



Permanent Mission
of Norway

Gender representation in corporate boards

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Geneva , July 2024



- On 22 December 2023, the Norwegian Parliament passed new rules requiring gender representation in various corporate boards, including private limited liability companies
- Under the new legislation, various types of corporate entities above a certain size must have minimum 40 % of each gender represented in the board.

History and purpose

- Gender representation requirements was first gradually introduced from 2004 for Public Limited Liability Companies, Private Limited Liability Companies owned 100% by the state, as well as state-owned enterprises and intermunicipal companies
- The purpose of the legislative change
 - increase the proportion of female board directors in Norwegian boards
 - equality and diversity in the business sector will foster more innovation, improve working environments, enhance decision-making, and increase value creation.
 - positively impact gender balance among C-suites and top management (where the percentage of women represented is even lower than in the boardroom)

The new amendments

- The amendments passed 22 December 2023 represents an expansion of the existing gender representation requirements. They now also apply to:
 - Private limited liability companies and
 - various types of corporate entities above a certain size.
- All must have minimum 40% of each gender represented in the board.

Which companies are covered by the new requirements?

- A wide range of corporate entities are comprised by the new legislation, including private limited liability companies, partnerships, limited partnerships, various types of foundations, house building cooperatives, cooperative enterprises, as well as financial enterprises not organised as private or public limited liability companies.
- To be covered by the gender balance requirements, the corporate entity must either have total operating and financial income exceeding NOK 50 million or have more than 30 employees.

Gradual implementation

- The number of corporate entities comprised by the legislation will be expanded gradually over the next few years based on thresholds linked to annual revenue and number of employees.
- It is expected to apply to approx. 20,000 entities when fully implemented in 2028. only 20% of the board members in Norwegian private limited liability companies are female, thus the new legislation entails that a significant number of Norwegian entities will have to change their board composition over the coming years.

Consequences of breaching the requirements

- Potentially invalid board decisions.
- Failing to register in the Norwegian Register of Business Enterprises
- Compulsorily liquidation by ruling of the court.

Links

- [Overview of the amendments on the Norwegian Parliaments website](#)
- [The Limited Liability Companies Act \(in Norwegian only\)](#)

