34  | Annex II,XVI,1  |            |            |            |
| <b>Cosmetics – 19th TA</b>                         |        |                 |            |            |            |
| Directive  | 96/41  | Annex II,XVI,1  |            |            |            |



**Meaning of shades:**

No duty to implement:   
 Full implementation notified\*: 

Partial implementation:   
 Non-implementation: 

**Meaning of abbreviations:**

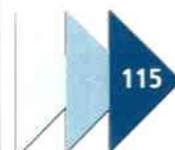
**NNN:** No measures necessary  
**TRP:** Transition period  
**PWH:** Permanent derogation for the whole act  
**PRE:** Pre-Article 31 letter  
**LFN:** Letter of formal notice  
**RDO:** Reasoned opinion  
**EFC:** Referral to EFTA Court

\* Full implementation notified: The EFTA Surveillance Authority has notified a state as fully implemented, but data in the Authority's records indicate it is not fully implemented or to be implemented partially.

| <b>Cosmetics (cont.)</b>                             |         |                  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|---------|------------------|------------|------------|------------|
| <b>Cosmetics – animal testing</b>                    |         |                  |            |            |            |
| Directive  | 97/18   | Annex II,XVI,1   |            |            |            |
| <b>Cosmetics – 21st TA</b>                           |         |                  |            |            |            |
| Directive  | 97/45   | Annex II,XVI,1   |            |            |            |
| <b>Cosmetics – 22nd TA</b>                           |         |                  |            |            |            |
| Directive  | 98/16   | Annex II,XVI,1   |            |            |            |
| <b>Cosmetics – 23rd TA</b>                           |         |                  |            |            |            |
| Directive  | 98/62   | Annex II,XVI,1   |            |            |            |
| <b>Cosmetics – 1st Directive on analysis</b>         |         |                  |            |            |            |
| Directive  | 80/1335 | Annex II,XVI,2   |            |            |            |
| <b>Cosmetics – 2nd Directive on analysis</b>         |         |                  |            |            |            |
| Directive  | 82/434  | Annex II,XVI,3   |            |            |            |
| <b>Cosmetics - 3rd Directive on analysis</b>         |         |                  |            |            |            |
| Directive  | 83/514  | Annex II,XVI,4   |            |            |            |
| <b>Cosmetics – 4th Directive on analysis</b>         |         |                  |            |            |            |
| Directive  | 85/490  | Annex II,XVI,5   |            |            |            |
| <b>Cosmetics – 5th Directive on analysis</b>         |         |                  |            |            |            |
| Directive  | 93/73   | Annex II,XVI,6   |            |            |            |
| <b>Cosmetics – 6th Directive on analysis</b>         |         |                  |            |            |            |
| Directive  | 95/32   | Annex II,XVI,7   |            |            |            |
| <b>Cosmetics – 7th Directive on analysis</b>         |         |                  |            |            |            |
| Directive  | 96/45   | Annex II,XVI,8   |            |            |            |
| <b>Cosmetics – confidentiality rules</b>             |         |                  |            |            |            |
| Directive  | 95/17   | Annex II,XVI,9   |            |            |            |
| <b>Environment Protection</b>                        |         |                  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Noise from aircrafts</b>                          |         |                  |            |            |            |
| Directive  | 80/51   | Annex II,XVII,2  |            | NNN        |            |
| <b>Lead in petrol</b>                                |         |                  |            |            |            |
| Directive  | 85/210  | Annex II,XVII,3  |            |            |            |
| <b>Noise from jets</b>                               |         |                  |            |            |            |
| Directive  | 89/629  | Annex II,XVII,5  |            | NNN        |            |
| <b>Sulphur in fuels new</b>                          |         |                  |            |            |            |
| Directive  | 93/12   | Annex II,XVII,6  |            |            |            |
| <b>Packaging and packaging waste</b>                 |         |                  |            |            |            |
| Directive  | 94/62   | Annex II,XVII,7  |            |            |            |
| <b>Volatile organic compounds emissions</b>          |         |                  |            |            |            |
| Directive  | 94/63   | Annex II,XVII,8  |            |            |            |
| <b>Information Technology</b>                        |         |                  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Satellite earth station equipment</b>             |         |                  |            |            |            |
| Directive  | 93/97   | Annex II,XVIII,4 |            |            |            |
| <b>Telecommunications terminal equipment and MRC</b> |         |                  |            |            |            |
| Directive  | 98/13   | Annex II,XV,4zg  | LFN        |            | LFN        |



| <b>General TBT</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| <b>Information procedure on draft technical reg.</b><br>Directive 98/34 Annex II,XIX,1       |            |            |            |
| <b>General Product Safety</b><br>Directive 92/59 Annex II,XIX,3a                             |            |            |            |
| <b>New approach directives/amendments</b><br>Directive 93/68 Annex II,XIX,3c                 |            |            |            |
| <b>Labelling of footwear</b><br>Directive 94/11 Annex II,XIX,3e                              |            |            |            |
| <b>Crystal glass</b><br>Directive 69/493 Annex II,XIX,3g                                     |            |            |            |
| <b>Construction Products</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Construction products</b><br>Directive 89/106 Annex II,XXI,1                              |            |            |            |
| <b>Personal Protection Equipment</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Personal protective equipment</b><br>Directive 89/686 Annex II,XXII,1                     |            |            |            |
| <b>Personal protective equipment</b><br>Directive 93/95 Annex II,XXII,1                      |            |            |            |
| <b>Personal protective equipment –amending Dir.89/686</b><br>Directive 96/58 Annex II,XXII,1 |            |            |            |
| <b>Toys</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Safety of toys</b><br>Directive 88/378 Annex II,XXIII,1                                   |            |            |            |
| <b>Machinery</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Machinery</b><br>Directive 98/37 Annex II,XXIV,1  | <b>LFN</b> |            |            |
| <b>Emission of gaseous and particulate pollutants</b><br>Directive 97/68 Annex II,XXIV,1a    |            |            |            |
| <b>Tobacco</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Labelling of tobacco products</b><br>Directive 89/622 Annex II,XXV,1                      |            |            |            |
| <b>Tobacco Directive (snus) – amending</b><br>Directive 92/41 Annex II, XXV,1                |            |            |            |
| <b>Tar yield of cigarettes</b><br>Directive 90/239 Annex II,XXV,2                            |            |            |            |



**Meaning of shades:**

No duty to implement:   
Full implementation notified\*: 

Partial implementation:   
Non implementation: 

**Meaning of abbreviations:**

**NNN:** No measures necessary  
**TRP:** Transition period  
**PWH:** Permanent derogation for the whole act  
**PRE:** Pre Article 31 letter  
**LFN:** Letter of formal notice  
**RDO:** Reasoned opinion  
**EFC:** Referral to EFTA Court

\*10 Does not include Directives which the EFTA States have notified as fully implemented, nor what the Authority deems not to have been implemented, or to have been only partially implemented.

|   |                     |  |            |            |            |
|---|---------------------|--|------------|------------|------------|
| <b>Cultural Goods</b>   |                     |  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Return of cultural objects</b><br>Directive 93/7                         | Annex II, XXVIII, 1 |  | <b>LFN</b> |            |            |
| <b>Explosives for Civil Use</b>   |                     |  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Explosives for civil use</b><br>Directive 93/15                          | Annex II, XXIX, 1   |  |            |            |            |
| <b>Medical Devices</b>  |                     |  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Medical devices</b><br>Directive 93/42                                   | Annex II, XXX, 1    |  |            |            |            |
| <b>Recreational Craft</b>   |                     |  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Recreational craft</b><br>Directive 94/25                                | Annex II, XXXI, 1   |  |            |            |            |
| <b>Product Liability</b>  |                     |  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Product liability</b><br>Directive 85/374                                | Annex III           |  |            |            |            |
| <b>Energy</b>   |                     |  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Prices of crude oil</b><br>Directive 76/491                              | Annex IV, 3         |  |            |            |            |
| <b>Heat generators</b><br>Directive 78/170                                  | Annex IV, 4         |  |            |            |            |
| <b>Substitute fuel components in petrol</b><br>Directive 85/536             | Annex IV, 6         |  | <b>NNN</b> |            | <b>NNN</b> |
| <b>Transit of electricity</b><br>Directive 90/547                           | Annex IV, 8         |  | <b>NNN</b> |            |            |
| <b>Transit of gas</b><br>Directive 91/296                                   | Annex IV, 9         |  | <b>NNN</b> |            | <b>NNN</b> |
| <b>Hydrocarbon licensing</b><br>Directive 94/22                             | Annex IV, 12        |  | <b>NNN</b> | <b>NNN</b> |            |
| <b>Intellectual Property</b>  |                     |  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Protection of topographies of semiconductor prod.</b><br>Directive 87/54 | Annex XVII, 1       |  |            |            |            |
| <b>Trade marks law</b><br>Directive 89/104                                  | Annex XVII, 4       |  |            |            |            |
| <b>Software Directive</b><br>Directive 91/250                               | Annex XVII, 5       |  |            |            |            |
| <b>Rental-, lending-, copy-right</b><br>Directive 92/100                    | Annex XVII, 7       |  |            |            |            |



| <b>Intellectual Property (cont.)</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| <b>Copyright, satellite broadcast/cable retransm.</b><br>Directive 93/83 Annex XVII,8 |            |            |            |
| <b>Duration of copyright/other related rights</b><br>Directive 93/98 Annex XVII,9     |            |            |            |
| <b>Free Movement of Workers</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Public Policy, Security and Health</b><br>Directive 64/221 Annex V,1               |            |            |            |
| <b>Free Movement of Workers</b><br>Directive 68/360 Annex V,3                         |            |            |            |
| <b>Extension of the Scope of Dir. 64/221</b><br>Directive 72/194 Annex V,5            |            |            |            |
| <b>Education of Children of Migrant Workers</b><br>Directive 77/486 Annex V,6         |            |            |            |
| <b>Mutual Recognition - Professionals</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>First General System</b><br>Directive 89/48 Annex VII,1                            |            |            |            |
| <b>Second General System</b><br>Directive 92/51 Annex VII,1a                          | LFN        | RDO        | EFC        |
| <b>Amendment 1994 to Second General System</b><br>Directive 94/38 Annex VII, 1a       |            |            | NNN        |
| <b>Amendment 1995 to Second General System</b><br>Directive 95/43/EC Annex VII, 1a    |            |            | NNN        |
| <b>Amendment 1997 to Second General System</b><br>Directive 97/38 Annex VII, 1a       |            |            | NNN        |
| <b>Lawyers' Services</b><br>Directive 77/249 Annex VII,2                              |            | RDO        |            |
| <b>Acquired Rights in Medical Professions</b><br>Directive 81/1057 Annex VII,3        |            |            |            |
| <b>Doctors</b><br>Directive 93/16 Annex VII,4   |            |            |            |
| <b>Nurses</b><br>Directive 77/452 Annex VII,8   |            |            |            |
| <b>Training for Nurses</b><br>Directive 77/453 Annex VII,9                            |            | NNN        |            |
| <b>Dentists</b><br>Directive 78/686 Annex VII,10                                      |            |            |            |
| <b>Training for Dentists</b><br>Directive 78/687 Annex VII,11                         |            | NNN        |            |
| <b>Veterinarians</b><br>Directive 78/1026 Annex VII,12                                |            |            |            |



**Meaning of shades:**

No duty to implement:

Full implementation notified\*:

Partial implementation:

Non-implementation:

**Meaning of abbreviations:**

**NNN:** No measures necessary

**TRP:** Transition period

**PWH:** Permanent derogation for the whole act

**PRE:** Pre-Article 31 letter

**LFN:** Letter of formal notice

**RDO:** Reasoned opinion

**EFC:** Referral to EFTA Court

\*1) Does not include Directives which the EFTA States have notified as fully implemented, but which the authority concerned to have been implemented, or to have been fully implemented.

| <b>Mutual Recognition - Professionals (cont.)</b>   |         |              | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|---------|--------------|------------|------------|------------|
| <b>Training for Veterinarians</b>                   |         |              |            |            |            |
| Directive   | 78/1027 | Annex VII,13 |            | NNN        |            |
| <b>Midwives</b>                                     |         |              |            |            |            |
| Directive   | 80/154  | Annex VII,14 |            | PRE        |            |
| <b>Training for Midwives</b>                        |         |              |            |            |            |
| Directive   | 80/155  | Annex VII,15 |            | NNN        |            |
| <b>Training for Pharmacists</b>                     |         |              |            |            |            |
| Directive   | 85/432  | Annex VII,16 |            | NNN        |            |
| <b>Pharmacists</b>                                  |         |              |            |            |            |
| Directive   | 85/433  | Annex VII,17 |            |            |            |
| <b>Architects</b>                                   |         |              |            |            |            |
| Directive   | 85/384  | Annex VII,18 |            | PRE        | NNN        |
| <b>Mutual Recognition - Industry etc.</b>           |         |              | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Transitional Wholesale Trade</b>                 |         |              |            |            |            |
| Directive   | 64/222  | Annex VII,20 |            |            |            |
| <b>Wholesale Trade</b>                              |         |              |            |            |            |
| Directive   | 64/223  | Annex VII,21 |            |            |            |
| <b>Intermediaries in Industries</b>                 |         |              |            |            |            |
| Directive   | 64/224  | Annex VII,22 |            |            |            |
| <b>Retail Trade</b>                                 |         |              |            |            |            |
| Directive   | 68/363  | Annex VII,23 |            |            |            |
| <b>Transitional Retail Trade</b>                    |         |              |            |            |            |
| Directive   | 68/364  | Annex VII,24 |            |            |            |
| <b>Coal Trade</b>                                   |         |              |            |            |            |
| Directive   | 70/522  | Annex VII,25 |            |            |            |
| <b>Transitional Coal Trade</b>                      |         |              |            |            |            |
| Directive   | 70/523  | Annex VII,26 |            |            |            |
| <b>Transitional Toxic Products</b>                  |         |              |            |            |            |
| Directive   | 74/556  | Annex VII,27 |            |            |            |
| <b>Toxic Products</b>                               |         |              |            |            |            |
| Directive   | 74/557  | Annex VII,28 |            |            |            |
| <b>Itinerant Activities</b>                         |         |              |            |            |            |
| Directive   | 75/369  | Annex VII,29 |            |            |            |
| <b>Commercial Agents</b>                            |         |              |            |            |            |
| Directive   | 86/653  | Annex VII,30 |            |            |            |
| <b>Transitional Manufacturing and Processing</b>    |         |              |            |            |            |
| Directive   | 64/427  | Annex VII,31 |            |            |            |
| <b>Manufacturing and Processing</b>                 |         |              |            |            |            |
| Directive   | 64/429  | Annex VII,32 |            |            |            |
| <b>Mining and Quarrying</b>                         |         |              |            |            |            |
| Directive   | 64/428  | Annex VII,33 |            |            |            |
| <b>Provision of Electricity, Gas and Water</b>      |         |              |            |            |            |
| Directive   | 66/162  | Annex VII,34 |            |            |            |
| <b>Food Manufacturing and Beverage</b>              |         |              |            |            |            |
| Directive   | 68/365  | Annex VII,35 |            |            |            |
| <b>Transitional Food Manufacturing and Beverage</b> |         |              |            |            |            |
| Directive   | 68/366  | Annex VII,36 |            |            |            |



| <b>Mutual Recognition - Industry etc. (cont.)</b> | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| <b>Exploration for Petroleum and Gas</b>          |            |            |            |
| Directive 69/82 Annex VII,37                      |            |            |            |
| <b>Transport, Travel, Storage, Warehousing</b>    |            |            |            |
| Directive 82/470 Annex VII,38                     |            |            |            |
| <b>First Film Industry</b>                        | <b>NNN</b> |            | <b>NNN</b> |
| Directive 63/607 Annex VII,39                     |            |            |            |
| <b>Second Film Industry</b>                       | <b>NNN</b> |            | <b>NNN</b> |
| Directive 65/264 Annex VII,40                     |            |            |            |
| <b>Film Distribution</b>                          | <b>NNN</b> |            | <b>NNN</b> |
| Directive 68/369 Annex VII,41                     |            |            |            |
| <b>Film Production</b>                            | <b>NNN</b> |            | <b>NNN</b> |
| Directive 70/451 Annex VII,42                     |            |            |            |
| <b>Mutual Recognition - Other</b>                 | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Real Estate and Business Services</b>          |            |            |            |
| Directive 67/43 Annex VII,43                      |            |            |            |
| <b>Personal Services</b>                          |            |            |            |
| Directive 68/367 Annex VII,44                     |            |            |            |
| <b>Transitional Personal Services</b>             |            |            |            |
| Directive 68/368 Annex VII,45                     |            |            |            |
| <b>Various Activities</b>                         | <b>LFN</b> |            |            |
| Directive 75/368 Annex VII,46                     |            |            |            |
| <b>Hairdressing</b>                               |            |            |            |
| Directive 82/489 Annex VII,47                     |            |            |            |
| <b>Establishment in Agriculture</b>               |            |            |            |
| Directive 63/261 Annex VII,48                     |            |            |            |
| <b>Agricultural Holdings</b>                      |            |            |            |
| Directive 63/262 Annex VII,49                     |            |            |            |
| <b>Services in Agriculture</b>                    |            |            |            |
| Directive 65/1 Annex VII,50                       |            |            |            |
| <b>Transfer between Holdings</b>                  |            |            |            |
| Directive 67/530 Annex VII,51                     |            |            |            |
| <b>Agricultural Leases</b>                        |            |            |            |
| Directive 67/531 Annex VII,52                     |            |            |            |
| <b>Access to Cooperatives</b>                     |            |            |            |
| Directive 67/532 Annex VII,53                     |            |            |            |
| <b>Forestry and Logging</b>                       |            |            |            |
| Directive 67/654 Annex VII,54                     |            |            |            |
| <b>Access to Credits</b>                          |            |            |            |
| Directive 68/192 Annex VII,55                     |            |            |            |
| <b>Access to Aid</b>                              |            |            |            |
| Directive 68/415 Annex VII,56                     |            |            |            |
| <b>Agricultural and Horticultural</b>             |            |            |            |
| Directive 71/18 Annex VII,57                      |            |            |            |



**Meaning of shades:**

No duty to implement



Partial implementation:



Full implementation notified\*:



Non-implementation:



**Meaning of abbreviations:**

**NNN:** No measures necessary

**TRP:** Transition period

**PWH:** Permanent derogation for the whole act

**PRE:** Pre-Article 31 letter

**LFN:** Letter of formal notice

**RDO:** Reasoned opinion

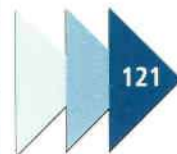
**EFC:** Referral to EFTA Court

\* Full implementation notified: Directives which the EFTA States have notified as fully implemented, but which the Authority deems not to have been implemented, or to have been only partially implemented.

| <b>Right of Establishment</b>                          |              |  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|--------------|--|------------|------------|------------|
| <b>Right of Movement and Residence</b>                 |              |  |            |            |            |
| Directive 73/148                                       | Annex VIII,3 |  |            |            |            |
| <b>Residence after Activity</b>                        |              |  |            |            |            |
| Directive 75/34  | Annex VIII,4 |  |            |            |            |
| <b>Extension of Scope</b>                              |              |  |            |            |            |
| Directive 75/35  | Annex VIII,5 |  |            |            |            |
| <b>Right of Residence</b>                              |              |  |            |            |            |
| Directive 90/364                                       | Annex VIII,6 |  |            |            |            |
| <b>Residence after Occupation</b>                      |              |  |            |            |            |
| Directive 90/365                                       | Annex VIII,7 |  |            |            |            |
| <b>Residence for Students</b>                          |              |  |            |            |            |
| Directive 93/96  | Annex VIII,8 |  |            |            |            |
| <b>Banking</b>   |              |  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Post BCCI</b>                                       |              |  |            |            |            |
| Directive 95/26  | Annex IX,2   |  |            |            |            |
| <b>Abolition of Restrictions on Freedom in Banking</b> |              |  |            |            |            |
| Directive 73/183                                       | Annex IX,14  |  |            |            |            |
| <b>First Banking</b>                                   |              |  |            |            |            |
| Directive 77/780                                       | Annex IX,15  |  |            |            |            |
| <b>Amendment 1996 to First Banking</b>                 |              |  | <b>NNN</b> | <b>NNN</b> | <b>NNN</b> |
| Directive 96/13  | Annex IX, 15 |  |            |            |            |
| <b>Second Banking</b>                                  |              |  |            |            |            |
| Directive 89/646                                       | Annex IX,16  |  |            |            |            |
| <b>Own Funds of Credit Institutions</b>                |              |  |            |            |            |
| Directive 89/299                                       | Annex IX,17  |  |            |            |            |
| <b>Amendment 1991 to Own Funds</b>                     |              |  |            |            |            |
| Directive 91/633                                       | Annex IX,17  |  |            |            |            |
| <b>Amendment 1992 to Own Funds</b>                     |              |  |            |            |            |
| Directive 92/16  | Annex IX,17  |  |            |            |            |
| <b>Solvency Ratio for Credit Institutions</b>          |              |  |            |            |            |
| Directive 89/647                                       | Annex IX,18  |  |            |            |            |
| <b>Definition of Multilateral Development Banks</b>    |              |  |            |            |            |
| Directive 94/7   | Annex IX,18  |  |            |            |            |
| <b>Amendment 1995 to Solvency Ratio</b>                |              |  |            |            |            |
| Directive 95/15  | Annex IX, 18 |  |            |            |            |
| <b>Second Amendment 1995 to Solvency Ratio</b>         |              |  |            |            |            |
| Directive 95/67  | Annex IX, 18 |  |            |            |            |
| <b>Amendment 1996 to Solvency Ratio</b>                |              |  | <b>PRE</b> | <b>PRE</b> | <b>PRE</b> |
| Directive 96/10  | Annex IX, 18 |  |            |            |            |
| <b>Definition of Multilateral Development Banks</b>    |              |  |            |            |            |
| Directive 91/31  | Annex IX,19  |  |            |            |            |
| <b>Deposit-Guarantee Schemes</b>                       |              |  | <b>LFN</b> | <b>LFN</b> | <b>LFN</b> |
| Directive 94/19  | Annex IX,19a |  |            |            |            |
| <b>Consolidated Supervision of Credit Institutions</b> |              |  |            |            |            |
| Directive 92/30  | Annex IX, 20 |  |            |            |            |
| <b>Annual and Consolidated Accounts of Banks</b>       |              |  |            | <b>RDO</b> |            |
| Directive 86/635                                       | Annex IX,21  |  |            |            |            |



| <b>Banking (cont.)</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| <b>Publication of Annual Accounts of Bank Branches</b><br>Directive 89/117 Annex IX,22 |            |            |            |
| <b>Money Laundering</b><br>Directive 91/308 Annex IX,23                                |            |            |            |
| <b>Large Exposures of Credit Institutions</b><br>Directive 92/121 Annex IX, 23a        |            |            |            |
| <b>Insurance</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Reinsurance</b><br>Directive 64/225 Annex IX,1                                      |            |            |            |
| <b>First Non-Life Insurance</b><br>Directive 73/239 Annex IX,2                         |            | RDO        |            |
| <b>Abolition of Restrictions in Non-Life Insurance</b><br>Directive 73/240 Annex IX,3  |            |            |            |
| <b>Co-insurance</b><br>Directive 78/473 Annex IX,4                                     |            | RDO        |            |
| <b>Tourist Assistance</b><br>Directive 84/641 Annex IX,5                               |            |            |            |
| <b>Legal Expense Insurance</b><br>Directive 87/344 Annex IX,6                          |            | RDO        |            |
| <b>Second Non-Life Insurance</b><br>Directive 88/357 Annex IX,7                        |            | RDO        |            |
| <b>Third Non-Life Insurance</b><br>Directive 92/49 Annex IX,7a                         |            |            |            |
| <b>First Motor Insurance</b><br>Directive 72/166 Annex IX,8                            |            |            |            |
| <b>Second Motor Insurance</b><br>Directive 84/5 Annex IX,9                             |            |            |            |
| <b>Third Motor Insurance</b><br>Directive 90/232 Annex IX,10                           |            |            |            |
| <b>First Life Assurance</b><br>Directive 79/267 Annex IX,11                            |            |            | LFN        |
| <b>Second Life Assurance</b><br>Directive 90/619 Annex IX,12                           |            | RDO        |            |
| <b>Third Life Assurance</b><br>Directive 92/96 Annex IX,12a                            |            |            |            |
| <b>Insurance Accounts</b><br>Directive 91/674 Annex IX, 12b                            |            | RDO        |            |
| <b>Insurance Intermediary</b><br>Directive 77/92 Annex IX,13                           |            |            |            |



**Meaning of shades:**

No duty to implement:



Partial implementation



Full implementation notified\*:



Non-implementation



**Meaning of abbreviations:**

NNN: No measures necessary

PRE: Pre Article 31 letter

TRP: Transition period

LFN: Letter of formal notice

PWH: Permanent derogation

RDO: Reasoned opinion

for the whole act

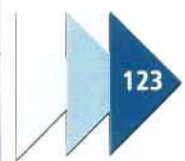
EFC: Referral to EFTA Court

\* Full implementation notified: Directives which the EFTA States have notified as fully implemented, but which the Authority deems not to have been implemented or to have been only partially implemented.

| <b>Stock Exchange and Securities</b>                     |         |              | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|---------|--------------|------------|------------|------------|
| <b>Admission of Securities to Stock Exchange Listing</b> |         |              |            |            |            |
| Directive  | 79/279  | Annex IX,24  |            | NNN        |            |
| <b>Listing Particulars to be Published</b>               |         |              |            |            |            |
| Directive  | 80/390  | Annex IX,25  |            | NNN        |            |
| <b>Amending LPD</b>                                      |         |              |            |            |            |
| Directive  | 94/18   | Annex IX, 25 |            | NNN        | NNN        |
| <b>Disclosure of Information by Listed Companies</b>     |         |              |            |            |            |
| Directive  | 82/121  | Annex IX,26  |            | NNN        |            |
| <b>Major Holdings in Listed Companies</b>                |         |              |            |            |            |
| Directive  | 88/627  | Annex IX,27  |            |            |            |
| <b>Requirements for Prospectuses on Public Offerings</b> |         |              |            |            |            |
| Directive  | 89/298  | Annex IX,28  |            |            |            |
| <b>Insider Dealing</b>                                   |         |              |            |            |            |
| Directive  | 89/592  | Annex IX,29  |            |            |            |
| <b>UCITS</b>   |         |              |            |            |            |
| Directive  | 85/611  | Annex IX,30  |            |            |            |
| <b>Capital Adequacy</b>                                  |         |              |            |            |            |
| Directive  | 93/6    | Annex IX,30a |            | PRE        |            |
| <b>Investment Services</b>                               |         |              |            |            |            |
| Directive  | 93/22   | Annex IX,30b |            |            |            |
| <b>Audio-Visual Services</b>                             |         |              | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Television Without Frontiers</b>                      |         |              |            |            |            |
| Directive  | 89/552  | Annex X, 1   |            |            |            |
| <b>Standards for Television Signals</b>                  |         |              |            |            |            |
| Directive  | 95/47   | Annex X, 1a  | RDO        |            | RDO        |
| <b>Telecommunication Services</b>                        |         |              | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Frequency Bands for Mobile Communications</b>         |         |              |            |            |            |
| Directive  | 87/372  | Annex XI, 1  |            |            |            |
| <b>Open Network Provision Framework</b>                  |         |              |            |            |            |
| Directive  | 90/387  | Annex XI, 2  |            |            |            |
| <b>Cable Network Legal Separation</b>                    |         |              |            |            |            |
| Directive  | 1999/64 | Annex XI, 3  |            |            |            |
| <b>Competition in Telecom Services</b>                   |         |              |            |            |            |
| Directive  | 90/388  | Annex XI, 3  |            |            | RDO        |
| <b>Cable Networks</b>                                    |         |              |            |            |            |
| Directive  | 95/51   | Annex XI, 3  |            |            |            |
| <b>Full Competition</b>                                  |         |              |            |            |            |
| Directive  | 96/19   | Annex XI, 3  |            |            |            |
| <b>Mobile Telephony</b>                                  |         |              |            |            |            |
| Directive  | 96/2    | Annex XI, 3  |            |            |            |
| <b>Competition in Satellite Telecom Services</b>         |         |              |            |            |            |
| Directive  | 94/46   | Annex XI, 3  |            |            |            |
| <b>Frequency Bands for Public Radio Paging</b>           |         |              |            |            |            |
| Directive  | 90/544  | Annex XI, 4  |            |            |            |
| <b>Frequency Band for DECT</b>                           |         |              |            |            |            |
| Directive  | 91/287  | Annex XI, 5  |            |            |            |



| <b>Telecommunication Services (cont.)</b>                  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| <b>ONP Leased Lines</b>                                    |            |            |            |
| Directive 92/44 Annex XI, 5b                               |            |            |            |
| <b>1997 Amendment to ONP Framework and Leased Lines</b>    |            |            | <b>RDO</b> |
| Directive 97/51 Annex XI, 2 & 5b                           |            |            |            |
| <b>1998 ONP Voice Telephony</b>                            |            |            |            |
| Directive 98/10 Annex XI, 5c                               |            |            |            |
| <b>Interconnection Directive</b>                           |            |            |            |
| Directive 97/33 Annex XI, 5cb                              |            |            |            |
| <b>Number Portability and Carrier Pre-selection</b>        |            |            |            |
| Directive 98/61 Annex XI, 5cb                              |            |            |            |
| <b>Competition in Telecom Terminal Equipment</b>           |            |            |            |
| Directive 88/301 Annex XIV, 12                             |            |            |            |
| <b>Postal Services</b>                                     | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Postal Services</b>                                     |            |            |            |
| Directive 97/67 Annex XI, 5d                               |            |            |            |
| <b>Inland Transport</b>                                    | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Combined Transport of Goods</b>                         |            |            |            |
| Directive 92/106 Annex XIII, 13                            | <b>NNN</b> |            |            |
| <b>Safety Advisers for Dangerous Goods</b>                 |            |            |            |
| Directive 96/35 Annex XIII, 13a                            |            |            |            |
| <b>Road Transport</b>                                      | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Maximum Dimensions and Weights in Road Transport</b>    |            |            |            |
| Directive 96/53 Annex XIII, 15a                            |            |            |            |
| <b>1996 Roadworthiness Tests</b>                           |            |            |            |
| Directive 96/96 Annex XIII, 16a                            |            |            |            |
| <b>Tread Depth of Tyres</b>                                |            |            |            |
| Directive 89/459 Annex XIII, 17                            |            |            |            |
| <b>Safety Belts</b>  |            |            |            |
| Directive 91/671 Annex XIII, 17a                           |            |            |            |
| <b>Speed Limitation Devices</b>                            |            |            |            |
| Directive 92/6 Annex XIII, 17b                             |            |            |            |
| <b>Checks on the transport of dangerous goods</b>          |            |            |            |
| Directive 95/50 Annex XIII, 17d                            |            |            |            |
| <b>1999 Amendm. – Transport of Dangerous Goods by Road</b> |            |            |            |
| Directive 1999/47 Annex XIII, 17e                          |            |            |            |
| <b>Road Transport of Dangerous Goods</b>                   |            |            |            |
| Directive 94/55 Annex XIII, 17e                            |            |            |            |
| <b>Amendment 1996 to Road Transp. Of Dangerous Goods</b>   |            |            |            |
| Directive 96/86 Annex XIII, 17e                            |            |            |            |



Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified:



Non-implementation:



Meaning of abbreviations:

**NNN:** No measures necessary

**TRP:** Transition period

**PWH:** Permanent derogation for the whole act

**PRE:** Pre-Article 31 letter

**LFN:** Letter of formal notice

**RDO:** Reasoned opinion

**EFC:** Referral to EFTA Court

\*) Does not include Directives which the EFTA States have notified as fully implemented, but which the Authority claims not to have been implemented, or to have been only partially implemented.

| <b>Road Transport (cont.)</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| <b>Fuel in Fuel Tanks</b><br>Directive 68/297 Annex XIII, 18                                   |            |            |            |
| <b>Taxes on Vehicles for Road Transport of Goods</b><br>Directive 93/89 Annex XIII, 18a        |            |            |            |
| <b>Admission and Mutual Recognition in Road Transport</b><br>Directive 96/26 Annex XIII, 19    |            |            |            |
| <b>Minimum Level of Training in Road Transport</b><br>Directive 76/914 Annex XIII, 22          |            |            |            |
| <b>Standard Checking Procedures in Road Transport</b><br>Directive 88/599 Annex XIII, 23       |            |            |            |
| <b>Driving Licences</b><br>Directive 91/439 Annex XIII, 24a                                    |            |            |            |
| <b>Amendment 1996 to Driving Licences (Model)</b><br>Directive 96/47 Annex XIII, 24a           |            | TRP        |            |
| <b>Amendment 1997 to Driving Licences</b><br>Directive 97/26 Annex XIII, 24a                   |            | TRP        |            |
| <b>First Carriage of Goods by Road</b><br>Directive 62/2005 Annex XIII, 25                     |            |            |            |
| <b>Vehicles Hired Without Drivers</b><br>Directive 84/647 Annex XIII, 29                       | NNN        |            |            |
| <b>Rail Transport</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Development of Railways</b><br>Directive 91/440 Annex XIII, 37                              | NNN        | NNN        |            |
| <b>Trans-European High-speed Rail System</b><br>Directive 96/48 Annex XIII, 37                 | NNN        | NNN        |            |
| <b>Railway Infrastructure and Charging of Fees</b><br>Directive 95/19 Annex XIII, 41a          | NNN        | NNN        |            |
| <b>Licencing of Railways</b><br>Directive 95/18 Annex XIII, 42a                                | NNN        | NNN        |            |
| <b>1999 Amendm - Transport of Dangerous Goods by Rail</b><br>Directive 1999/48 Annex XIII, 42b | NNN        | NNN        |            |
| <b>Transport of Dangerous Goods by Rail</b><br>Directive 96/49 Annex XIII, 42b                 | NNN        | NNN        |            |
| <b>Amendment 1996 to Dangerous Goods by Rail</b><br>Directive 96/87 Annex XIII, 42b            | NNN        | NNN        |            |
| <b>Transport by Inland Waterways</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Chartering &amp; Pricing in Inland Waterway Transport</b><br>Directive 96/75 Annex XIII, 45 | NNN        | NNN        | NNN        |
| <b>Access to Occupation in Inland Waterways</b><br>Directive 87/540 Annex XIII, 46             | NNN        | NNN        | NNN        |
| <b>Boatmasters' Certificates in Inland Waterways</b><br>Directive 91/672 Annex XIII, 46a       | NNN        | NNN        | NNN        |
| <b>Inland Waterway Boatmasters' Certificate Directive</b><br>Directive 96/50 Annex XIII, 46a   | NNN        | NNN        | NNN        |
| <b>Technical Requirements in Inland Waterways Vessels</b><br>Directive 82/714 Annex XIII, 47   | NNN        | NNN        | NNN        |



| <b>Transport by Inland Waterways (cont.)</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| <b>Navigability Licences for Inland Waterway Vessels</b><br>Directive 76/135 Annex XIII, 48  | NNN        | NNN        | NNN        |
| <b>Maritime Transport</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Pilotage in North Sea and English Channel</b><br>Directive 79/115 Annex XIII, 54          |            | NNN        |            |
| <b>Seafarer Minimum Training</b><br>Directive 94/58 Annex XIII, 54a                          |            | NNN        |            |
| <b>1998 Amendment to Minimum Training for Seafarers</b><br>Directive 98/35 Annex XIII, 54a   |            | NNN        |            |
| <b>Vessels Carrying Dangerous Goods</b><br>Directive 93/75 Annex XIII, 55a                   |            | NNN        | PRE        |
| <b>1996 Amendm. Vessels Carrying Dangerous Goods</b><br>Directive 96/39 Annex XIII, 55a      |            | NNN        | RDO        |
| <b>1997 Amendm. Vessels Carrying Dangerous Goods</b><br>Directive 97/34 Annex XIII, 55a      |            | NNN        | RDO        |
| <b>1998 Amendm. Vessels Carrying Dangerous Goods</b><br>Directive 98/55 Annex XIII, 55a      |            | NNN        |            |
| <b>1998-2 Amendm. Vessels Carrying Dangerous Goods</b><br>Directive 98/74 Annex XIII, 55a    |            | NNN        |            |
| <b>Ship Inspection and Survey</b><br>Directive 94/57 Annex XIII, 55b                         |            | NNN        |            |
| <b>1997 Amendment to Ship Inspection and Survey</b><br>Directive 97/58 Annex XIII, 55b       |            | NNN        |            |
| <b>Port State Control</b><br>Directive 95/21 Annex XIII, 56b                                 |            | NNN        | PRE        |
| <b>Second Amendment 1998 – Port State Control</b><br>Directive 98/42 Annex XIII, 56b         | LFN        | NNN        |            |
| <b>Identity Card for Port State Control</b><br>Directive 96/40 Annex XIII, 56ba              |            | NNN        |            |
| <b>Marine equipment</b><br>Directive 96/98 Annex XIII, 56d                                   | LFN        | NNN        |            |
| <b>Marine Equipment, 1998 Amendment</b><br>Directive 98/85 Annex XIII, 56d                   |            | NNN        |            |
| <b>Registration of passengers on ships</b><br>Directive 98/41 Annex XIII, 56e                |            | NNN        |            |
| <b>Safety on passenger ships</b><br>Directive 98/18 Annex XIII, 56f                          |            | NNN        |            |
| <b>1999 Amendment to Safety Onboard Fishing Vessels</b><br>Directive 1999/19 Annex XIII, 56g |            | NNN        |            |



**Meaning of shades:**

No duty to implement:



Partial implementation:



Full implementation notified:



Non-implementation:



**Meaning of abbreviations:**

NNN: No measures necessary

PRE: Pre-Article 11 letter

TRP: Transition period

LFN: Letter of formal notice

PWH: Permanent derogation

RDO: Reopened opinion

for the whole act

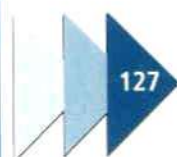
EFC: Referral to EFTA Court

(\*) Does not include directives, which the EFTA States have notified as fully implemented, but which the Authority has been asked to have been implemented, or to have been only partially implemented.



| <b>Aviation</b>   |         |                 | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|---------|-----------------|------------|------------|------------|
| Aviation-Procurement of ATM Equipment<br>Directive              | 93/65   | Annex XIII,66c  | NNN        | TRP        |            |
| Aviation-Procurement of ATM Equipment, amendment I<br>Directive | 97/15   | Annex XIII,66c  | NNN        | TRP        |            |
| Investigation of Civil Aviation Accidents<br>Directive          | 94/56   | Annex XIII,66d  |            | TRP        |            |
| Chapter II Aeroplanes-Noise-Amendment<br>Directive              | 98/20   | Annex XIII,66d  |            | NNN        |            |
| Chapter II Aeroplanes-Noise<br>Directive                        | 92/14   | Annex XIII,66e  |            | NNN        |            |
| Chapter II Aeroplanes-Noise-Amendment 99<br>Directive           | 1999/28 | Annex XIII, 66e |            | NNN        |            |
| Aviation-Mutual Acceptance of Licences<br>Directive             | 91/670  | Annex XIII,68a  |            | TRP        |            |
| <b>Transport - Other</b>  |         |                 | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| Eigth Summertime<br>Directive                                   | 97/44   | Annex XIII, 68b | NNN        |            |            |
| <b>Free Movement of Capital</b>                                 |         |                 | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| Capital Movements<br>Directive                                  | 88/361  | Annex XII       | RDO        |            | RDO        |
| <b>Health and Safety at Work</b>                                |         |                 | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| Exposure to Vinyl Chloride Monomer at Work<br>Directive         | 78/610  | Annex XVIII,2   |            |            |            |
| Exposure to Chemical, Physical & Biological Agents<br>Directive | 80/1107 | Annex XVIII,3   |            |            |            |
| Indicative Limit Values<br>Directive                            | 91/322  | Annex XVIII, 3a |            |            | PRE        |
| Second List of Indicative Limit Values<br>Directive             | 96/94   | Annex XVIII, 3b |            |            | PRE        |
| Exposure to Metallic Lead at Work<br>Directive                  | 82/605  | Annex XVIII,4   |            |            |            |
| Asbestos<br>Directive   | 83/477  | Annex XVIII,5   |            |            |            |
| Exposure to Noise at Work<br>Directive                          | 86/188  | Annex XVIII,6   |            | LFN        |            |
| Banning of Certain Agents and Work Activities<br>Directive      | 88/364  | Annex XVIII,7   |            |            |            |
| Improvement of Safety and Health at Work<br>Directive           | 89/391  | Annex XVIII,8   | LFN        | LFN        | PRE        |
| Safety and Health Requirements for the Workplace<br>Directive   | 89/654  | Annex XVIII,9   |            |            |            |
| Work Equipment<br>Directive                                     | 89/655  | Annex XVIII,10  |            |            | PRE        |



| <b>Health and Safety at Work (cont.)</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|--|------------|------------|------------|
| <b>Amendment 1995 to Work Equipment</b><br>Directive 95/63 Annex XVIII,10                  |            |            | PRE        |
| <b>Protective Equipment</b><br>Directive 89/656 Annex XVIII,11                             |            |            |            |
| <b>Manual Handling of Loads</b><br>Directive 90/269 Annex XVIII,12                         |            |            |            |
| <b>Display Screen Equipment</b><br>Directive 90/270 Annex XVIII,13                         |            |            |            |
| <b>Carcinogens at Work</b><br>Directive 90/394 Annex XVIII,14                              |            |            | PRE        |
| <b>Biological Agents</b><br>Directive 90/679 Annex XVIII,15                                |            |            | PRE        |
| <b>Amendment 1993 to Biological Agents</b><br>Directive 93/88 Annex XVIII,15               |            |            | PRE        |
| <b>Amendment 1995 to Biological Agents</b><br>Directive 95/30 Annex XVIII,15               |            |            | PRE        |
| <b>Amendment 1997 No 1 to Biological Agents</b><br>Directive 97/59 Annex XVIII,15          |            |            | PRE        |
| <b>Amendment 1997 No 2 to Biological Agents</b><br>Directive 97/65 Annex XVIII,15          |            |            | PRE        |
| <b>Short-term Employment</b><br>Directive 91/383 Annex XVIII,16                            |            |            |            |
| <b>Medical Treatment on board Vessels</b><br>Directive 92/29 Annex XVIII,16a               |            | NNN        | RDO        |
| <b>Temporary or Mobile Construction Sites</b><br>Directive 92/57 Annex XVIII,16b           |            | PRE        |            |
| <b>Safety and Health Signs at Work</b><br>Directive 92/58 Annex XVIII,16c                  |            |            |            |
| <b>Pregnant and Breastfeeding Workers</b><br>Directive 92/85 Annex XVIII,16d               |            |            |            |
| <b>Mineral-Extracting Industries (Drilling)</b><br>Directive 92/91 Annex XVIII,16e         |            |            |            |
| <b>Surface and Underground Mineral-Extracting Ind.</b><br>Directive 92/104 Annex XVIII,16f |            | NNN        |            |
| <b>Work on board Fishing Vessels</b><br>Directive 93/103 Annex XVIII,16g                   |            | NNN        |            |
| <b>Labour Law</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Collective Redundancies</b><br>Directive 75/129 Annex XVIII,22                          |            |            |            |
| <b>Transfer of Undertakings</b><br>Directive 77/187 Annex XVIII,23                         |            |            |            |
| <b>Employer's Insolvency</b><br>Directive 80/987 Annex XVIII,24                            |            |            |            |



**Meaning of shades:**

No duty to implement:   
 Full implementation notified\*: 

Partial implementation:   
 Non-implementation: 

**Meaning of abbreviations:**

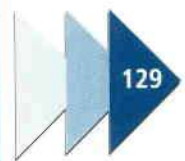
**NNN:** No measures necessary  
**TRP:** Transition period  
**PWH:** Permanent derogation for the whole act  
**PRE:** Pre Article 31 letter  
**LFN:** Letter of formal notice  
**RDO:** Reasoned opinion  
**EFC:** Referral to EFTA Court

\* Does not include Directives which the EFTA States have notified as fully implemented, but which the Authority does not have been requested, or to which no derogation has been implemented.

| <b>Labour Law (cont.)</b>                             | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| <b>Employer's Information Obligation</b>              |            |            |            |
| Directive 91/533 Annex XVIII,25                       |            |            |            |
| <b>Amendment to Collective Redundancies Directive</b> |            |            |            |
| Directive 92/56 Annex XVIII,26                        |            |            |            |
| <b>European Works Councils</b>                        |            | <b>LFN</b> |            |
| Directive 94/45 Annex XVIII,27                        |            |            |            |
| <b>Amendment 1997 (UK) to European Works Councils</b> |            |            |            |
| Directive 97/74 Annex XVIII,27                        |            |            |            |
| <b>Working Time</b>                                   |            |            |            |
| Directive 93/104 Annex XVIII,28                       |            |            |            |
| <b>Protection of Young People</b>                     |            |            |            |
| Directive 94/33 Annex XVIII,29                        |            |            |            |
| <b>Posting of Workers</b>                             |            |            |            |
| Directive 96/71 Annex XVIII,30                        |            |            |            |
| <b>Equal Treatment for Men and Women</b>              | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Equal Pay</b>                                      |            |            |            |
| Directive 75/117 Annex XVIII, 17                      |            |            |            |
| <b>Equal Access to Work</b>                           |            |            |            |
| Directive 76/207 Annex XVIII, 18                      |            |            |            |
| <b>Equal Social Security</b>                          |            |            |            |
| Directive 79/7 Annex XVIII, 19                        |            |            |            |
| <b>Equal Occupational Schemes</b>                     |            |            |            |
| Directive 86/378 Annex XVIII, 20                      |            |            |            |
| <b>Amendment 1996 to Equal Occupational Schemes</b>   |            |            |            |
| Directive 96/97 Annex XVIII, 20                       |            |            |            |
| <b>Equal Treatment of Self-employed</b>               |            |            |            |
| Directive 86/613 Annex XVIII, 21                      |            |            |            |
| <b>Consumer Protection</b>                            | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Prices of Foodstuffs</b>                           |            |            |            |
| Directive 79/581 Annex XIX,1                          |            |            |            |
| <b>Amending Directives on Indication of Prices</b>    | <b>NNN</b> | <b>NNN</b> | <b>NNN</b> |
| Directive 95/58 Annex XIX,1                           |            |            |            |
| <b>Misleading Advertising</b>                         |            |            |            |
| Directive 84/450 Annex XIX,2                          |            |            |            |
| <b>Contracts Outside Business Premises</b>            |            |            |            |
| Directive 85/577 Annex XIX,3                          |            |            |            |
| <b>Dangerous Imitations</b>                           |            |            |            |
| Directive 87/357 Annex XIX,5                          |            |            |            |
| <b>Prices of Non-food Products</b>                    |            |            |            |
| Directive 88/314 Annex XIX,6                          |            |            |            |
| <b>Package Travel</b>                                 |            |            |            |
| Directive 90/314 Annex XIX,7                          |            |            |            |
| <b>Unfair Terms</b>                                   |            |            |            |
| Directive 93/13 Annex XIX,7a                          |            |            |            |
| <b>Purchase of Immovables on Timeshare Basis</b>      |            |            |            |
| Directive 94/47 Annex XIX,7b                          |            |            |            |



| <b>Environment - General</b>                              |        |              | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |            |
|---|--------|--------------|------------|------------|------------|------------|
| <b>Environment Impact Assessment</b>                      |        |              |            |            | <b>PRE</b> |            |
| Directive   | 85/337 | Annex XX, 1  |            |            |            |            |
| <b>Information on the Environment</b>                     |        |              |            |            |            |            |
| Directive   | 90/313 | Annex XX, 2  |            |            |            |            |
| <b>Reports on Implementation</b>                          |        |              |            | <b>NNN</b> | <b>NNN</b> | <b>NNN</b> |
| Directive   | 91/692 | Annex XX, 2a |            |            |            |            |
| <b>Integrated Pollution Prevention and Control</b>        |        |              |            |            |            |            |
| Directive   | 96/61  | Annex XX,2g  |            |            |            |            |
| <b>Environment - Water</b>                                |        |              | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |            |
| <b>Surface Water Intended for Drinking Water</b>          |        |              |            |            |            |            |
| Directive   | 75/440 | Annex XX, 3  |            |            |            |            |
| <b>Certain Dangerous Substances Discharged into Water</b> |        |              |            |            |            |            |
| Directive   | 76/464 | Annex XX, 4  |            |            |            |            |
| <b>Sampl/Analy. Of Surf. Water intend. For Drink. Wtr</b> |        |              |            |            |            |            |
| Directive   | 79/869 | Annex XX, 5  |            |            |            |            |
| <b>Protection of Groundwater</b>                          |        |              |            |            |            |            |
| Directive   | 80/68  | Annex XX, 6  |            |            |            |            |
| <b>Quality of Water for Human Consumption</b>             |        |              |            |            |            |            |
| Directive   | 80/778 | Annex XX, 7  |            |            |            |            |
| <b>Mercury Disch. By the Chlor-Alk Electrol. Industry</b> |        |              |            |            |            |            |
| Directive   | 82/176 | Annex XX, 8  |            |            |            |            |
| <b>Cadmium Discharges</b>                                 |        |              |            |            |            |            |
| Directive   | 83/513 | Annex XX, 9  |            |            |            |            |
| <b>Mercury Discharges by other Sectors</b>                |        |              |            |            |            |            |
| Directive   | 84/156 | Annex XX, 10 |            |            |            |            |
| <b>Discharges of Hexachlorocyclohexane</b>                |        |              |            |            |            |            |
| Directive   | 84/491 | Annex XX, 11 |            |            |            |            |
| <b>Limit Values and Quality Objectives for Discharges</b> |        |              |            |            |            |            |
| Directive   | 86/280 | Annex XX, 12 |            |            |            |            |
| <b>Urban Waste Water Treatment</b>                        |        |              |            |            |            |            |
| Directive   | 91/271 | Annex XX, 13 |            |            |            |            |
| <b>Urban Waste Water Amendment Directive</b>              |        |              |            |            |            |            |
| Directive   | 98/15  | Annex XX,13  |            |            |            |            |
| <b>Protection of Waters Against Nitrates</b>              |        |              |            |            |            |            |
| Directive   | 91/676 | Annex XX,13a |            |            |            |            |
| <b>Environment - Air</b>                                  |        |              | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |            |
| <b>Air Quality Standards for Sulphur Dioxide</b>          |        |              |            |            |            |            |
| Directive   | 80/779 | Annex XX, 14 |            |            |            |            |
| <b>Ambient Air Quality Assessment and Management</b>      |        |              |            |            |            |            |
| Directive   | 96/62  | Annex XX,14a | <b>LFN</b> |            |            |            |
| <b>Lead in the Air</b>                                    |        |              |            |            |            |            |
| Directive   | 82/884 | Annex XX, 15 |            |            |            |            |



Meaning of shades:

No duty to implement:  Full implementation notified\*: 

Partial implementation:  Non-implementation: 

Meaning of abbreviations:

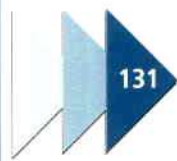
**NNN**: No measures necessary  
**TRP**: Transition period  
**PWH**: Permanent derogation for the whole act  
**PRE**: Pre Article 31 letter  
**LFN**: Letter of formal notice  
**RDO**: Reasoned opinion  
**EFC**: Referral to EFTA Court

(\*): Does not include Directives which the EFTA States have notified as fully implemented, but which the Authority deems not to have been implemented, or to have been only partially implemented.

| <b>Environment - Air (cont.)</b>                              | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|------------|------------|------------|
| <b>Air Pollution from Industrial Plants</b>                   |            |            |            |
| Directive 84/360 Annex XX, 16                                 |            |            |            |
| <b>Air Quality Standards for Nitrogen Dioxide</b>             |            |            |            |
| Directive 85/203 Annex XX, 17                                 |            |            |            |
| <b>Pollution by Asbestos</b>                                  |            |            |            |
| Directive 87/217 Annex XX, 18                                 |            |            |            |
| <b>Large Combustion Plants</b>                                |            |            |            |
| Directive 88/609 Annex XX, 19                                 | NNN        | NNN        | NNN        |
| <b>Amendment to Large Combustion Plants</b>                   |            |            |            |
| Directive 94/66 Annex XX, 19                                  | NNN        | NNN        | NNN        |
| <b>New Waste Incineration Plants</b>                          |            |            |            |
| Directive 89/369 Annex XX, 20                                 |            |            |            |
| <b>Existing Waste Incineration Plants</b>                     |            |            |            |
| Directive 89/429 Annex XX, 21                                 |            | NNN        |            |
| <b>Air Pollution by Ozone</b>                                 |            |            |            |
| Directive 92/72 Annex XX, 21a                                 |            |            |            |
| <b>Incineration of Hazardous Waste</b>                        |            |            |            |
| Directive 94/67 Annex XX, 21b                                 |            | NNN        |            |
| <b>Environment - Biotechnology etc.</b>                       | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Major Accident Hazards ("Seveso")</b>                      |            |            |            |
| Directive 82/501 Annex XX, 23                                 |            |            |            |
| <b>Control of major-accident hazards</b>                      |            |            |            |
| Directive 96/82 Annex XX, 23a                                 |            |            |            |
| <b>Contained Use of Genetically Modified Organisms</b>        |            |            |            |
| Directive 90/219 Annex XX, 24                                 |            |            |            |
| <b>Contained Use of GMO's Amendment</b>                       |            |            |            |
| Directive 94/51 Annex XX, 24                                  |            |            |            |
| <b>Deliberate Release of GMO's</b>                            |            |            |            |
| Directive 90/220 Annex XX, 25                                 |            |            |            |
| <b>Technical Progress Adaptation-GMO's</b>                    |            |            |            |
| Directive 94/15 Annex XX, 25                                  |            |            |            |
| <b>Environment - Waste</b>                                    | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Disposal of Waste Oils</b>                                 |            |            |            |
| Directive 75/439 Annex XX, 26                                 |            |            |            |
| <b>Waste Framework</b>  |            |            |            |
| Directive 75/442 Annex XX, 27                                 |            |            |            |
| <b>Waste from the Titanium Dioxide Industry</b>               |            |            |            |
| Directive 78/176 Annex XX, 28                                 |            | NNN        |            |
| <b>Surv. &amp; Monit. Of Waste from the Titan. Diox. Ind.</b> |            |            |            |
| Directive 82/883 Annex XX, 30                                 |            | NNN        |            |
| <b>Sewage Sludge</b>  |            |            |            |
| Directive 86/278 Annex XX, 32                                 |            |            |            |
| <b>Hazardous Waste</b>  |            |            |            |
| Directive 91/689 Annex XX, 32a                                | PRE        |            |            |



|  |            |            |            |
|--|------------|------------|------------|
| <b>Environment - Waste</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Amendment to Hazardous Waste Directive</b> 94/31 Annex XX,32a                   | <b>NNN</b> | <b>NNN</b> | <b>NNN</b> |
| <b>Pollution from Titanium Dioxide Industry Directive</b> 92/112 Annex XX, 32b     |            | <b>NNN</b> |            |
| <b>Public Procurement</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Abolition of restrictions etc. - Public works Directive</b> 71/304 Annex XVI,1  |            |            |            |
| <b>Public works contracts - Authorities Directive</b> 93/37 Annex XVI,2            |            |            |            |
| <b>Public supply contracts - Authorities Directive</b> 93/36 Annex XVI,3           |            |            |            |
| <b>Utilities (supply, service and works contracts) Directive</b> 93/38 Annex XVI,4 |            |            |            |
| <b>Legal remedies - Authorities Directive</b> 89/665 Annex XVI,5                   | <b>PRE</b> |            |            |
| <b>Legal remedies - Utilities Directive</b> 92/13 Annex XVI,5a                     | <b>PRE</b> |            |            |
| <b>Public service contracts - Authorities Directive</b> 92/50 Annex XVI,5b         |            |            |            |
| <b>Company Law - Basic</b>   | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>First Company Law Directive</b> 68/151 Annex XXII,1                             |            | <b>LFN</b> | <b>LFN</b> |
| <b>Second Company Law Directive</b> 77/91 Annex XXII,2                             |            | <b>LFN</b> | <b>PRE</b> |
| <b>Amendment to Second Company Law Directive</b> 92/101 Annex XXII,2               |            | <b>LFN</b> | <b>PRE</b> |
| <b>Third Company Law Directive</b> 78/855 Annex XXII,3                             |            | <b>LFN</b> | <b>PRE</b> |
| <b>Sixth Company Law Directive</b> 82/891 Annex XXII,5                             |            | <b>NNN</b> | <b>PRE</b> |
| <b>Eleventh Company Law Directive</b> 89/666 Annex XXII,8                          |            | <b>LFN</b> | <b>PRE</b> |
| <b>Twelfth Company Law Directive</b> 89/667 Annex XXII,9                           |            | <b>LFN</b> |            |
| <b>Company Law - Accounting</b>  | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Fourth Company Law Directive</b> 78/660 Annex XXII,4                            |            | <b>RDO</b> |            |
| <b>Amendment to Fourth Company Law Directive</b> 94/8 Annex XXII, 4                |            | <b>RDO</b> | <b>NNN</b> |



**Meaning of shades:**

No duty to implement: Partial implementation:   
 Full implementation notified: Non-implementation:

**Meaning of abbreviations:**

**NNN:** No measures necessary  
**TRP:** Transition period  
**PWH:** Permanent derogation in the whole act  
**PRE:** Pre-Article 31 letter  
**LFN:** Letter of formal notice  
**RDO:** Reasoned opinion  
**EFC:** Referral to EFTA Court

\* present in the Annexes of the EFTA Surveillance Authority's 1999 Annual Report. For more information, see the EFTA Surveillance Authority's website: <http://www.efta.gov.is>

| <b>Company Law - Accounting (cont.)</b>                   |         |               | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
|---|---------|---------------|------------|------------|------------|
| <b>Seventh Company Law</b>                                |         |               |            | <b>RDO</b> |            |
| Directive   | 83/349  | Annex XXII,6  |            |            |            |
| <b>Eighth Company Law</b>                                 |         |               |            | <b>RDO</b> |            |
| Directive   | 84/253  | Annex XXII,7  |            |            |            |
| <b>State Aid</b>  |         |               | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Transparency Directive</b>                             |         |               |            | <b>NNN</b> |            |
| Directive   | 80/723  | Annex XV,1    |            |            |            |
| <b>Amendment to Transparency Directive</b>                |         |               |            | <b>NNN</b> |            |
| Directive   | 93/84   | Annex XV,1    |            |            |            |
| <b>Statistics</b>   |         |               | <b>ISL</b> | <b>LIE</b> | <b>NOR</b> |
| <b>Business Cycle in Industries</b>                       |         |               |            | <b>NNN</b> |            |
| Directive   | 72/211  | Annex XXI,2   |            |            |            |
| <b>Business Cycle in Building and Civil Engineering</b>   |         |               |            | <b>NNN</b> |            |
| Directive   | 78/166  | Annex XXI,4   |            |            |            |
| <b>Regional Statistics - Carriage of Goods by Road</b>    |         |               |            | <b>NNN</b> |            |
| Directive   | 78/546  | Annex XXI,5   |            |            |            |
| <b>Statistics on Carriage of Goods - Inland Waterways</b> |         |               |            | <b>NNN</b> |            |
| Directive   | 80/1119 | Annex XXI,6   |            |            |            |
| <b>Regional Statistics - Carriage of Goods by Rail</b>    |         |               |            | <b>NNN</b> |            |
| Directive   | 80/1177 | Annex XXI,7   |            |            |            |
| <b>Transparency of Gas and Electricity prices</b>         |         |               |            | <b>NNN</b> |            |
| Directive   | 90/377  | Annex XXI,26  |            |            |            |
| <b>Sts. Return - Carriage of Goods &amp; Pass. by sea</b> |         |               |            | <b>NNN</b> |            |
| Directive   | 95/64   | Annex XXI, 7b |            |            |            |
| <b>Collection of STS Information in Tourism</b>           |         |               |            | <b>NNN</b> |            |
| Directive   | 95/57   | Annex XXI, 7c |            |            |            |
| <b>Harmonization of GNP at Market Prices</b>              |         |               |            | <b>NNN</b> |            |
| Directive   | 89/130  | Annex XXI,19  |            |            |            |
| <b>Statistical Surveys of Milk and Milk Products</b>      |         |               |            | <b>NNN</b> |            |
| Directive   | 96/16   | Annex XXI,21  |            |            |            |

**Meaning of shades:**

No duty to implement:



Partial implementation:



Full implementation notified\*:



Non-implementation:



**Meaning of abbreviations:**

**NNN:** No measures necessary

**TRP:** Transition period

**PWH:** Permanent derogation for the whole act

**PRE:** Pre-Article 31 letter

**LFN:** Letter of formal notice

**RDO:** Reasoned opinion

**EFC:** Referral to EFTA Court

\* Full implementation notified: Directives in the EFTA States have notified or fully implemented, but which the Authority does not fully regard as implemented, or have been only partially implemented.





# ANNEX V

EFTA SURVEILLANCE AUTHORITY

A COMPARATIVE LIST OF APPLICABLE  
NOTICES ADOPTED BY THE EUROPEAN  
COMMISSION AND THE AUTHORITY  
IN THE FIELD OF COMPETITION



133

| Topic                                 | EFTA Surveillance Authority Notice   | Commission Notice  |
|---------------------------------------|--|--|
| Mergers and joint ventures            | Notice regarding restrictions ancillary to concentrations<br><i>OJ 1994 L 153/3 and EEA Supplement to the OJ 1994 15/02</i>  | Notice regarding restrictions ancillary to concentrations<br><i>OJ 1990 C 203/5</i>  |
|                                       | Notice concerning the assessment of cooperative joint ventures pursuant to Article 53 of the EEA Agreement<br><i>OJ 1994 L 186/58 and EEA Supplement to the OJ 1994 22/04</i>  | Notice concerning the assessment of cooperative joint ventures pursuant to Article 85 of the EEC Treaty<br><i>OJ 1993 C 43/2</i>   |
|                                       | Not yet adopted  | Notice on the concept of full-function joint ventures under Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings<br><i>OJ 1998 No C 66/1</i>  |
|                                       | Not yet adopted  | Notice on the concept of concentration under Council Regulation (EEC) No 4064/89 on the control of concentration between undertakings<br><i>OJ 1998 No C 66/5</i>  |
|                                       | Not yet adopted  | Notice on the concept of undertakings concerned under Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings<br><i>OJ 1998 No C 66/14</i>   |
|                                       | Not yet adopted  | Notice on the calculation of turnover under Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings<br><i>OJ 1998 No C 66/25</i>   |
|                                       | Not yet adopted  | Notice concerning alignment of procedures for processing mergers under the ECSC and EC Treaties<br><i>OJ 1998 No C 66/36</i>   |
|                                       | Not yet adopted  | Information on the assessment of full-function joint ventures pursuant to the competition rules of the European Community<br><i>OJ 1998 No C 66/38</i>   |
| Exclusive purchasing and distribution | Notice concerning the acts referred to in points 2 and 3 of Annex XIV to the EEA Agreement (Commission Reg. (EEC) No 1983/83 and (EEC) No 1984/83 on the application of Art. 53(3) of the EEA Agreement to categories of exclusive distribution and purchasing agreements<br><i>OJ 1994 L 153/13 and EEA Supplement to the OJ 1994 15/12</i> | Notice concerning Commission Regulations (EEC) No 1983/83 and (EEC) No 1984/83 of 22 June 1983 on the application of Article 85(3) of the Treaty to categories of exclusive distribution and exclusive purchasing agreements<br><i>OJ 1984 C 101/2</i> |



| Topic  | EFTA Surveillance Authority Notice   | Commission Notice  |
|--|--|--|
|  | <p>Notice modifying the notice concerning the acts referred to in points 2 and 3 of Annex XIV to the EEA Agreement (Commission Reg. (EEC) No 1983/83 and (EEC) No 1984/83) on the application of Article 53(3) of the EEA Agreement to categories of exclusive distribution and purchasing agreements<br/><i>OJ 1994 L 186/69 and EEA Supplement to the OJ 1994 22/17</i></p>  | <p>Notice modifying the notice concerning Commission Regulations (EEC) No 1983/83 and (EEC) No 1984/83 of 22 June 1983 on the application of Article 85(3) to categories of exclusive distribution and purchasing agreements<br/><i>OJ 1992 C 121/2</i></p>  |
| <p>Motor vehicle distribution and servicing agreements</p> | <p>Notice concerning the act referred to in point 4 of Annex XIV to the EEA Agreement (Reg. (EEC) No 123/85) on the application of Article 53(3) of the EEA Agreement to certain categories of motor vehicle distribution and servicing agreements<br/><i>OJ 1994 L 153/20 and EEA Supplement to the OJ 1994 15/19</i></p> <p>Notice clarifying the activities of motor vehicle intermediaries<br/><i>OJ 1994 L 186/70 and EEA Supplement to the OJ 1994 22/18</i></p> | <p>Notice concerning Regulation (EEC) No 123/85 of 12 December 1984 on the application of Article 85(3) to certain categories of motor vehicle distribution and servicing agreements<br/><i>OJ 1985 C 17/4</i></p> <p>Notice clarifying the activities of motor vehicle intermediaries<br/><i>OJ 1991 C 329/30</i></p> |
| <p>Commercial agents</p>                                   | <p>Notice on exclusive dealing contracts with commercial agents<br/><i>OJ 1994 L 153/23 and EEA Supplement to the OJ 1994 15/22</i></p>  | <p>Notice on exclusive dealing contracts with commercial agents<br/><i>OJ 1962 139/2921</i></p>  |
| <p>Cooperation between enterprises</p>                     | <p>Notice concerning agreements, decisions and concerted practices in the field of cooperation between enterprises<br/><i>OJ 1994 L 153/25 and EEA Supplement to the OJ 1994 15/24</i></p>   | <p>Notice concerning agreements, decisions and concerted practices in the field of cooperation between enterprises<br/><i>OJ 1968 C 84/14</i></p>  |
| <p>Imports from third countries</p>                        | <p>Notice concerning imports into the territory covered by the EEA Agreement of third countries' goods falling within the scope of the EEA Agreement<br/><i>OJ 1994 L 153/29 and EEA Supplement to the OJ 1994 15/28</i></p>   | <p>Notice concerning imports into the Community of Japanese goods falling within the scope of the Rome Treaty<br/><i>OJ 1972 C 111/13</i></p>  |
| <p>Subcontracting agreements</p>                           | <p>Notice of the EFTA Surveillance Authority concerning its assessment of certain subcontracting agreements in relation to Article 53(1) of the EEA Agreement<br/><i>OJ 1994 L 153/30 and EEA Supplement to the OJ 1994 15/29</i></p>  | <p>Commission Notice of 18 December 1978 concerning its assessment of certain subcontracting agreements in relation to Article 85(1) of the EEC Treaty<br/><i>OJ 1979 C 1/2</i></p>  |
| <p>Agreements of minor importance</p>                      | <p>Notice on agreements of minor importance which do not fall under Article 53(1) of the EEA Agreement<br/><i>OJ 1998 L 200/55 and EEA Supplement to the OJ 1998 28/13</i></p>   | <p>Notice on agreements of minor importance which do not fall under Article 85(1) of the Treaty establishing the European Community<br/><i>OJ 1997 C 372/13</i></p>  |
| <p>Definition of the relevant market</p>                   | <p>Notice on the definition of the relevant market for the purpose of competition law within the EEA<br/><i>OJ 1998 L 200/48 and EEA Supplement to the OJ 1998 28/3</i></p>  | <p>Notice on the definition of the relevant market for the purposes of Community competition law<br/><i>OJ 1997 C 372/5</i></p>  |



| Topic   | EFTA Surveillance Authority Notice  | Commission Notice   |
|---|---|---|
| Cross-border credit transfers                     | Notice on the application of the EEA competition rules to cross-border credit transfers<br><i>OJ 1997 C 301/7 and EEA Supplement to the OJ 1997 41/43</i>                   | Notice on the application of the EC competition rules to cross-border credit transfers<br>OJ 1995 C 251/3   |
| Access to the file                                | Not yet adopted   | Notice on the internal rules of procedure for processing requests for access to the file in cases pursuant to Articles 85 and 86 of the EC Treaty, Articles 65 and 66 of the ECSC Treaty and Council Regulation (EEC) No 4064/89<br>OJ 1997 No C 23/3   |
| Fines   | Notice on the non-imposition or reduction of fines in cartel cases<br><i>OJ 1997 C 282/8 and EEA Supplement to the OJ 1997 39/1</i>   | Notice on the non-imposition or reduction of fines in cartel cases<br>OJ 1996 C 207/4   |
|   | Not yet adopted   | Guidelines on the method of setting fines imposed pursuant to Article 15(2) of Regulation No 17 and Article 65(5) of the ECSC Treaty<br>OJ 1998 C 9/3   |
| Cooperation with national courts                  | Notice on cooperation between national courts and ESA in applying Articles 53 and 54 to the EEA Agreement<br><i>OJ 1995 C 112/7 and EEA Supplement to the OJ 1995 16/01</i> | Notice on cooperation between national courts and the Commission in applying Articles 85 and 86 of the EEC Treaty<br>OJ 1993 C 39/6   |
| Cooperation with national competition authorities | Not yet adopted   | Notice on cooperation between national competition authorities and the Commission in handling cases falling within the scope of Articles 85 or 86 of the EC Treaty<br>OJ 1997 No C 313/3  |
| Postal sector                                     | Not yet adopted   | Notice on the application of the competition rules to the postal sector and on the assessment of certain state measures relating to postal services<br>OJ 1998 No C 39  |
| Telecommunications                                | Guidelines on the application of EEA competition rules in the telecommunications sector<br><i>OJ 1994 L 153/35 and EEA Supplement to the OJ 1994 15/34</i>                  | Guidelines on the application of the EEC competition rules in the telecommunication sector<br>OJ 1991 C 233/2   |
|   | Not yet adopted   | Notice on the application of the competition rules to access agreements in the telecommunications sector<br>OJ 1998 C 265/2   |
| Aviation  | Not yet adopted   | Notice concerning procedures for communications to the Commission pursuant to Articles 4 and 5 of Commission Regulation (EEC) No 1617/93 of 25 June 1993 on the application of Article 85(3) to certain categories of agreements, decisions and concerted practices concerning joint planning and coordination of schedules, joint operations, consultations on passenger and cargo tariffs on scheduled air services and slot allocation at airports |





## ANNEX VI

EFTA SURVEILLANCE AUTHORITY

A COMPARATIVE LIST OF NOTICES  
ADOPTED BY THE EUROPEAN  
COMMISSION AND THE AUTHORITY  
IN THE FIELD OF STATE AID

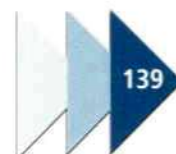


137

| Topic   | EFTA Surveillance Authority Notice  | Commission Notice   |
|---|---|---|
| Procedures  | OJ No L 231, 03.09.1994,<br>EEA Supplement No.32<br>Amended 06.12.95,<br>OJ No L 124, 23.05.1996,<br>EEA Supplement No 23 | Commission Communications and letters listed in points 2-7 and 10 of Annex XV to the EEA Agreement, relevant judgements of the European Court of Justice and the Commissions' practice. |
| <b>Rules on Horizontal Aid</b>  |   |   |
| Aid to small and medium-sized enterprises (SMEs)                                      | OJ No L 42, 13.02.1997,<br>EEA Supplement No 7  | OJ No C 213, 23.07.1996   |
| Criteria for applying the accelerated clearance procedure                             | OJ No L 231, 03.09.1994,<br>EEA Supplement No 32  | OJ No C 213, 19.08.1992   |
| The de minimis rule and its application   | OJ No L 245, 26.09.1996<br>EEA Supplement No 43   | OJ No C 68, 06.03.1996  |
| Rules applicable to cases of cumulation of aid for different purposes                 | OJ L 231, 03.09.1994,<br>EEA Supplement No 32   | OJ No C 3, 05.01.1985   |
| Aid for Research and Development  | OJ No L 245, 26.09.1996,<br>EEA Supplement No 43  | OJ No C 45, 17.02.1996  |
| Aid for environmental protection  | OJ No L 231, 03.09.1994,<br>EEA Supplement No 32  | OJ No C 72, 10.03.1994  |
| Aid for rescuing and restructuring firms in difficulty                                | OJ No C 111, 22.04.1999,<br>EEA Supplement No 17  | OJ No C 288, 09.10.1999   |
| State guarantees  | OJ No L 231, 03.09.1994,<br>EEA Supplement No 32  | Commission letters to Member States: SG(89) D/4328 of 5 April 1989 and SG (89) D/12772 of 12 October 1989   |
| Short-term export-credit insurance  | OJ No L 120, 23.04.1998,<br>EEA Supplement No 16  | OJ No C 281, 17.09.1997   |
| Measures related to direct business taxation  | Adopted 30.06.1999<br>Not yet published   | OJ No C 384, 10.12.1999   |
| Aid to employment   | OJ No L 124, 23.05.96,<br>EEA Supplement No 23  | OJ No C 334, 12.12.1995   |
| Aid for training  | Adopted 04.06.1999<br>Not yet published   | OJ No C 343, 11.11.1999   |
| Sale of land and buildings  | Adopted 17.11.1999<br>Not yet published   | OJ No C 209, 10.07.1997   |
| <b>Rules on State Ownership of Enterprises and on Aid to Public Enterprises</b>       |   |   |
| Public authorities' holdings  | OJ No L 231, 03.09.1994,<br>EEA Supplement No 32  | EC Bulletin 9-1984  |
| Application of State aid provisions to public enterprises in the manufacturing sector | OJ No L 231, 03.09.1994,<br>EEA Supplement No 32  | OJ No C 307, 13.11.1993 and<br>OJ No L 254, 12.10.1993  |



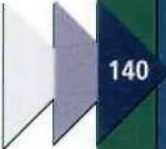
| Topic  | EFTA Surveillance Authority Notice            | Commission Notice   |
|--|---|---|
| <b>Rules on Sectoral Aid</b>   |   |   |
| Aid to the synthetic fibres industry   | OJ No L 140, 13.06.1996, EEA Supplement No 25 | OJ No C 94, 30.03.1996 and OJ No C 24, 29.01.1999   |
| Aid to the motor vehicle industry  | Adopted 04.06.1999<br>Not yet published       | OJ No C 279, 15.09.1997   |
| Aid to non-ECSC steel industries   | OJ No L 231, 03.09.1994, EEA Supplement No 32 | OJ No C 320, 13.12.1988   |
| Aid to maritime transport  | OJ No L 316, 20.11.1997, EEA Supplement No 48 | OJ No C 205, 05.07.1997   |
| <b>Rules on Regional Aid</b>   |   |   |
| National regional aid  | OJ No L 111, 29.04.1999, EEA Supplement No 18 | OJ No C 74, 10.03.1998  |
| Multisectoral framework on regional aid for large investment projects          | OJ No L 111, 29.04.1999, EEA Supplement No 18 | OJ No C 107, 07.04.1998   |
| <b>Specific rules</b>  |   |   |
| General investment aid schemes   | OJ No L 231, 03.09.1994, EEA Supplement No 32 | Commission letter to the Member States: SG(79) D/10478, 14.09.1979                                |
| Aid to the aviation sector   | Reference to the Commission guidelines        | OJ No C 350, 10.12.1994   |
| Aid to shipbuilding granted as development assistance to a development country | Amended 17.11.1999<br>Not yet published       | Commission letters to the Member States: SG (89) D/311, 03.01.1989 and SG (97) D/4345, 10.06.1997 |
| Standardized annual reporting  | OJ No L 231, 03.09.1994, EEA Supplement No 32 | OJ No C 218, 18.07.1997<br>Commission letter to the Member States: SG (95) D 20506, 02.08.1995    |
| Conversions between national currencies and EURO                               | OJ No L 231, 03.09.1994, EEA Supplement No 32 |   |
| Reference rate of interest   | OJ No L 111, 29.04.1999 EEA Supplement No 18  | OJ No C 241, 26.08.1998 and OJ No C 273, 09.09.1997   |






# ANNEX VII

EFTA SURVEILLANCE AUTHORITY



140

## EXPLANATION OF THE PROCEEDINGS FOR NON-COMPLIANCE WITH EEA LAW





## 1. PRINCIPLES

Each Contracting Party to the EEA Agreement is responsible for the implementation of EEA law (adoption of implementing measures before a specified deadline, conformity and correct application) within its own legal system. Under the EEA Agreement<sup>(27)</sup> the EFTA Surveillance Authority is responsible for ensuring that EEA law is correctly applied by the EFTA States. Consequently, where an EFTA State fails to comply with EEA law, the Authority has powers of its own (action for non-compliance) to try to bring the infringement to an end and, where necessary, may refer the case to the EFTA Court<sup>(28)</sup>. The Authority takes whatever action it deems appropriate in response to a possible infringement arising from either a complaint or other source which it detects.

Non-compliance means failure by an EFTA State to fulfil its obligations under EEA law. It may consist either of an action or omission. The term "State" means the Member State, which infringes EEA law, irrespective of the authority - central, regional or local - to which the compliance is attributable.

## 2. ADMISSIBILITY OF COMPLAINTS

Anyone may lodge a complaint with the Authority against an EFTA State for any measure (law regulation or administrative action) or practice attributable to an EFTA State, which they consider incompatible with a provision or a principle of EEA law. A *complainant* does not have to demonstrate a formal interest in bringing proceedings. Neither does a complainant have to prove that he/she is principally and directly concerned by the infringement. To be admissible, a complaint must relate to an infringement of EEA law by an EFTA State<sup>(29)</sup>. It cannot therefore concern a private dispute.

It is very important for the complaint to be complete and accurate, particularly as regards the facts complained of in relation to the EFTA State in question, any steps that a complainant has already taken at any level and, as far as possible, the provisions of EEA law which a complainant considers to have been infringed.

## 3. STAGES OF INFRINGEMENT PROCEEDINGS

In infringement proceedings, a case may be handled in the following stages:

### 3.1 Information gathering

In response to a complaint, it may be necessary to gather further information to determine the points of facts and of law concerning each case. Should the Authority contact the authorities of the EFTA State against which a complaint has been made, it will not disclose the complainant's identity unless he/she has given it express permission to do so. If necessary, the complainant will be asked to supply further information.

After examining the facts and in the light of the rules and priorities established by the Authority for opening and pursuing infringement proceedings, the Authority will decide whether further action should be taken on a complaint.

<sup>(27)</sup> Articles 108 and 109 of the EEA Agreement.

<sup>(28)</sup> See mainly Article 31 of the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice.

<sup>(29)</sup> It should be noted that if the Authority receives a complaint against an EU State it will pass the complaint to the European Commission which is responsible for ensuring that EEA law is correctly applied by the EU Member States. The Authority will inform a complainant of the transfer to the European Commission.



### 3.2 Opening of an infringement procedure: formal contacts between the Authority and the EFTA State concerned

If the Authority considers that there may be an infringement of EEA law, which warrants the opening of an infringement procedure, it addresses a "letter of formal notice" to the EFTA State concerned, requesting it to submit its observations by a specified date. The EFTA State has to adopt a position on the points of fact and of law on which the Authority bases its decision to open the infringement procedure.

In the light of the reply or absence of a reply from the EFTA State concerned, the Authority may decide to address a "reasoned opinion" to that State, clearly and definitively setting out the reasons why it considers there to be an infringement of EEA law and calling on the EFTA State to comply with EEA law within a specified time period (normally two months).

The purpose of those formal contacts is to determine whether there is indeed an infringement of EEA law and, if so, to resolve the case at this stage without having to take it to the EFTA Court.

In the light of the reply, the Authority may also decide not to proceed with the infringement procedure, for example, where the EFTA State provides credible assurances as to its intention to amend its legislation or administrative practice. Most cases can be resolved in this way.

### 3.3 Referral to the EFTA Court

If the EFTA State fails to comply with the reasoned opinion, the Authority may decide to bring the case before the EFTA Court. *Normally, the Court will rule on a case, brought by the Authority, within a year.*

Judgments of the EFTA Court differ from those of national courts. At the close of the procedure, the Court delivers a judgment stating whether there has been an infringement. The Court can neither annul a national provision which is incompatible with EEA law, nor force a national administration to respond to the request of an individual, nor order the State to pay damages to an individual adversely affected by an infringement of EEA law.

It is the duty of an EFTA State against which the EFTA Court has given judgment to take whatever measures are necessary to comply with the judgment, and in particular to resolve the dispute, which gave rise to the procedure. If the State does not comply, the Authority may again bring the matter before the EFTA Court *on the grounds of a failure to take the necessary measures to comply with the judgment of the Court.*

## 4. NATIONAL REMEDIES

It is national courts and administrative bodies that are primarily responsible for ensuring that the authorities of the EFTA States comply with EEA law.<sup>(30)</sup>

Therefore, if a complainant considers a particular measure (law, regulation or administrative action) or administrative practice to be incompatible with EEA law he/she should consider, either prior to or in parallel with his/her complaint to the Authority, to use remedy procedures before the national administrative or judicial authorities (including national or regional ombudsmen) and/or through any arbitration and conciliation procedures available. *Where questions on the interpretation of the EEA Agreement are raised before any court or tribunal in an EFTA State, that court or tribunal may request the EFTA Court to give an advisory opinion on the questions<sup>(31)</sup>.*

<sup>(30)</sup> It should be noted that the EEA Agreement is a part of the EFTA States internal legal order. It was made part of Iceland's national legislation by Law of 13 January 1993 No 2 and by the Norwegian national legislation by Law of 27 November 1992 No 109. As Liechtenstein follows a monist tradition the Agreement became part of the national legal order upon entry into force. It was published in the Law Gazette LGBl. 1995 No 68.

<sup>(31)</sup> Article 34 of the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice.



By using the means of redress available at the national level a complainant should, as a rule, be able to assert his/her rights more directly and more personally than he/she could following infringement proceedings successfully brought by the Authority, which may take some time. Only national courts can issue orders to administrative bodies and annul a national decision. It is also only national courts which have the power, where appropriate, to order a State to make good the loss sustained by individuals as a result of the infringement of EEA law attributable to it.

## 5. ADMINISTRATIVE GUARANTEES

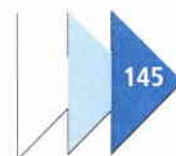
The following administrative guarantees exist for the benefit of a complainant:

- a) Following registration by the Authority, a complaint will be assigned an official reference number (as set out in a letter of acknowledgement to the complainant) which should be quoted on any correspondence. However, the assignment of an official reference number does not necessarily mean that an infringement procedure will be opened against the EFTA State in question.
- b) Where the Authority makes representations to the authorities of the EFTA State against which the complaint has been made, they will abide by the choice a complainant has made regarding confidentiality, i.e. disclosure of his/her identity. Where a complainant has not indicated his/her choice, the Authority will presume that the complainant has opted for confidential treatment. It should be borne in mind, however, that the disclosure of the complainant's identity by the Authority may in some cases be indispensable to the handling of the complaint or *may be unavoidable due to the factual circumstances of the complaint*. In case the Authority decides to disclose the identity, the complainant will be informed in advance.
- c) The Authority will endeavour to take a decision on the substance (either to open infringement proceedings or to close the case) within a year of registration of the complaint.

The complainant will be informed in advance by the relevant Directorate of the Authority if it plans to close the case, with the finding that there is no infringement. The Authority will keep the complainant informed of the course of any infringement procedure.









*EFTA Surveillance Authority 1999.*





---

## EFTA SURVEILLANCE AUTHORITY

---

Rue de Trèves 74, 1040 Brussels, Belgium  
Contact Person: Ms Bjarnveig Eiríksdóttir, Tel. +32 2 286 18 11 - Fax: +32 2 286 18 00  
Homepage: [www.efta.int](http://www.efta.int)

ISDS 1373-1793