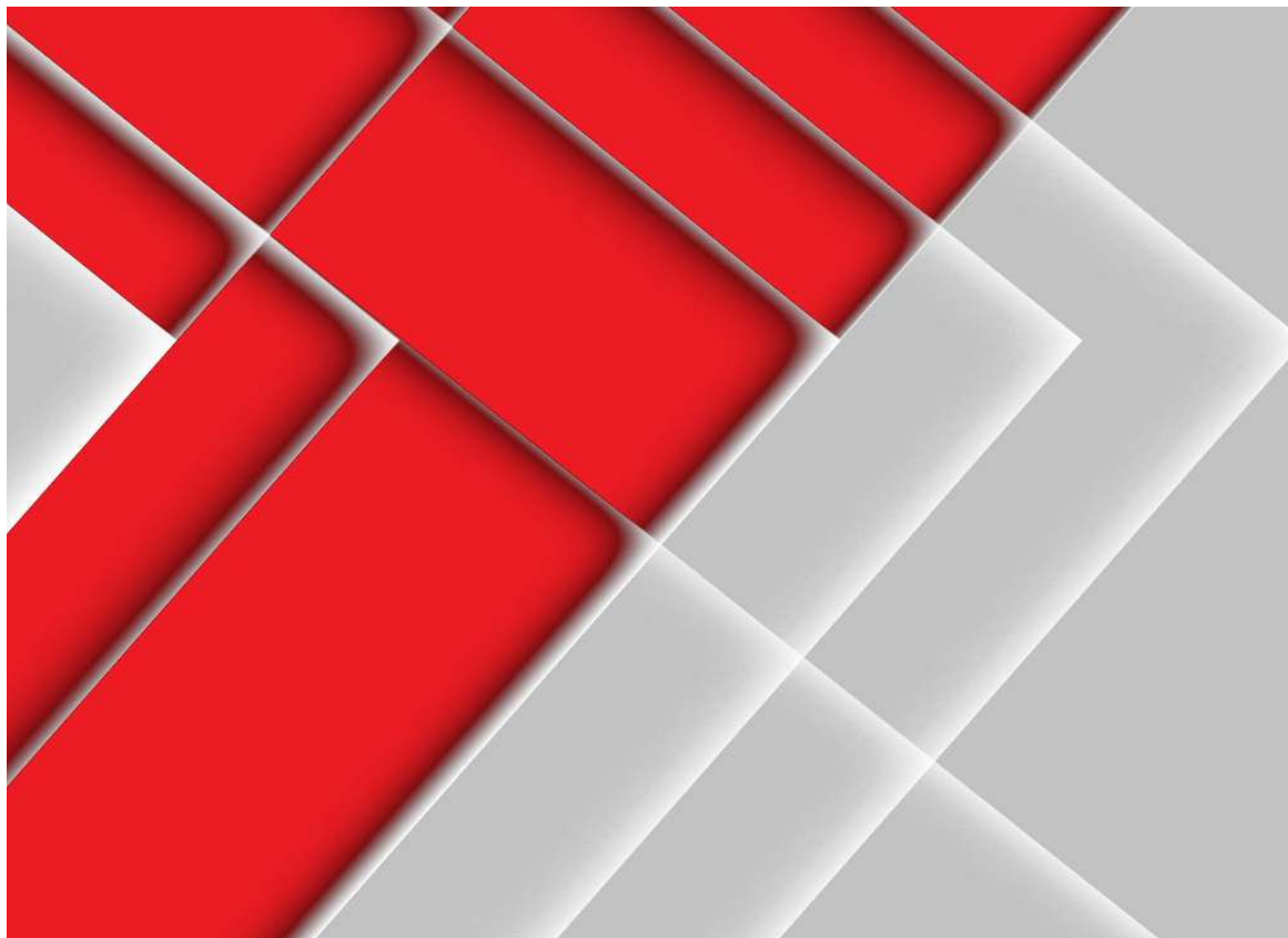


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- **Amendments on Law No. 9632 "On local taxes"**
- **Order changes / Ministry of Finance and Economy: Blocking accounts only if there is a final court decision**
- **Amendments on Law No. 92/2014 "On VAT in Republic of Albania" amended**
- **Amendments to Law No. 107/2014 "On territorial planning and development" amended "**

Elda Llambi

Amendments on Law No. 9632 “On local taxes”

In the Official Gazette No. 197 was published the Law No. 122/2020 date 15/10/2020 “On some amendments of the Law No. 9632 dated 30.10.2006 – On the local taxes “as amended, where were introduced main changes for the simplified corporate income tax as below:

- a. Entities which have an annual turnover not exceeding or equal to ALL 8 Million will be subject to payment of simplified corporate income tax.
- b. *Entities registered for simplified corporate income tax* (usually those with an annual turnover not exceeding or equal to ALL 8 Million), *the tax rate is 0 % for their annual turnover which is equal or below ALL 8 Million.*
- c. Entities registered for the simplified corporate income tax purposes will have the obligation to present within 10 February an annual tax declaration where are specified the annual profits, expenses etc.



The tax rate on the corporate income tax shall enter into force on 1 January 2021. ■

Elda Llambi

Order changes / Ministry of Finance and Economy: Blocking accounts only if there is a final court decision

On 12 November 2020 entered into force the Order of the Ministry of Finance No. 44 dated 09.11.2020 which stipulated that after implementing all forms of debt collection, including sequestration of company assets and their sale, the Tax Administration was given the right to bill the outstanding debt directly to the quota-holder, shareholders and administrators by blocking their bank account.



REPUBLIKA E SHQIPËRIË
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Immediately after publication of this Order, 22 business associations reacted by stating that the Order was not in accordance with the laws and it paved way for abuse by Taxes.

In this view, *the Ministry of Finance and Economy (MFE) on 02.12.2020 has published the Order No. 45 which amended the Order 44 issued for the implementation of the law "On tax procedures", related to blocking the personal accounts of the quota-holder, shareholder or administrator. The amendments to the Instruction stipulates that the blocking of personal accounts of the quota holders, shareholders, administrators shall be carried out only by a final court decision and not by a decision of the regional tax directorate* as it was provided earlier in the Order 44.

MFE announces that the initiative to carry out legislative intervention came as a result of requests from business associations and after a long discussion in the Investment Council, which represents and conveys the concerns of the business community ■

Elda Llambi

Amendments on Law No. 92/2014 “On VAT in Republic of Albania” amended

T Starting from 1 January 2021, The rate of value added tax applied for the supply of construction works service for state investments of sports clubs / sports federations or for investments of private entities in sports infrastructure as defined in the legislation in the field of sports shall be a reduced rate at the level of 6 % ■



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Amendments to Law No. 107/2014 “On territorial planning and development” amended “

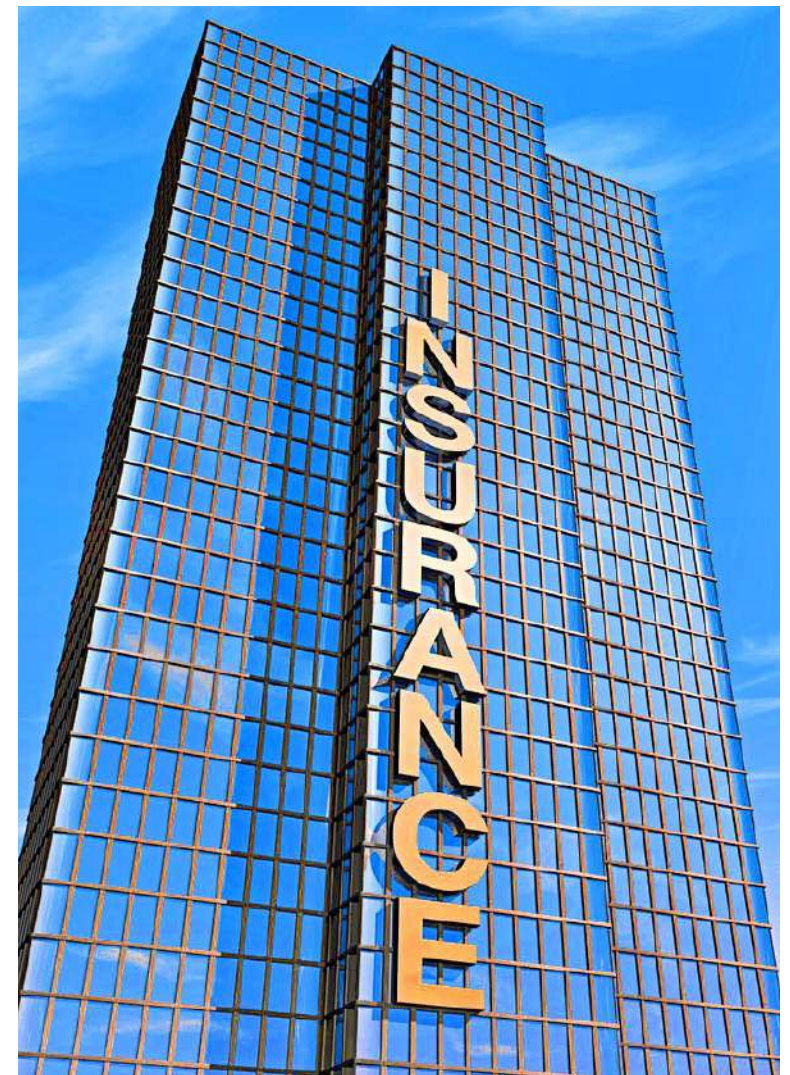
On 07.10.2020 the Albanian Parliament adopted the Law no. 119/2020 “On some changes and additions to law no. 107/2014 “On territorial planning and development”” (amendment), which enters into force 15 days after publication in the Official Gazette.

The target of the recent changes and amendments to the Law are the construction violations.

According to the new provisions, the National Territory Council shall be the responsible authority for decision making for Development and Building Permits, for complex developments as defined in construction regulations, and those related to areas or constructions of national importance, strategic investments, or facilities located in the coastal area.

Moreover, the Law sets new requirements in relation to the technical documentation to be deposited by the Developers for obtaining the Building Permit, by including as a significant document, the *Insurance Contract* with beneficiary the public authority responsible for the approval of the construction permit.

The Insurance Contract should cover any damage that may occur as a result of performing the works of construction in violation with the building or development permit, planning documents, the legislation in force governing



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the field of construction in the Republic of Albania, as well as any necessary expenses for performing new works or for the completion of existing works in cases when the developer does not finalize the constructions works in accordance to the permit approved by the responsible public authority.

In case the insured event occurs, the insurance company, is obliged to pay the damage within 30 days from the date of submission of the request from the responsible public authority. In any case, the Insurance Contract must cover in full the estimated building costs, according to the respective cost projection.



In addition, the Law 119/2020 introduces new measures and penalties regarding informal constructions, illegal buildings, changes to the project or works in violation of the permit conditions.

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LEADING LAW FIRM IN ALBANIA



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