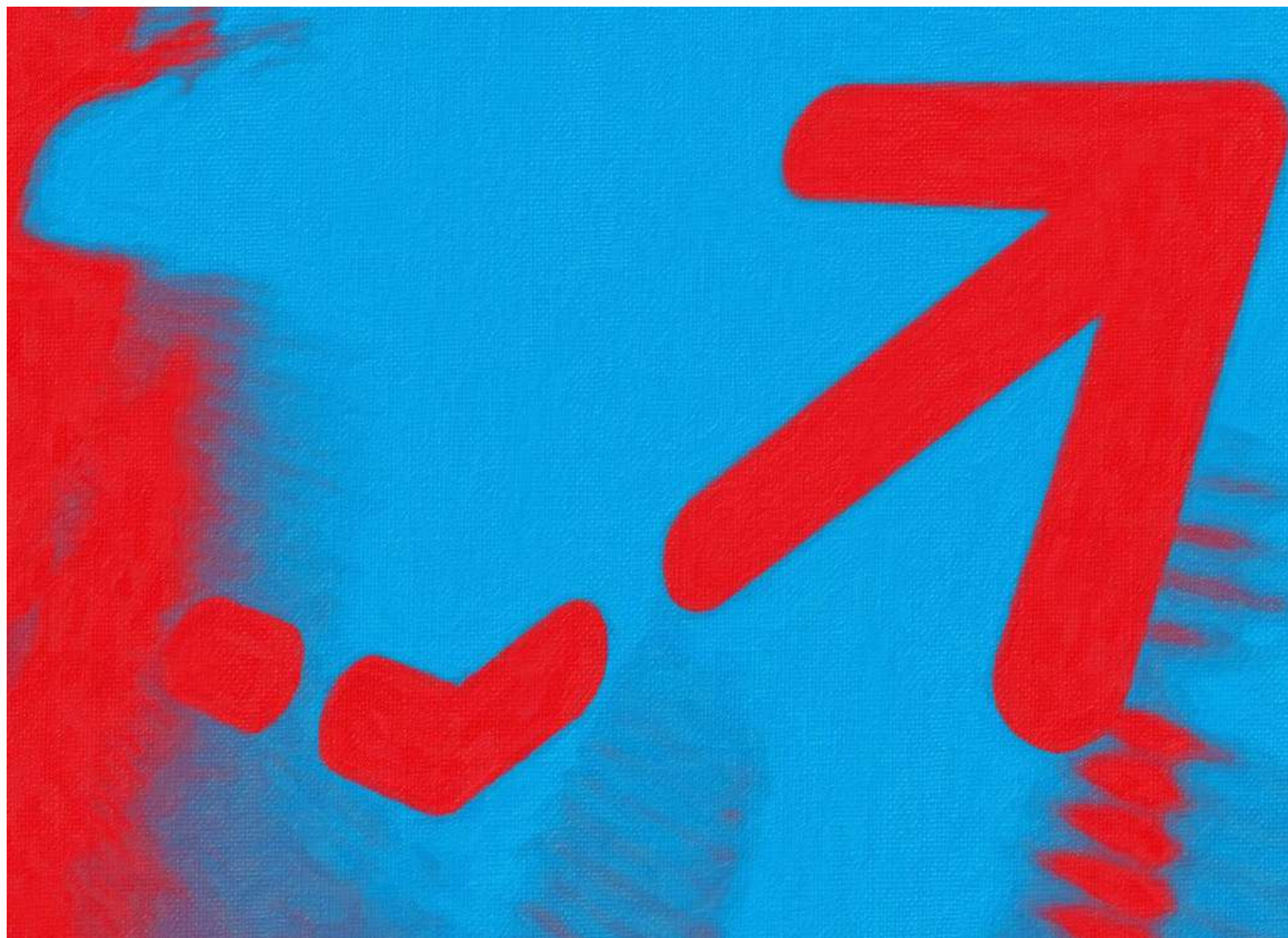


Newsletter

January 2021



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Elda Llambi

Entry into force of the Decision of the Council of Ministers on the application procedures for registration and publication of data in the Register of Beneficiary Owners

In the Official Gazette no. 233, dated 30.12.2020 was published the Decision of the Council of Ministers no. 1088 dated 24.12.2020 *"On determining the methods and procedures of registration and publication of data on beneficiary owners, as well as notification by the competent state authorities and obligated entities."*

According to this decision, the application for initial registration and / or for updating or changing the data for beneficiary owners is



made by the person authorized to represent the reporting entity through the electronic portal of e-Albania. After selecting the type of registration, the computerized system displays the relevant application form, according to the approved format and opens the electronic file, which holds the corresponding number (a number for each file or application) provided by the computerized system.

The authorized person, by filling in all the data according to the fields of the approved forms declares, in accordance with the law for the Register of Beneficiary Owners to perform the required registration and submits the relevant accompanying documentation.

Elda Llambi

Existing reporting entities record data on their beneficiary owners no later than 60 calendar days from the creation of the Register of Beneficiary Owners.

In the Paragraph III of the Decision No. 1088 are listed the documents and the main ones for the initial registration are the following:

1 *Documentation certifying the unique identification number and the name of the entity and also the date of registration of the entity in the register.*

2 *Documentation certifying the identification data of the last beneficiary such as:*

- a. Name and surname;
- b. Personal identification number;
- c. Date of birth;
- d. Passport number and country of issue;
- e. Date of issue and expiry date of the passport;
- f. Citizenship;
- g. Permanent residence address.

3 *Documentation from the competent registration authority, certifying that the registered beneficial owner owns 25 (twenty-five) % or more of the shares / stakes in the capital, voting rights or equity interests and also*

the date on which the beneficiary obtained this role in the company.

Further depending from the structure of the ownership of the company there the Decisions specifies other and additional documents and clarifications that will need to be provided for the Beneficiary Owners.



Meanwhile, in order to fulfill the legal obligation to identify, report and register the beneficiary owner, punitive measures are provided in case of non-fulfillment of this obligation, within the deadline provided by law.

Failure to register data on the owner or shareholder of a company or non-profit organization will be fined in the amount of 500,000 (five hundred thousand) Lekë.

Whereas, non-registration of any change in the registered data and accompanying documents is punishable by a fine in the amount of 250,000 (two hundred and fifty thousand) Lekë. Also the legal representative, in case of non-registration is fined in the amount of 150 000 (one hundred and fifty thousand) Lekë ■

Ergisa Hasanbelliu

Updates on Electronic Fiscalization Certificate and Electronic Invoice

Starting from January 1st 2021, based on Law no. 87/2019, dated 18.12.2019 "On the invoice and the turnover monitoring system", *all taxpayers who perform sales transactions with public entities*, have the obligation to apply to obtain the Electronic Fiscalization Certificate through the government portal e - albania as well as to issue only electronic invoices for the goods or services sold.

Furthermore, the law will extend its implementation for other taxpayer categories as following:

Starting from July 1st 2021, all taxpayers who will perform *transaction not in cash* between one another will have the obligation to obtain the Electronic Fiscalization Certificate as well as to issue only electronic invoices.



Starting from September 1st 2021, all taxpayers who will perform transaction in cash between one another, have the obligation to obtain the Electronic Fiscalization Certificate through the government portal e - albania as well as to issue only electronic invoices.

Furthermore, there have been provided further detailed indications on procedures of issuing the electronic invoice and regulations to be followed for specific cases ■



Ergisa Hasanbelliu

The Albanian tax administration starts the first Automatic Exchange of Information with other homologue administrations

Following the implementation of the Common Reporting Standard (CRS) during 2020 in Albania, all non-resident individuals and non-resident Administrators of Albanian companies, in order to open a bank account and/or access the existing ones before any second tier banks in Albania, were requested to submit the Self-declaration CRS Form.

Furthermore, all the Forms submitted to the banks were transmitted to the Tax Authority for further verification.

Starting from 2021, the Tax Authority has notified that the procedure will be intensified and a wide range of information on offshore accounts, such as account balances and ownership, will be transmitted "automatically" each year between with the homologue tax administrations of the countries that have already become part of this reporting. ■



Ergisa Hasanbelliu

Notice on the procedure to be followed for the implementation of the new VAT thresholds

Starting from January 1st 2021, has entered into force the Decision of the Council of Ministers no. 576 dated 22.7.2020, which changes the band of taxpayers, who have the obligation to declare and pay VAT.

Based on this Decision:

1 *All existing taxpayers, who for 2020 have realized a larger annual turnover or equal to 10 million ALL, have the obligation to declare and pay VAT. Regardless of whether the taxpayer is registered for Profit Tax or Simplified Profit Tax:*

- VAT declaration and payment will be on a monthly basis and must be done within the 14th of the month following the reporting period.
- The declaration of the books of Sale and Purchase will be monthly, with a deadline within the 10th of the respective following month.

2 *For taxpayers, who for 2020 have realized a turnover of less than ALL 10 million, the automatic deregistration of VAT tax liability will be performed, with a validity date of 31.12.2020.*

3 *Deregistration will not be performed automatically for the following categories:*

- Taxpayers who during 2020 have performed at least one import. These taxpayers will continue to be part of the VAT scheme from January 1st 2021, they will perform on monthly basis, within the 14th of the following month, the submission of declarations, books of sale and purchase as well as the payment of VAT.
- Taxpayers who on 31.12.2020 result in Passive status. For this category of taxpayers, the deregistration from the responsibility of VAT or its updating will be performed when the taxpayer is activated.
- Taxpayers, who during 2020 have realized an annual turnover of 5 to 10 million ALL and have not performed any import. For this category of taxpayers will apply the right to register VAT liability, according to their voluntary declaration through e-filing platform. ■



Albana Fona



On 3.12.2020 was approved the Law No. 142/2020, for an Amendment to Law No. 55/2015 "On Strategic Investments in the Republic of Albania".

Law No. 3.12.2020, has amendment Article 36 of Law 55/2015 "On Strategic Investments in the Republic of Albania" by postponing the deadline for submitting applications to be categorized as "Strategic Investment" until December 31st 2021.

The main goal of Law no. 55/2015 "On Strategic Investments" (amended) is to promote & increase the strategic domestic and foreign investment in those sectors that are identified as strategic sectors, by introducing special favorable administrative procedures, and support services.



Strategic Investments In Albania

According to the Law, are considered to be as strategic sectors of the economy:

- a.** Energy and mining;
- b.** Transport, electronic communications infrastructure and urban waste;
- c.** Tourism (tourist structures);
- d.** Agriculture (large agricultural farms) and fisheries;
- e.** Economic zone;
- f.** Development priority areas.



Albana Fona

Under the provisions of the Law 55/2015 (as amended), the assessment whether the strategic investment is of public interest or not, is based on:

- a.** investment amount;
- b.** period of investment execution;
- c.** investment productivity and added value;
- d.** creation of jobs;
- e.** priority economic sector;
- f.** regional and local economic development;
- g.** development and improvement of conditions and standards for the production of goods and provision of services;
- h.** Introduction of new technologies in order to increase competitiveness and effectiveness of the investment etc.

Depending on the category, the above mentioned projects benefit supportive measure like: Priority handling and preparation of documentation, support programs, support with assistive infrastructure, and provision of access to state-owned immovable property for the purposes of developing and executing strategic investment projects, pursuant to the legislation in force etc., so that strategic domestic and foreign investments are attracted to one those sectors that are identified as strategic according to the law.

Published in the Official Gazette No. 230, dated 28/12/2020 ■



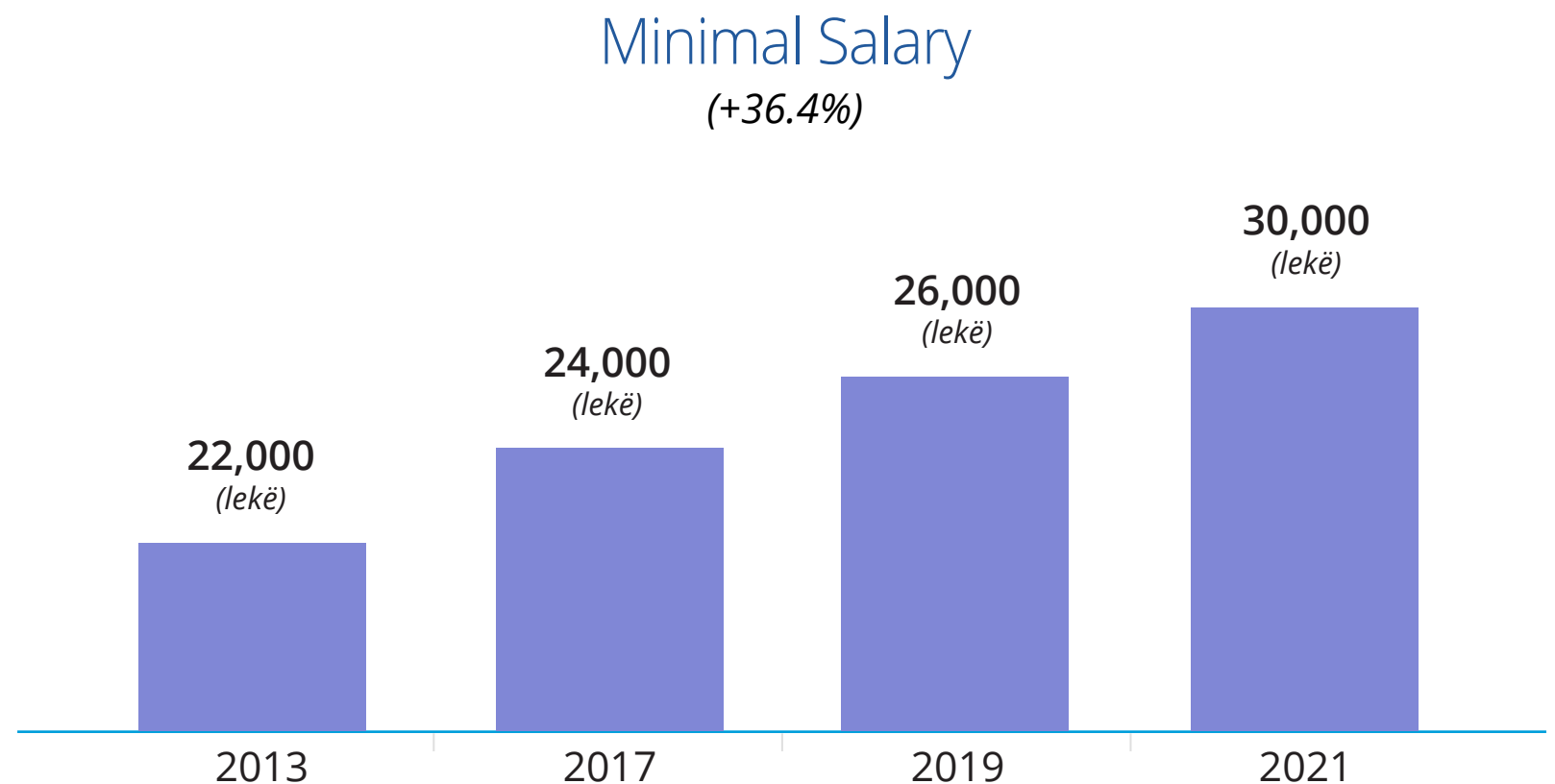
Ervana Cullhaj

Minimal Salary In Albania

On December 21, 2020, it has been published in the Official Gazette, the Decision no. 1025, date 16.12.2020 "ON DETERMINING THE MINIMUM SALARY AT THE NATIONAL LEVEL".

According to the Decision, *the new minimum salary in Albania is 30 000 (thirty thousand) Albanian Lek.*

This Decision has become effective as from *January 1, 2021* ■



Ervana Cullhaj

Exemption From The Royalty Tax

The Albanian Parliament has approved on December 17, 2020 the exemption from the royalty tax of all groups of metallic minerals: chromium, copper, nickel, zinc, etc. for 3 years.

Together with this initiative, the Council of Ministers has decided to change the law of the mining sector, facilitating the procedures and requirements for the issuance of financial guarantees by companies operating in this market.

On December 9, 2020, the government through the *Draft Law*, decided to facilitate the procedures and fiscal burden for the

mining sector in Albania, as one of the most affected by the COVID pandemic, due to falling demand from abroad.

Currently, the law requires companies in this sector to guarantee the value of the investment every year, while the new law obliges them to leave only 10% of this amount.

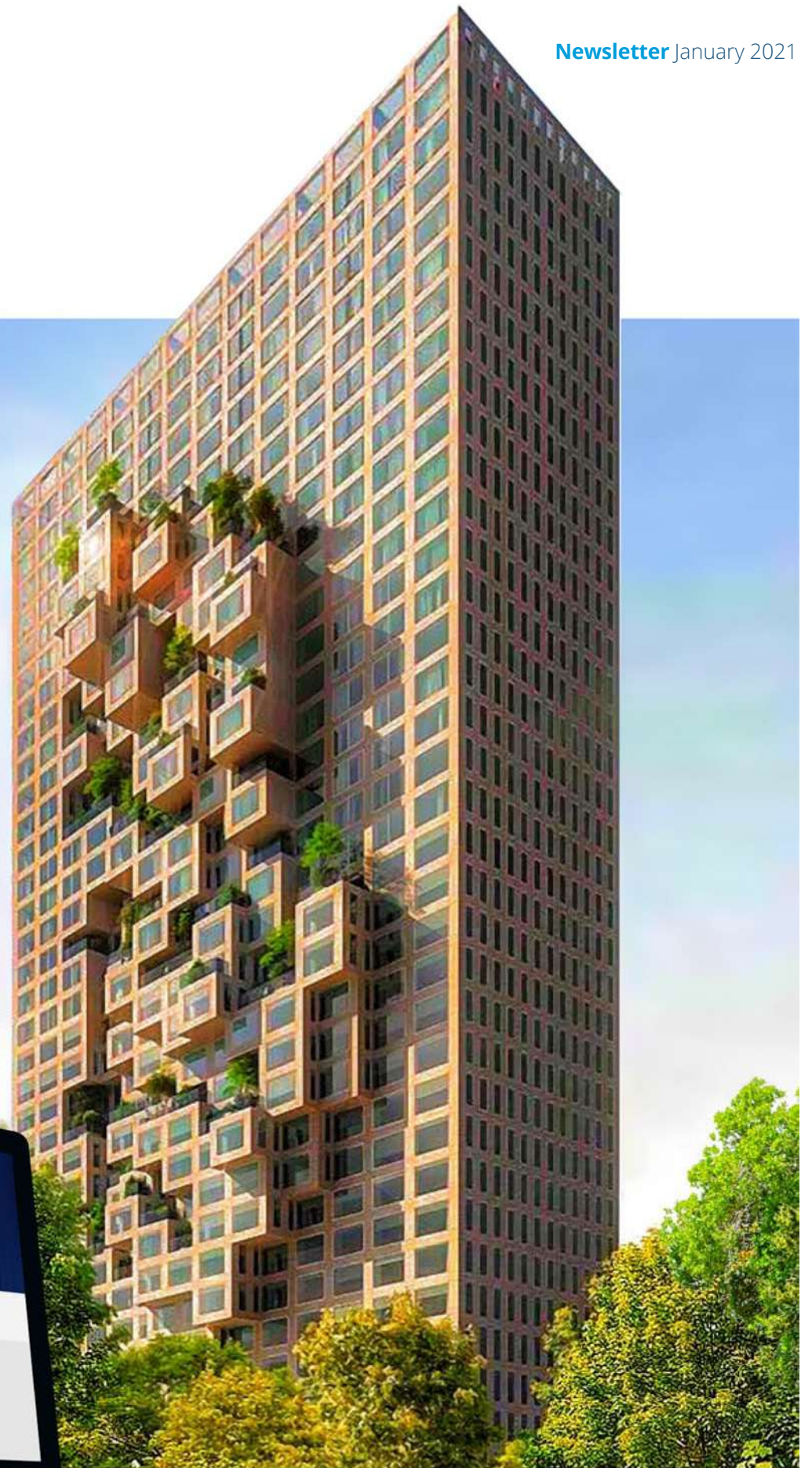
Also, the government will extend the validity of the exploration permit by another 1 year, while will give the companies the right to transfer their rights to other companies, after 5 years of using the permits ■





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