

Tax Update

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Muja Law brings you the latest issue of the *Tax Update*.

Recently in the Official Journal No.11, dated 15.01.2026, a series of laws and amendments have been published which affect the overall fiscal legislation in Albania.

Some of the most important aspects of these legal acts are as follows:

❖ **Law No.79/2025, dated 11.12.2025, “On some amendments to Law No. 9920, dated 19.5.2008, “On Tax Procedures in the Republic of Albania”, as amended (hereinafter referred to as “Law No.79/2025”)**

Law No.79/2025 provides that assessments, notifications, decisions and official communications of the tax administration, addressed to the taxpayer, are notified by sending them to their electronic account in the “e-filing” tax system and/or through the registered mail service.

The acts and any other correspondence sent to the taxpayer by the tax administration are considered received by the taxpayer *no later than 10 calendar days after the date of sending the electronic message or registered mail*. For electronic notifications, the date of notification is the *date of sending the electronic message* and for documents sent by registered mail, the date of notification is the *date of receipt of the document by the postal service*. For the

purposes of determining the start of the deadline for receiving tax acts, according to this law, in the calculation of the deadlines, in accordance with the Code of Administrative Procedures, the day on which the act is issued is not included.

The taxpayer is obliged to declare accurate data related to the address and e-mail, in order to ensure timely receipt of notifications.

Additionally, in virtue of the new amendments of Law No.79.2025, economic and commercial activity, also includes *activity carried out via the Internet*.

Natural persons, commercial and self-employed individuals and entities that carry out economic and commercial activity according to this point, must publish on the website through which they carry out this activity, the following data: a) NUIS number; b) name of the commercial entity; c) address of the headquarters; d) telephone number.

The Law specifies that when the tax administration identifies persons who carry out economic and commercial activity via the Internet and have not published this data on their website, it shall send them an official notification for their publication. If within 15 days of receiving the official notification, measures are not taken to publish the data, the tax administration shall request the Electronic and Postal Communications Authority to temporarily block the website through which the activity is carried out.

As per Law No.79/2025, taxpayers, natural persons, commercial and self-employed individuals or entities may not carry out cash sales or purchase transactions with each other when the transaction value is *greater than 100 000 Lek (approx. 1000 EUR)*.

Natural persons, commercial and self-employed individuals or entities may not carry out cash sales or purchase transactions with individuals when the transaction value is *greater than 500 000 Lek (approx. 5000 EUR)*.

Taxpayers who make cash sales must be equipped with a “POS/POI” terminal at each point of sale, according to the following schedule:

- a) By May 30, 2026, all taxpayers who:
 - i. carry out economic activity as accommodation structures, as defined in the law on tourism, and specifically, “Guesthouse”; “Apartment block”; “Motel”; “Bed and breakfast”; “Hotel”; “Distributed hotel”; “Resort” and “Cultural heritage accommodation structure”;
 - ii. provide services in the transport sector; and
 - iii. public institutions and public companies with state capital;
- b) By December 31, 2026, all other taxpayers not mentioned above.

The following are *exempt* from the obligation to equip with a “POS/POI” terminal:

- a) taxpayers who carry out economic activity in areas where there is no internet coverage;
- b) taxpayers who are exempt from the obligation to issue invoices, according to the law

on invoices and the circulation monitoring system;

c) taxpayers who simultaneously meet the following criteria:

- i. are not subject to value added tax;
- ii. have tax liability for personal income tax from business;
- iii. do not have more than one location for carrying out business activity;
- iv. have the employment status/category “Single self-employed”.

The “POS/POI” terminal is the device that enables the use of bank cards or other electronic payment instruments at the point of sale or interaction. Payment information is obtained through paper invoices from mechanical or electronic terminals.

Law No.79/2025 provides that the taxpayer shall submit the tax return electronically from their account in the tax administration's information system.

Additionally, as per the provisions of the Law, the declarant of the annual personal income tax return may correct the submitted return within 6 months from the date of submission, but not more than twice.

Entry into force

The Law enters into force 15 (fifteen) days after its publication in the Official Journal.



❖ **Law No. 80/2025 "On some amendments to law no. 92/2014, "On value added tax in the Republic of Albania", as amended (hereinafter referred to as "Law No.80/2025").**

The Law No.80/2025 provides that the compensation rate for agricultural producers is 10 (*ten*) percent.

Additionally, as per the Law's provisions, the buyer of agricultural products, a taxable person registered for VAT, who carries out activity as a collector and/or processor of agricultural products or certified agrotourism, in virtue of the legislation in force on tourism, issues a tax invoice to the seller, agricultural producer for each supply of goods and services received from him. The value of the invoice represents the value of the supply paid by the buyer on behalf of the seller, on which the compensation rate is applied, in virtue of this law.

The invoice must indicate the NUIS and the compensation granted is paid to the agricultural producer by the tax administration. To benefit from this compensation, the seller, agricultural producer, must submit to the tax administration, via postal service or electronically, a request for compensation, accompanied by copies of invoices issued by the buyer of agricultural goods and services, as well as their bank account number.



The request for compensation shall be submitted according to the following periods:

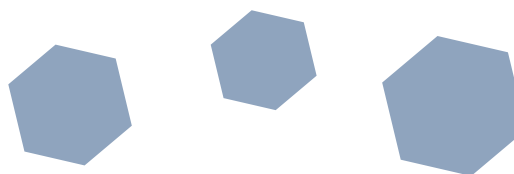
a) within December 31 for supplies made during the period January-June of the relevant year;

b) within June 30 of the following year for supplies made during the period July-December of the previous year.

The tax administration shall carry out the compensation within 30 (*thirty*) days from the date of submission of the request.

Entry into force

The Law enters into force 15 (fifteen) days after its publication in the Official Journal.



❖ **Law No. 81/2025 "On some amendments to Law no. 29/2023, "On income tax", as amended (hereinafter referred to as "Law No.81/2025").**

Law No.81/2025 provides that crypto-asset is a digital representation of a value or right that can be transferred and stored electronically through the use of distributed ledger technology or similar technologies.

In virtue of the new amendments, artists who are not citizens of the Republic of Albania *shall not* be considered tax residents in the Republic of Albania for a period of 24 (twenty-four) months from the date of first entry into the territory of the Republic of Albania, regardless of the days of stay.

Entry into force

The Law enters into force 15 (fifteen) days after its publication in the Official Journal.

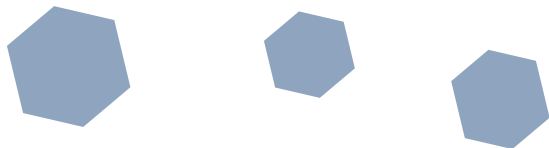


❖ Law No. 82/2025 “On some amendments to “Law no. 9632, dated 30.10.2006, “On the local tax system”, as amended (hereinafter referred to as “Law No.82/2025”).

Law No.82/2025 provides that exempt from the payment of this tax are immovable state property and public property intended for the exercise of public functions, built with funding from the state budget, local self-government units or from investments by public entities. The exemption is not considered a reduction or abolition of local income tax, within the meaning of Law No. 69/2017, “On Local Self-Government Finances”.

Entry into force

The Law enters into force 15 (fifteen) days after its publication in the Official Journal.



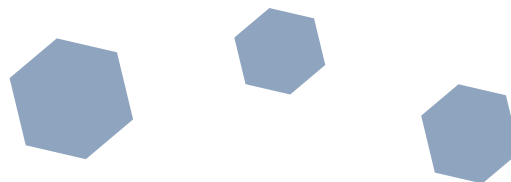
❖ Law No. 83/2025 “On some amendments to Law no. 87/2019, “On the billing and the circulation monitoring system”, as amended (hereinafter referred to as “Law No.83/2025”).

Law No.83/2025 provides that if the buyer is an individual not registered as a business entity,

the invoice shall state their full name, personal identification number (ID) and the exact address where the goods are to be delivered.

Entry into force

The Law enters into force 15 (fifteen) days after its publication in the Official Journal.



❖ Law No. 84/2025 “On the fiscal peace agreement” (hereinafter referred to as “Law No.84/2025”).

The purpose of Law No.84/2025 is to encourage the voluntary fulfillment of corporate income tax or personal income tax obligations by businesses, as well as the revaluation of financial statements through a one-year agreement, in return for not exercising tax control for this tax during the tax year of the agreement.

This law applies to taxpayers who exercise economic activity in the territory of the Republic of Albania, who:

- a) are registered with the National Business Center;
- b) are subject to corporate income tax or personal income tax from business according to the provisions of the law on income tax and do not benefit from reduced rates and exemptions according to Law No. 29/2023, “On Income Tax”, as amended;
- c) meet the conditions and criteria set out in this law and in the sub-legal acts implementing it.

The fiscal peace agreement applies for one tax year, with the right to renewal for 2 (two) tax years.

In virtue of the law, taxpayers, voluntarily, apply through the electronic platform "e-filing" for the conclusion of a fiscal peace agreement, according to the conditions and criteria set out

in this law and the sub-legal acts implementing it. The estimated taxable profit is the taxable profit of the previous year increased by 18% compared to the taxable profit of the previous tax year.

The tax on taxable corporate profit or tax on personal business income is calculated as the multiplication of the rate, according to the definitions in Law No. 29/2023, “*On Income Tax*”, as amended, with the taxable profit increased by up to 18%.

For any taxable profit exceeding the value provided above, a tax rate of 5% is applied.



As per the law's provisions, taxpayers who enter into a fiscal peace agreement have the right to re-declare specific elements of the company's annual financial statements, liabilities or equity, for up to the previous three tax years. In their application for the conclusion of the agreement, the taxpayer must state that they will also re-declare the financial statements.

For any difference of up to 30% arising from the actual situation with the current accounting situation, a difference that has a net effect of increasing income or capital, the entity shall be liable to pay the following tax:

a) monetary assets, re-declaration of the company's cash position, whether decreasing or increasing. Tax at the rate of 5% of any negative or positive deviation from the actual cash

position;

b) other financial assets - write-off of irregular amounts in the receivables item. Tax at the rate of 5% for writing off irregular liabilities;

c) write-off of irregular declared tangible/intangible long-term assets. Tax at the rate of 5% against writing off irregular inventory;
ç) declaration of tangible long-term assets not included in the financial statements. Tax at the rate of 5% for including the tangible/intangible long-term asset;

d) write-off of irregular liabilities/debts in the financial statements. Liabilities are written off by considering them as non-taxable income against payment of tax at the rate of 5%;

dh) re-declaration of the company's retained earnings and its distribution as dividend/profit. Tax at the rate of 5% on dividends and profit sharing.

Any difference accounted for, based on the regulatory framework of private sector accounting for this purpose, shall be classified as non-taxable income or non-deductible expense for the purposes of the income tax return or the simplified income tax.

The amounts of liabilities to the shareholders of the company, revalued according to the provisions of this article, may be freely used by them for business or personal purposes.

No restatement of positions may give in the past periods, the current period or future periods effects on the increase of expenses or other elements, which reduce the taxable profit or the VAT payable.

For all the above transactions, administrative penalties will not be applied according to the legislation in force on tax procedures and no tax control will be exercised.

Taxpayers who simultaneously meet the following conditions are entitled to apply for the fiscal peace agreement:

a) are natural persons and entities registered in the tax register and carry out economic activities in the Republic of Albania;

b) do not have unpaid or undeclared tax liabilities;

- c) are not in the process of an administrative appeal;
- ç) are not subject to criminal proceedings for tax offenses.
- d) have not been convicted by a final decision for tax fraud, laundering of the proceeds of crime or concealment of income;
- dh) are not subject to investigation by the tax administration;
- e) do not carry out concession projects.

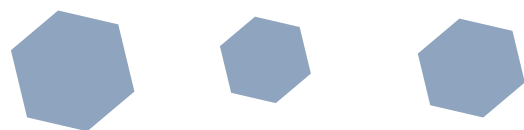
The fiscal peace agreement includes:

- a) the assessment and predetermination of the taxable profit, resulting from the economic activity of the taxpayer;
- b) the tax rate for corporate income tax and personal business income tax;
- c) the right to restate certain elements of the company's annual financial statements, according to the tax rate and procedure specified in this law.

The taxpayer has the right to accept or reject the proposed fiscal peace agreement from the tax administration by April 15. Upon acceptance via electronic signature, the agreement is considered concluded and has legal effect for the relevant tax year.

Entry into force

This law enters into force 15 (fifteen) days after its publication in the Official Journal and extends its effects until the tax year 2028.



❖ **Law No. 86/2025 “On the deletion, exercise and payment of tax duties towards the central and local tax administration and of duties payable to customs” (hereinafter referred to as “Law No.86/2025”).**

This law provides the conditions for the cancellation, extinguishment and payment of unpaid tax liabilities to the central tax

administration in the "e-tax" tax system or outside it, to the local tax administration, as well as to the liabilities payable to customs.

The law provides that the following shall benefit from the provisions provided for in this law:

- a) taxpayers registered in the active, passive, deregistered or other statuses in the “e-tax” tax system for tax liabilities to the central tax administration, according to this law;
- b) entities registered in the active, passive or deregistered register for tax liabilities to the local tax administration, according to this law;
- c) entities debtor to the customs administration for liabilities, according to this law;
- ç) by 31.01.2027, the relevant bodies shall publish on the official website of the institution, the complete list of 3000 (three) thousand taxpayers/entities that have resulted in the largest cancellation/extinguishment of liabilities according to the provisions of this law. In any case, the list shall include all taxpayers/entities whose liabilities have been cancelled/extinguished in an amount not less than 5 million lek.



The law provides that the cancellation/extinguishment of the obligations provided for in this law shall not benefit taxpayers/subjects who have tax obligations/duties payable to customs, who have been convicted by a final court decision or are in judicial proceedings or investigation for criminal offenses in the tax and/or customs field, within the meaning of the relevant

legislation, before or during the implementation of this law. The information shall be provided by the judicial authorities, by the Ministry of Justice and/or its subordinate institutions or by independent judicial bodies.

In virtue of the law, unpaid tax liabilities, pertaining to tax periods up to December 31, 2014, which result from being calculated or recorded in the taxpayers' tax accounts or recorded in the tax administration's accounting, except for social and health insurance contributions, as well as cases when otherwise provided for in this law, are completely erased. Unpaid liabilities, determined according to Law No. 9632, dated 30.10.2006, "*On the local tax system*", as amended, relating to tax periods up to 31 December 2014, are deleted/erased.



Administrative penalties (*finances and interest on arrears*) for social and health insurance, relating to the tax periods up to 31 December 2014, which result in being calculated or recorded in the taxpayer's account, including self-employed persons in agriculture, but excluding the contribution, are hereby waived.

Notwithstanding the provisions above, in the case where the principal has been paid and the taxpayer has only outstanding fines and interest on his account, the fines and interest on arrears are hereby waived.

Unpaid tax liabilities, established for entities deregistered at the National Business Center after the date of deregistration, recorded and

accounted for in the tax administration registers until 31.12.2024, are deleted.

On the other hand, in virtue of the law, for tax liabilities, with the exception of social security and health contributions, pertaining to the tax periods from 1 January 2015 to 31 December 2019:

- a) 50% of the tax liability is extinguished if the remaining 50% of the tax/fee/charge is paid all at once by 30.6.2026;
- b) 25% of the tax liability is extinguished if the remaining 75% of the tax/fee/charge is paid by 31.12.2026.

In both cases above, fines and late payment interest for the respective periods are completely extinguished.

For unpaid local taxes/fees relating to the tax periods from 1 January 2015 to 31 December 2019:

- a) 50% of the local tax/fee is waived if the remaining 50% of the tax/fee is paid all at once by 30.6.2026;
- b) 25% of the local tax/fee is waived if the remaining 75% of the tax/fee is paid by 31.12.2026.

In both cases above, the fines and late payment interest for the respective periods are completely waived.

Notwithstanding the provisions above, in the case where the principal has been paid and the taxpayer has only unpaid liabilities of fines and interest on his account, the fines and interest on arrears shall be waived.

Fines and interest on arrears shall be waived for the liabilities pertaining to the tax periods from January 1, 2020 to December 31, 2024, provided that the tax/fee/fee for the relevant period is paid by 31.12.2026.

Administrative penalties (*finances and interest on late payments*) for social and health insurance, pertaining to the tax periods from January 1, 2015 to December 31, 2024, that result in being calculated or recorded in the taxpayer's account, including the self-employed in

agriculture, are abolished, provided that 100% of the contribution is paid by December 31, 2026.

The following tax liabilities are also subject to cancellation/erasure, according to this law, regardless of the tax period to which they belong:

a) tax liabilities such as: tax/fee/fee/delay interest and administrative penalties for taxpayers, natural or legal persons who are deregistered in the National Business Center or by court decision or who are deregistered in the tax administration *until 31.12.2024*;

b) tax administrative penalties (*fines*) calculated automatically by the system for failure to declare on time, *until 31.12.2024*, including penalties related to the deadline for the declaration of employees;

c) administrative penalties (*fines*) for failure to declare on time for undelivered declarations, pertaining to the periods *up to 31.12.2024*, provided that any undelivered declaration is submitted by 30.6.2026;

ç) administrative penalties (*fines*) for late submission of the decision on the allocation of the result and late submission of the applied financial statements, calculated *up to 31.12.2024*;

d) fines and interests generated in the system from changes to payrolls for past periods, resulting from the implementation of a legal or sub-legal act with retroactive effect or the implementation of a final court decision.

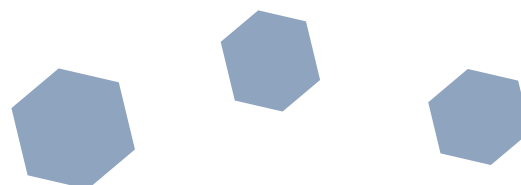
The law provides that obligations payable to customs, incurred towards the tax/customs administration *until 31.12.2014*, recorded in the debt accounting records of this administration, are deleted from the registers. Fines and late payment interest are deleted when the entity is a debtor only for such obligations incurred towards the tax/customs administration *until 31.12.2014*.

In virtue of the law, by 31.12.2026, the relevant bodies shall erase/delete from their accounting records and from the debtor taxpayer's account the liabilities that are erased/deleted according to this law.

This law shall extend its effects from 1 January 2026 until 31.12.2026.

Entry into force

This law enters into force 15 (fifteen) days after its publication in the Official Journal.





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Muja Law is a family-run law office where we work hard for the success of our clients and to provide excellence in legal service. Our roots go back to 2001 when our Managing Partner, Krenare Muja (Sheqeraku), opened her law practice office in Tirana, Albania. Krenare's son Eno joined her in 2014, and the other son Adi entered the practice in 2019. What started in Tirana as a small, family-run law office has grown and flourished in the community for the last 20 years. The office consists of various respected and talented lawyers who possess outstanding educational and community service backgrounds and have a wealth of experience in representing a diverse client base in various areas of the law.

The office is full-service and advises clients on all areas of civil, commercial and administrative law. With significant industry expertise, we strive to provide our clients with practical business driven advice that is clear and straight to the point, constantly up to date, not only with the frequent legislative changes in Albania, but also the developments of international legal practice and domestic case law. The office delivers services to clients in major industries, banks and financial institutions, as well as to companies engaged in insurance, construction, energy and utilities, entertainment and media, mining, oil and gas, professional services, real estate, technology, telecommunications, tourism, transport, infrastructure and consumer goods. In our law office, we also like to help our clients with mediation services, as an alternative dispute resolution method to their problems.

While we have grown over the past 20 years and become recognized as one of Albania's leading law offices, we are grounded in the essence of "who" we are and "where" we started. We understand the importance of family, hard-work, and dedication.

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