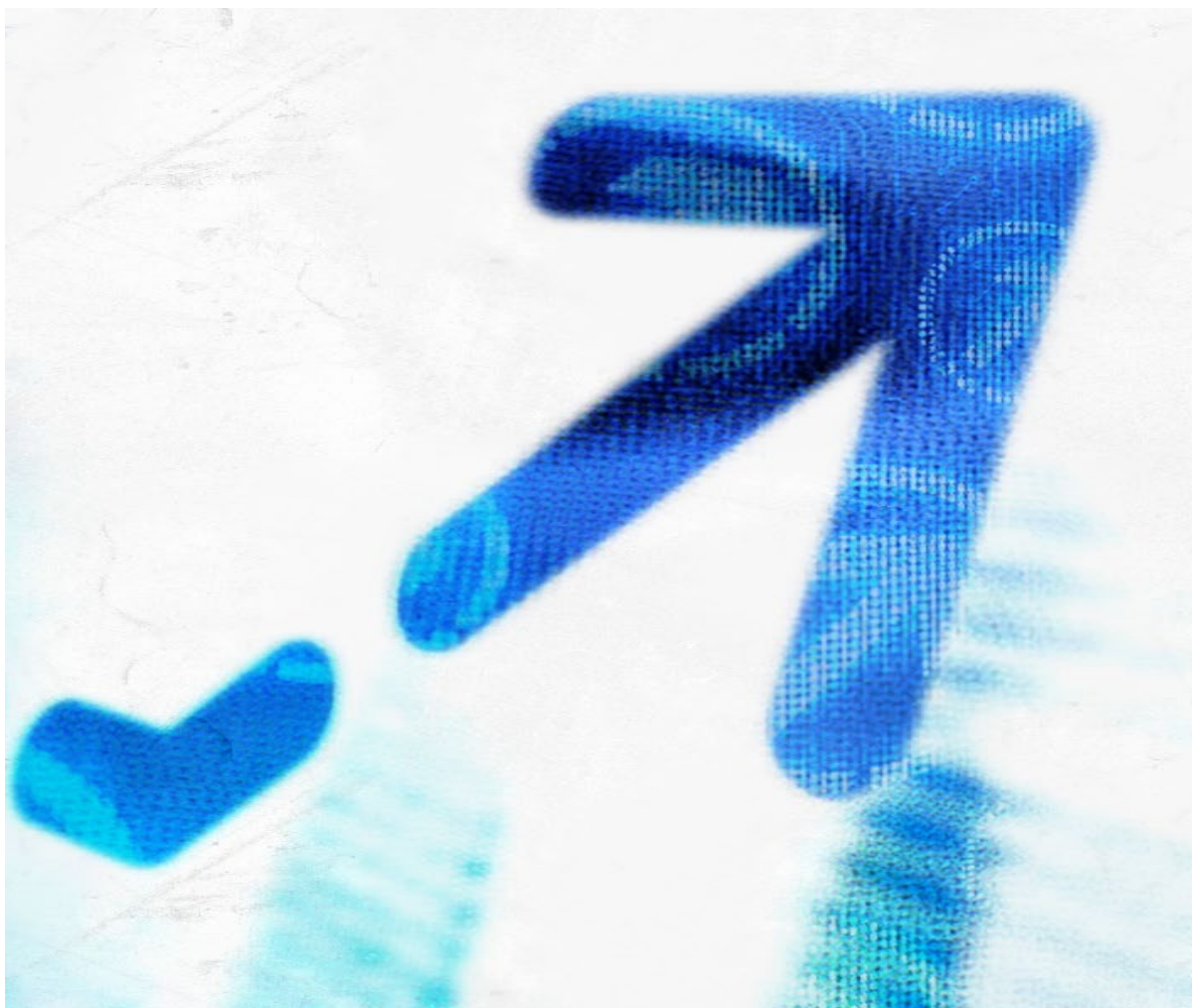


Newsletter

August 2019



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Albania becomes a party to OECD/G20 BEPS project

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In the Official Gazette no. 99, dated 10.07.2019 it is published Law no. 35/2019, dated 17.06.2019, regarding the convention between the Republic of Albania and the Organization for Economic Cooperation and Development (OECD).

Through this convention, the Albanian government agrees to implement measures proposed by the OECD/G20 BEPS project with the purpose of reducing opportunities for tax avoidance from multinational companies.



New amendments to Law “On protection of health from tobacco products”.

The new amendments include the categorization of some of the tobacco products i.e.: twist tobacco; pipe tobacco; Puros; Shisha; Snuff; oral use tobacco; smokeless tobacco; heated tobacco; electronic cigarette; cigarillo.

The tobacco products that do not fall into any of the above-mentioned categories and that will be placed in the market after the publication of the new Law no. 56/2019 “On protection of health from tobacco products” will be considered as **“new tobacco products”**.

The important obligations that derive from this Law are the following:

- Each electronic cigarette packing unit and nicotine refill packaging should contain an informing sheet in Albanian language, including the information on: instructions for use and storage of the product, including a reference that this product is not recommended for young people and non-smokers; contraindications for use;

Uendi Vata

warnings for particular risk groups, side effects warnings etc;

- The Nicotine-containing fluid shall be placed in the market only when it is put in containers intended for refill, having a volume of not more than 10 ml or in the form of single-use electronic cigarettes, of a volume of not more than 2 ml;
- The fluid containing more than 20 mg / ml of nicotine is not permitted to be placed on the market;
- The manufacturer and / or importer of the new tobacco products, including electronic cigarettes and heated tobacco, shall notify the Ministry of Health for the tobacco products circulating in the domestic market, as well as for any cases when they are placed on the market.

This notice must be submitted electronically no later than 30 days before the product is released on the market; The notice shall contain: a) contacts of the manufacturer or importer in Albania; b) detailed description of the product c) instructions for use; (d) list of all the ingredients and their quantities, the reason or purpose for the usage of those ingredients etc;

- Any other form of the advertising of tobacco products is prohibited, including indirect promotion through colors representing the company's logos, or promotion through exposure of products that mimic the outer packaging of a tobacco product.

New amendments to the Regulation no. 31/2007 of the Bank of Albania "On licensing, organization, activity and supervision of currency exchange offices"

In the Official Gazette no. 108 dated 24.07.2019 it is published Decision no. 49 dated 3.7.2019 "On some amendments on Regulation "On licensing, organization, activity and supervision of currency exchange offices".

The following concepts have been added to the Regulation:

- **Bearer shares:** are the shares of a legal entity whose ownership is transferred to the person who holds / holds the certificate / document of the holder's shares without the need for an agreement / contract for the transfer of ownership of those shares;
- **Representative shareholder (nominee shareholder):** is a registered shareholder of a legal person holding shares on behalf of the current shareholder (beneficial owner) under the terms of an agreement.



Also, the Currency Exchange Offices have now the obligation to report, within January of each year, to the Supervision Department the following information / documentation:

- A** A confirmation from the Ministry of Justice that the shareholder / partner and the administrator is not criminally convicted or a self-declaration form, according to Annex no. 4 of the Regulation.
- B** Personal statement of the shareholder / partner and the administrator of possible family relations or close personal, employment or business relationships with persons for whom there exist final criminal convictions.
- C** Personal statement of the administrator declaring that the entity continues to fulfill the conditions under which it is licensed.

The Bank of Albania has the right to request further information during the process of evaluating this documentation.

Elda Llambi

Albanian Embassy in Canberra Australia

With the decision no. 452, dated 3.7.2019, the Council of Ministers has decided to open the Albanian Embassy in Canberra, Australia.

Meanwhile, an inter-ministerial agreement on the unification of diplomatic and consular missions and on strategic cooperation between Albania and Kosovo was signed on 02.07.2019.



Amendment to the Law on Tax Procedures: Taxpayers have 90 days to open a bank account for their business!

Taxpayers registered with the National Business Center / Tax Administration are obliged to open their business bank account no later than 90 (ninety) days after the entry into force of this law (date 26.07.2019) and declare it to tax authorities.

Meanwhile newly registered taxpayers are required to open a business / organization bank account no later than 20 (twenty) calendar days from the day after their registration at the National Business Center / Tax authorities and report it to the Tax Administration.

According to Law no. 31/2019 "On some

additions to Law no. 9920, dated 19.05.2008 "On tax procedures in the Republic of Albania", as amended, it is stipulated that, taxpayers physical persons registered for value added tax, taxpayers legal entities irrespective of their turnover, as well as nonprofits organizations registered with the tax authority are required to have a business / organization bank account registered and declare it to the tax authorities.



In case of non-fulfillment of the tax obligation mentioned above, the law provides sanctions for taxpayers ranging from Lek 25'000 to Lek 50'000.

Elda Llambi



Amendments in the law "On business registration"

With the Law no. 30/2019 were presented some additions and changes of the Law no. 9723, dated 3.5.2007, "On business registration", as amended. The articles and obligations added are the followings:

- A** Registration for the change of shareholder or quotaholder and / or in the partnership structure of legal entity should be done within 30 calendar days from the date of occurrence of the factual circumstance of the change of shareholder or quotaholder and / or partnership structure. In case of non-registration within the above mentioned deadline a fine of 50'000 Lek is applied.



- B** The application for the initial registration of the companies is jointly made by all the founders or the administrator of the company when authorized, or by any person authorized by them.

The application for other registrations is made by the persons responsible for the representation the company before third parties or any person authorized by them.

The application for registration of legal transactions related to participation, quotes or shares may also be made by the member, partner or shareholder to whom they belong, or by any person authorized by them.



- C** In the case of transfers of shares in a joint stock company, they may all be submitted at the time of registration of the annual balance sheet and audit report by attaching the full list of registered shareholders with their identification data on the nominal shares, as well as the total number of all its shares.

In case of non-registration within the above mentioned deadline a fine of 100'000 Lek is applied.

Elda Llambi

Save time - Pay online 13 tax liabilities, through e-Albania

We would like to bring in attention of every entrepreneur or individual that now you can make online payments of 13 tax liabilities through e-Albania at any time and without any printing costs. Payments can be made directly from the workplace, home or mobile.

Taxpayers can pay their taxes by logging into their e-Albania account with their credentials. They can make partial or full payment for these taxes and tariffs:

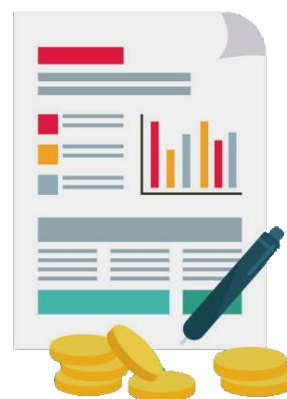
- Personal Income Tax for Small Business
- Tax on Gambling
- Income Tax on Employment
- Tax Deducted at Source
- The value added tax
- Simplified Profit Tax
- Income tax
- Personal Income Tax
- National Taxes
- National Tariffs
- Mining Rent Taxes
- Social and Health Contributions
- Global Obligations/Penalties

The General Directorate of Taxation remains fully committed to facilitating procedures, to offer at any time and at least cost, a quality service for taxpayers.



Facilitation for Business - Residential Tax Certificate can now be obtained online

The General Directorate of Taxation, following the Deregulation Reform, one of the most important initiatives of the Albanian Government, for the facilitation and modernization of public services, informs that **the "Residence Tax Certificate" can now be obtained through the electronic platform e-Albania**, at any time and at no cost.



This new online service provides the legal document, which certifies the payment of the taxes on the global income in Albania, by the requesting subject. This Certificate, equipped with Digital Signature is recognized by all countries with which Albania has an Agreement for Avoiding Double Taxation and the Prevention of Fiscal Evasion.

The General Directorate of Taxation remains fully committed to facilitating procedures, to offer at any time and at least a cost, a quality service to all taxpayers.

Elda Llambi

Tax Administration Taxpayers - How to pay tax liabilities by installments

The General Directorate of Taxation brings in attention of all taxpayers, who have unpaid tax obligations and have fulfilled the legal conditions, that they can sign with the Tax Authority an Agreement for payment of tax liabilities by installments.

The taxpayer, in order to benefit from this facility, should justify the temporary financial un-ability.

The Agreement for payment of tax liabilities by installments can not be related to tax liabilities imposed by the tax administration for a tax assessment carried out.

The Agreement for payment of tax liabilities by installments can not be related to the tax liability self-declared by the taxpayer, which is calculated, collected or retained by him, including social and health contributions.

Taxes of such a nature, but not limited to, are:

- · Value added tax;
- · Tax Deducted at Source;
- · Personal Income Tax
- · Social and Health Contributions
- · Any type of tax that is calculated, collected and retained by the taxpayer.

The Agreement for payment of tax liabilities by installments can not be extended beyond the end of the year following the year in which it is signed. In the cases of The Agreement for payment of tax liabilities by installments, the taxpayer pays the delay interest rate but does not pay any fines for late payment.



The steps to be followed to sign an Agreement for payment of tax liabilities by installments are:

→ **Step 1**

Written request addressed to the Regional Tax Directorate under whose jurisdiction it is registered. (Explain the circumstances and the reasons why it is required to enter into an agreement to pay installments tax liabilities.)

→ **Step 2**

The Regional Tax Directory within 10 days notifies whether the request is accepted or refused.

→ **Step 3**

If the application is accepted, the Agreement for payment of tax liabilities by installments shall be signed. This agreement is signed by the taxpayer and the director of the regional tax directorate or the director of a similar entity, only if the taxpayer immediately pays 20% of the value of the obligation, to which the Agreement for payment of tax liabilities by installments relates.

By signing this agreement the taxpayer through the E-filing module has the right to follow its real-time his situation and generate a "Payment Order" dedicated exclusively to the installment payment plan. In this case the payment will go only for the period / periods specified in the next installment.

We bring in your attention that the Tax Administration suspends all the measures for collection by force of tax liabilities, but it does not withdraw the determined measure to secure the payment of the tax liability. The signing of an Agreement for payment of tax liabilities by installments does not stop the calculation of the the delay interest rate for non-payment in the deadline of the tax liability remaining unpaid.

Elda Llambi

The taxpayer, to whose property has been issued a decision for the imposition of security measures either Security Burden or Mortgage Burden, in cases where it is

alleged that the implementation of security measures has not been executed on a regularly, is entitled to present a complaint before the Regional Tax Directorate.

A new electronic service for taxpayer is added

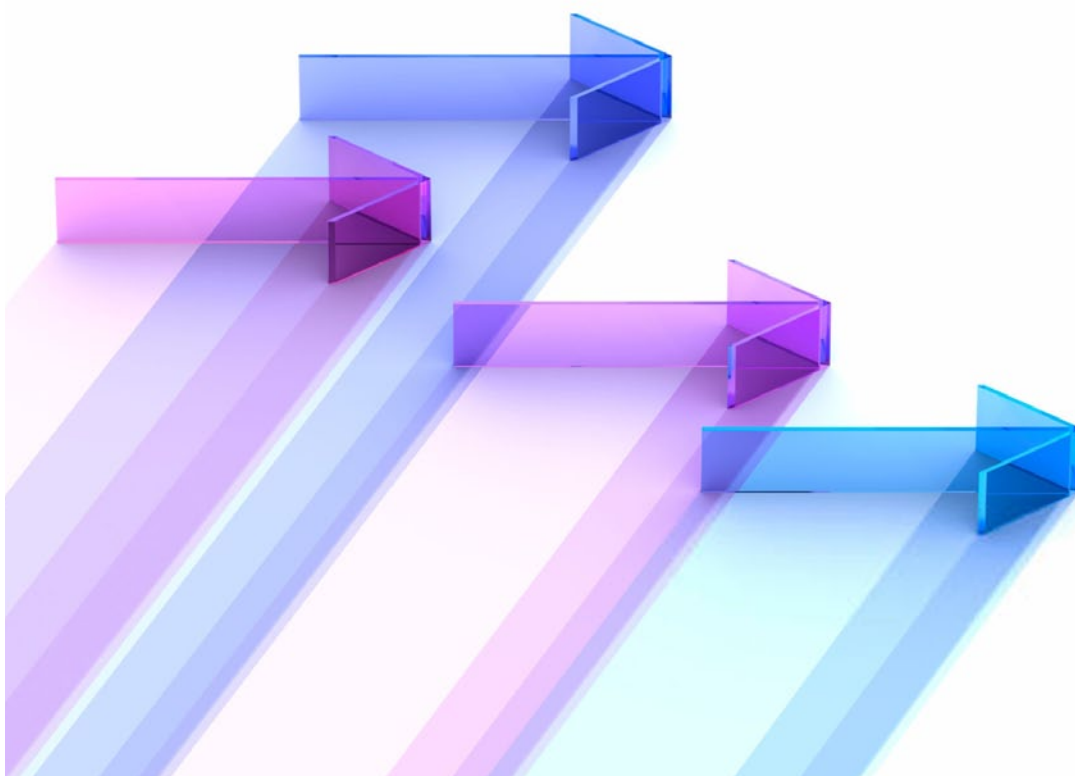
Every entrepreneur now has the opportunity to submit an online application for the "Payroll of Social and Health Insurances and Employment Income Tax, which is provided with digital stamp at any time and without any cost.

This new service is added to the portfolio with 9 types of certificates (7 for taxpayers and 2 for individuals) with digital stamp, which the Tax Administration offers online through e-Albania

The providing of the "Payroll of Social and Health Insurances and Employment Income Tax" avoids the physical presence of taxpayers at the Service Centers counters.

For any questions or clarifications about usage of this service, please contact helpdesk@e-albania.al

The General Directorate of Taxation remains fully committed to facilitating procedures, to offer at any time and at least a cost, a quality service to all taxpayers.





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Immigration
Employment
Competition
Intellectual Property
Antitrust and Unfair

Banking and Finance
and Privatization
Commercial Tax
Property and Real Estate
Aviation
Administrative Procedures and Appeals

Energy & Infrastructure
Projects Bankruptcy -
Insolvency - Restructuring
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