

Tax Alert

August 2020



Mazars fiscal experts in Albania have prepared the latest tax alert summarizing some important fiscal amendments and additions published lately.

❖ **Extension of deadline for revaluation of immovable properties**

All individuals who own an immovable property have the right to make the revaluation of the aforementioned property at market value, until 31st of December 2020. The deadline of revaluation, prior to this change was September 30, 2020. For more details in regards to the process to be followed, please refer to Tax Alert No.2 published by Mazars Albania.

Source: On some amendments to Law No. 90/2019: "On the revaluation of immovable properties", Official Gazette no. 136.

❖ **Extension of deadline for the reporting of financial accounts in the framework of automatic information exchange**

Besides for the first reporting, the process of exchanging information between Albanian tax authorities and the authorities of other jurisdictions will take place within 31.12.2020. For other subsequent periods, the deadline of exchange will be within the 9-month period of each year.

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Besides for the first reporting, the financial institutions subject to reporting rules, after applying the due diligence procedures, shall report the pre-existing accounts on 01.01.2019, and accounts opened during 2019 within 15th of November 2020. Prior to this change, the reporting deadline of pre-existing accounts was 31st of July 2020.

Source: *On some amendments to Law No. 4/2020 “On the automatic exchange of information on financial accounts”, Official Gazette no. 146*

❖ Extension of deadline for implementation of fiscalisation process for cash transactions

The deadline for implementation of fiscalisation process for B2C transactions is postponed to September 2021.

Initial Deadline	Current Deadline
September 1, 2020 - for cash transactions from taxpayers subject to value added tax and corporate income tax with turnover above ALL 8 million.	Postponed until September 2021
January 1, 2021- for cash transactions from taxpayers subject to value added tax and reduced corporate income tax with turnover above 2 million	Postponed until September 2021
January 1, 2021 - for cash transactions from taxpayers subject to reduced corporate income tax with turnover up to ALL 2 million	Postponed until September 2021
January 1, 2021 - for non-cash transactions between taxpayers and public bodies	Remains 1 st of January 2021
July 1, 2021 - for non-cash transactions business to business	Remains 1 st of July 2021

Source: *On some amendments to Law No. 87/2019 “On invoice and turnover monitoring system”, Official Gazette no. 146*

❖ Changes to the minimum threshold for VAT registration purposes

The minimum threshold for VAT registration purposes is increased to ALL 10,000,000 in a calendar year. The minimum threshold criteria is now applicable to freelancers as well. Prior to this change, the minimum VAT registration threshold was ALL 2,000,000 for all taxpayers, whereas freelancers were subject to VAT despite the annual turnover.

The taxable person has the right to choose to apply the VAT regime, if the annual turnover is greater than 5,000,000 ALL.

Source: *On some amendments to the decision no. 953, dated 29.12.2014, of the Council of Ministers, “On the implementing provisions of law no. 92/2014, ‘On value added tax in the Republic of Albania”, as amended, Official Gazette no. 139.*

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Other amendments

The Council of Ministers has approved some amendments to Law no.8438 "On Income Tax" which provide the removal of income tax for companies generating annual revenues of less than ALL 14,000,000.

The amendments will be effective after being published in the Official Gazette with effect as of 1 January 2021.

Proposed	Actual
The applicable income tax rate is expected to be: 1) 0% for taxpayers with turnover up to ALL 14,000,000 per year 2) 15% for taxpayers with turnover over ALL 14,000,000 per year.	The current income tax rate is: 1) 5% for taxpayers with turnover up to ALL 14,000,000 per year 2) 15% for taxpayers with turnover over ALL 14,000,000 per year.

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