

In the following we wanted to inform you regarding the entry into force of the new law 10209 dated 23.12.2009 "For some supplements and amendments at the law no. 9920, dated 19.05.2008" :

ARTICLE 16 – THE STRUCTURE OF THE CENTRAL TAX ADMINISTRATION

Into the article 16 has been added the clause e), which provides the introduction of the function of internal investigation anticorruption as one of the functions performed by the central tax administration.

ARTICLE 40 – THE REGISTRATION OF THE PERSONS WHO EXERCISE COMMERCIAL AND NONCOMMERCIAL ACTIVITY.

This article will be changed the denomination into "The registration of the persons, who exercise commercial and noncommercial activity".

According to the amendments foreseen into the clause 4, the self-employed persons in commercial activities or ambulant services and also the paterfamilias that employ persons as home servant, have to be addressed to the tax authorities for the registration procedures regarding the payment of the social insurance contributions or their cancellation. These procedures will be defined at the directive that will be issued by the Minister of Finance for the elaboration of the mentioned law.

ARTICLE 65 - DELIVERY OF THE TAX DECLARATION

To this article has been added the clause 6, according which the Council of Ministers is entitled to determine deadlines for the submission of tax declarations and other tax documents, only through the electronic form.

For this purpose, the Council of Ministers has approved a decision dated on 03.02.2010, where has been clearly determined which are the statements and other tax documents which will be brought before the respective tax authorities within the deadlines foreseen at this decision.

ARTICLE 68 – TAX EVALUATION

The clause 8 of this article is modified, defining that in cases where the tax administration determines that the amount of tax obligation, to be paid necessarily, according to the tax declaration has a value till to 100 (hundred) lek, and this obligation would be considered as an obligation by zero value; in cases where are ascertained obligations with such a value, the tax administration will not conduct any tax evaluation

ARTICLE 105 – THE STRUCTURE AND FUNCTIONS OF THE INVESTIGATION TAX UNIT

To this article has been added the article 105/1, called "Structure and functions of the Internal Investigation (Anti Corruption) Directorate and the units of tax investigation", which defines the qualities and primary purposes of the Internal Investigation Directorate, and the powers that are given to its employees.

ARTICLE 111 - ADMINISTRATIVE PENALTIES

To that article is added to the clause 5, which determines that the value of fines imposed for administrative violations (regarding a tax obligation) cannot be superior to 100 percent of tax obligation in question.

ARTICLE 114 – NOT PAYING INTO THE TERM THE TAX OBLIGATION OR THE CONTRIBUTION

The clause 1 of this article has been modified, defining that the measure of the fine applied in cases of non payment in time of tax liability or contribution, should be equal to 5 percent of the value of the non paid obligation; also, this clause provides that the value of the fine can not be in any case superior than 25 percent of the non paid obligation, but is subtracted the minimum value of the fine of 10 000 lek, which was determined before modifying of this clause.

To the Article 114 is added also the clause 3, which provides that the fine foreseen in the clause 1 will be applied even in cases where the taxpayer changes the initial statement, according to the requirements set forth in the Article 67 of Tax Procedures.

ARTICLE 115 – THE INCORRECT FILLING OF TAX DECLARATION AND THE INCORRECT REQUEST FOR REIMBURSEMENT

The clause 1 of this article has been modified, defining that the measure of the fine applied in cases of the delivery of an incorrect tax statement or an incorrect request for the refund must be equal to 5 percent of the value of the unpaid obligation or the reimbursement which is asked for to be superior; furthermore, this clause provides that the value of the fine may not be in any case superior than 25 percent of the not paid obligation, but is subtracted the minimum value of the fine of 10 000 lek, which was determined before modifying of this clause.

ARTICLE 119 – NON DECLARATION OF THE EMPLOYEES

This article has been fully modified, according the right to the tax bodies to carry out ascertainment at the location of the taxpayer's business and to apply fines, if the taxpayer has not declared to the tax authorities each newly employed, at least 24 hours before the beginning of work, as well as the liability for the payment of the amount of unpaid contributions.

This penalties will have a value of 50 000 (fifty thousand) Lek in the case when the subject is a small business, and 100 000 (hundred thousand) Lek in the case when the subject is a big business with VAT, for each non declared case.

ARTICLE 122 – ADMINISTRATIVE OFFENSES DURING THE USE OF THE FISCAL DEVICES, FOR THE ISSUANCE OF THE FISCAL VOUCHER AND TICKETS.

This article has been radically modified, providing specific penalty fines for any violation set forth in detail, as well as reaching in extremely way (complete closures of the activity) in case of the ascertain by the tax authorities of the systematic repetition of these violations by the taxpayer.

Also, the clause 2 of this Article provides that the powers for the ascertaining, reviewing and providing an appropriate penalty, are foreseen in this article and belongs to the tax body of the jurisdiction in which the taxpayer exercises the business or performs the violations.

ARTICLE 123 – PENALTIES FOR AUTHORIZED AND UNAUTHORIZED COMPANIES

The denomination of this article has been changed, entitling it "Penalties for the authorized and unauthorized companies."

Also, to this article has been added the clause 2, which provides a fine of 1 000 000 (one million) Lek for companies that trades or maintain fiscal equipment unlicensed by the Minister of Finance to other taxable entities, and a fine of 100 000 (hundred thousand) Lek for companies that buy and use such equipments, and also the sequestration of the fiscal device.

ARTICLE 127 – OBSTRUCTION OF THE CONTROL OR TAX INQUIRY

To this article is added the clause 3, which gives to the tax authorities the right of sequestration of the documents, computer and fiscal equipments and other means of keeping the documentation of the taxpayer, in the seat where the subject exercises the activity, in case when they dispose reliable data that the taxpayer hides information about his economic-financial conditions.

This law was promulgated by Decree No. 6385, dated on 13.01.2010 of the President of the Republic of Albania, and enters in vigor on 04.02.2010.

JULIANA MUÇO

TAX AND FINANCIAL ADVISOR