

July 2021



Fiscal experts in Mazars, bring you the next newsletter as a summary of changes / legal additions and the latest legal announcements published in our country.

## LEGAL CHANGES

### ❖ Non-application of fines for the fiscalization process

Administrative penalties provided as per law no. 87/2019 "On the invoice and the circulation monitoring system" and detailed in the Tax Alert no. 2 of Mazars, will not be applied until December 31, 2021.

We emphasize that the postponement of the deadline is related only to the non-application of fines and not to the implementation of the fiscalization process per se.

*Source: Official Journal no. 106, dated 02.07.2021, Normative act of the Council of Ministers no. 27, dated 1.7.2021 "On an addition to Law No. 9920, dated 19.5.2008, "On Tax Procedures in the Republic of Albania", as amended"*

### ❖ VAT refund process for exporters

Taxpayers, who export occupy 50% - 70% of the sales value, will be reimbursed within 30 days from the date of submission of the request for VAT refund, regardless of the finalization of the tax audit process initiated in such regards.

The criteria to be fulfilled by the taxpayers for being declared as "zero risk" exporters are re-specified as follows:

- a) Having an "active" taxpayer status;



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- b) The value of exports made in the tax period (s) for which a refund is requested is more than 70% of the total value of sales, including exports, *verified by customs export reports in the system*;
- c) Having carried export activity for at least 1 year;
- d) Having no unpaid obligations of social and health insurance contributions.

Prior to this change, exporters would have to present as a proof of export performance the customs export declaration, issued according to the customs legislation in the Republic of Albania.

*Source: Official Journal no.111, dated 14/07/2021. Decision no. 418, dated 8.7.2021 "For an Amendment to 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"*

## ❖ The double tax treaty with the Kingdom of Saudi Arabia enters into force

The double tax treaty signed between the Council of Ministers of the Republic of Albania and the Kingdom of Saudi Arabia, for the avoidance of double taxation and the prevention of tax evasion, in relation to income tax and capital, is now ratified.

The agreement is effective from December 1, 2019, according to the official publication on the website of the General Tax Directorate.

*Source: Official Journal no.84, dated 02/06/2021. Notification of the Ministry for Europe and Foreign Affairs no. 6489, dated 31.5.2021 "On the Entry into Force of an International Agreement".*

## ANNOUNCEMENTS

### ❖ Use of current invoice booklet

The use of existing invoice booklet by the taxpayer is postponed until August 31, 2021. Previously to this announcement, the use of the invoice booklet was allowed until the start of the fiscalization process, according to the dates set for each category.

Meanwhile, taxpayers can withdraw the invoice books at the regional directorates where they are registered until August 15, 2021.

*Source: [tatime.gov.al/d/8/45/0/1630/njoftim-ne-lidhje-me-perdorimin-e-dokumentacionit-tatimor](https://tatime.gov.al/d/8/45/0/1630/njoftim-ne-lidhje-me-perdorimin-e-dokumentacionit-tatimor)*

### ❖ On the procedure of fiscalization of import declarations

Taxpayers are obliged to fiscalize the import invoice no later than 3 days from the moment the goods are placed under the procedure of free circulation by the Customs Authority.

This procedure should be performed as follows:

- 1) After the goods arrive at the border and the customs clearance procedure is performed, the customs authority issues the customs declaration, and sends the data from the customs declaration to the information system of the Tax Administration.
- 2) Some of the customs declaration data (specified in the Instruction) will be transferred to the Central Invoice Platform.



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- 3) The taxpayer will have to fiscalize the invoices for the imported goods on the Self-Care portal.

*Source: [tatime.gov.al/d/8/45/0/1632/njoftim-mbi-proceduren-e-fiskalizimit-te-deklaratave-te-importit](https://tatime.gov.al/d/8/45/0/1632/njoftim-mbi-proceduren-e-fiskalizimit-te-deklaratave-te-importit)*

## ❖ On reporting of the bank accounts

The register for collecting the bank accounts data as per law no. 154/2020 "On the Central Register of Bank Accounts" has now been established. All financial institutions, banks and non-banks, which have in their administration bank accounts and security tapes, should report the account holders as per the specifications of the aforementioned law.

The non-reporting of the required data, is subject to penalties according to the provisions of the law.

*Source: [tatime.gov.al/d/8/45/0/1629/njoftim-per-detyrimin-ligjor-te-raportimit-te-llogarive-bankare](https://tatime.gov.al/d/8/45/0/1629/njoftim-per-detyrimin-ligjor-te-raportimit-te-llogarive-bankare)*

## ❖ Announcement for registration of electronic invoice payments

Banks, other non-bank financial institutions and other entities that provide cashless payment services will need to register and inform the Tax Administration of any payments made during each business day, in the name and on behalf of their customers. This procedure will need to be followed for cashless transactions between two taxpayers and/or taxpayers and public bodies.

The announcement will be made by electronic means, through the internet connection with the information system of the Tax Administration, within the end of each working day.

*Source: [tatime.gov.al/d/8/45/0/1626/njoftim-per-institucionet-financiare-jobankare](https://tatime.gov.al/d/8/45/0/1626/njoftim-per-institucionet-financiare-jobankare)*

## REMINDER

### ❖ Submission of annual financial statements to the NBC

A reminder to all entities that 31 July 2021 is the deadline for the submission of annual financial statements, performance report and audit report to the National Business Centre.

In case of non-submission of documents, an administrative fine of 15,000 ALL is applied.

*Source: Official Gazette no. 32, dated 09.03.2015, Law no. 8/2015 dated 19.2.2015 "For some changes and additions to law no. 9723, dated 3.5.2007, "On the National Registration Center", as amended*

### ❖ Submission of the decision for approval of the annual result and destination of the profit

A reminder to all entities that the deadline for submitting the decision of the responsible body for the purpose of annual profit destination is July 31, 2021. The decision must be uploaded electronically in the e-filing system.

The failure of submitting such decision is subject to a fine of 10 000 ALL.

*Source: [tatime.gov.al/d/8/45/0/688/31-korrik-afati-i-fundit-per-dorezimin-e-vendimit-per-destinimin-e-fitimit-pas-tatimit](https://tatime.gov.al/d/8/45/0/688/31-korrik-afati-i-fundit-per-dorezimin-e-vendimit-per-destinimin-e-fitimit-pas-tatimit)*



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