



Muja Law brings you the latest *Tax Update* regarding the measures taken in Albania to mitigate the consequences of the COVID-19 infection.

Recently in the *Official Journal No.73, dated 24.04.2020*, among other legal acts have been published the following:

1. Normative Act of the Council of Ministers No. 18, dated 23.4.2020 “*On some amendments to Law No. 8438, dated 28.12.1998, ‘On income tax’*”, as amended (herein referred to as the “*Normative Act 18*”);
2. Normative Act of the Council of Ministers No. 19, dated 23.4.2020 “*On some amendments to the Law No. 9632, dated 30.10.2006, ‘On the local tax system’*”, as amended (herein referred to as the “*Normative Act 19*”);
3. Decision of the Parliament No. 18/2020, dated 23.4.2020 “*On granting consent for the extension of the state of natural disaster*”.

Some of the most important aspects of the above acts, are as follows:

➤ Normative Act 18

Normative Act 18 provides that for taxpayers with a turnover of up to 14 000 000 (fourteen million) ALL, the prepayment installments of the 2020 profit will not be paid.

Furthermore, the Normative Act 18 specifies that for taxpayers with a turnover of over ALL 14 000 000 (fourteen million), profit tax installments for the second and third quarter tax periods, April-June and July-September 2020, will not be prepaid. Payments for these

installments are postponed to April-September 2021. This exception does not apply to taxpayers who carry out economic activities in the field of banking, telecommunications, trade in pharmaceuticals, food products and fruit sales, as well as taxpayers who carry out economic activities in the field of tourism, active processing with ordering material and call center.

Additionally, profit tax installments for tax periods April-December 2020, will not be 1

paid by taxpayers who conduct economic activities in the field of tourism and active processing with ordering material and call center. Payments for these installments are postponed to April-December 2021.

In virtue of the Normative Act 18 the submission of the annual individual income statement for 2019 to the tax administration and the payment of the obligation, if applied, shall be made no later than July 31, 2020.

Normative Act 18 has entered into force immediately.



➤ Normative Act 19

Normative Act 19 provides that investments within reconstruction programs, with the aim of coping with the consequences of natural disasters, are excluded from the payment of the tax of the effect on infrastructure from new constructions.

Normative Act 19 additionally specifies that the simplified profit tax prepayment installments in 2020 will not be paid.

Normative Act 19 has entered into force immediately.

➤ Decision of the Parliament No. 18/2020, dated 23.4.2020 "On granting consent for the extension of the state of natural disaster"

In virtue of the above decision, the Albanian Parliament has given its consent for the extension of the state of natural disaster in the Republic of Albania, declared with Decision No. 243, dated 24.3.2020, of the Council of Ministers, "On the declaration of the state of natural disaster".

As for the above, the state of natural disaster in Albania will continue until 23.6.2020.

This decision has entered into force immediately.



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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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