LAW No. 9920, dated 19.5.2008
ON TAX PROCEDURES IN THE REPUBLIC OF ALBANIA

(Amended by: laws no. 10137, dated 11.5.2009; no. 10 148, dated 28.9.2009; no. 10 209, dated 23.12.2009; no. 10 261, dated 1.4.2010; no. 10415, dated 7.4.2011; no. 62/2012, dated 24.5.2012; no. 124/2012, dated 20.12.2012; no. 179/2013, dated 28.12.2013; no. 43/2014, dated 24.4.2014; no. 84/2014, dated 17.7.2014; no. 164/2014, dated 4.12.2014; no. 91/2015, dated 23.7.2015; no. 99/2015, dated 23.9.2015; no. 110/2016, dated 27.10.2016; no. 112/2016, dated 3.11.2016; no. 97/2018, dated 3.12.2018; no. 31/2019, dated 17.6.2019; no. 83/2019, dated 18.12.2019; no. 110/2020, dated 29.7.2020; normative act no. 36, dated 24.12.2021[1]; law no. 83/2022, dated 24.11.2022; no. 95, dated 7.12.2023)

(updated)

Pursuant to Articles 78, 83 point 1 and 155 of the Constitution, upon the proposal of the Council of Ministers,

ASSEMBLY
OF THE REPUBLIC OF ALBANIA

DECIDED:

CHAPTER I
GENERAL PROVISIONS

Article 1
Object of the law

1. This law regulates the procedures for the administration of tax liabilities in the Republic of Albania, as well as the principles of organization and functioning of the tax administration in the Republic of Albania.
2. The provisions of this law apply to all types of taxes and tax liabilities, except in cases where special laws provide otherwise.

Article 2
Scope of application
(amended letter "ç" by law no. 179/2013, dated 28.12.2013)

This law applies to:
a) taxpayers, tax administration, tax agents, tax withholding agents at source, as well as for other persons, as determined by tax legislation;
b) persons in charge of paying, withholding, declaring and transferring to the State Budget the contributions for social and health insurance;
c) persons who pay contributions for social and health insurance, as far as concerns the payment and collection of contributions;

[1] *Normative Act No. 36, dated 24.12.2021, was approved by Law No. 2/2022, dated 27.1. 2022, published in the Official Gazette No. 29, dated 22.2.2022.*

ç) the system of local taxes, taxes and tariffs, insofar as they are not regulated by law No. 9632, dated 30.10.2006, “On the local taxes’ system”, as amended.

Article 3
Tax legislation

Tax legislation consists of:
a) international agreements ratified by the Assembly;
b) tax laws;
c) bylaws, adopted in support of tax laws.

Article 4
Types of taxes and duties

1. Taxes and duties are national or local.
2. National taxes and duties include:
   a) value added tax;
   b) income tax;
   c) excise duty;
   ç) tax on gambling, casinos and racetracks;
   d) national taxes;
   dh) other taxes, which are defined as such by a special law.
3. Local taxes and duties are defined in the law on the local taxes’ system.
4. Social and health insurance contributions are determined in the law on social and health insurance.

Article 5
Definitions
(letter “a” amended by law no. 62/2012, dated 24.5.2012; letter “j” added by law no. 112/2016, dated 3.11.2016, amended points “g”, “h”, “j” and added the letters “k”, “l”, “m”, “n” and “nj” with law no. 83/2022, dated 24.11.2022)

1. In this law, the following terms have the following meanings:
   a) “Tax Administration” includes the General Directorate of Taxation, the regional directorates responsible for the administration of taxes, duties and contributions at the national level and the local government tax units responsible for the administration of taxes, duties and contributions at the local level, except for excise duties. As of 1 October 2012, excise duties are administered by the General Directorate of Customs.
   b) "Tax agent" is the person who collects and transfers taxes and duties to the State Budget;
   c) "Withholding tax agent" is the person who, according to tax legislation, is required to calculate, withhold tax at source on behalf of a taxpayer, report and transfer these taxes to the State Budget;
   ç) “Contribution” is the mandatory monetary liability to be paid as remuneration for a specific service or exercise of rights, for the social and health insurance of employees;
   d) “Books and records” are commercial records, accounting documentation, annual accounts and financial reports, as well as all other documents relating to the taxpayer, business correspondence, invoices and relevant documents that must be created and maintained for the determination of the amounts of taxes to be paid by the taxpayer;

dh) “Tax period” is the same period as the calendar year, except for cases where this law or other tax laws provide otherwise;

e) “Taxpayer Representative” is the person legally authorized to represent the taxpayer in tax matters;

ë) “Tax” is a mandatory and non-refundable payment to the State Budget or the local government bodies’ budget, established by law and not made in exchange for certain goods and services;

f) “Duty” is a mandatory and non-refundable payment to the State Budget or to the local government bodies’ budget, established by law and paid by any person who exercises a public right or benefits from a public service in the territory of the Republic of Albania. The provisions of this law on taxes and tax liabilities apply equally to duties as well;

g) “Taxpayer” means any person who is:
   i. subject to taxes according to the provisions of letters "a" to "dh" of point 2 of the article 4 of this law;
   ii. subject to local taxes, taxes and duties according to point 3 of article 4 of this law;
   iii. subject to payment of social and health insurance contributions according to the relevant legislation in force for social and health insurance contributions;
   iv. withholding tax agent in cases where provided for by this law or other tax laws.

gj) “Principal place of business” is the place of effective management of the business;

h) “Related person” means any person who is linked to another person in a relationship that directly or indirectly affects the determination of the tax base through management, control or ownership. Two persons are linked if one or both persons would act according to the instructions, requests, suggestions or will of the other person or a third person.
   The following persons will be treated as related persons:
   i. husband, wife, ancestors and descendants, between them or between each other;
   ii. an entity in which any person owns directly or indirectly at least 50 per cent of the voting or management rights, dividend distribution rights or capital rights;
   iii. any two or more entities in which another person owns or carries at least 50 per cent of the voting or management rights, dividend distribution rights or capital rights in both entities.

   Where subdivisions “ii” or “iii” above apply, ownership attributed to a person by a related person cannot be attributed to another related person. Two persons shall not be considered related merely because one of them is considered an employee or client of the other person, or both are considered employees or clients of a third person, unless such relationship affects the determination of the tax base, directly or indirectly.

i) "Street vendor" means a taxpayer who sells goods or services to the public without having a fixed place of business, but carries out activity in a single mobile trading unit, or is allowed to trade in public premises authorized by the local government structures that administer the territory and who, for the purposes of paying taxes and contributions, is registered as a street vendor taxpayer with the tax administration.

j) “person” means any natural person and entity;

k) “natural person” means any individual, self-employed individual or commercial individual. It includes employees, self-employed individuals, individual traders, as well as any other natural person who has income from any source, income received from inheritances or donations, or winnings from gambling;

l) “entity” means:
   i. any company or any structure of organizations, whether incorporated or unincorporated (regardless of its type) of a for-profit or non-profit nature;
   ii. for-profit and non-profit organizations;

iii. any form of foreign “trust” or similar structure;
iv. any form of partnership or any entity of a personal nature;
v. any form of joint venture;
vi. any form of capital or asset management company;
vii. any form of company under the Civil Code or the law on commercial companies;
viii. passive or “dormant” partnerships;

m) “self-employed individual” means any natural person engaged in the supply of any type of service, or engaged in other professional activities, other than commercial activity;
n) “commercial individual” means any natural person engaged in commercial activity.

Article 6

Tax liability

(words added to letters “a” and “b” of point 4 by law no. 112/2016, dated 3.11.2016)

1. Tax liability arises when a person earns income, becomes the owner of a property, or makes payments that are subject to tax, according to tax legislation.
2. Tax liability also arises when a person earns income, makes payments, in an illegal manner, or becomes the owner of an item, in an illegal manner. When a person becomes the owner of an item in an illegal manner, this liability is calculated for the entire period in which the person has enjoyed the fruits of this asset.
3. The tax liability includes tax, late payment interest, as well as fines, in cases provided for by this law.
4. The tax liability for deceased individuals or liquidated companies is determined as follows:
   a) in the case of a deceased person, the tax liability ceases on the date of death and the legal heirs, in accordance with the provisions of the Civil Code, are responsible for the calculation and payment of taxes of this person;
   b) In the case of a liquidated legal entity, the tax liability ceases on the date of liquidation and the liquidator or the legally appointed representative, in accordance with the law on traders and commercial companies, is responsible for the calculation and payment of the tax of this person.
5. Tax liabilities are calculated and paid in national currency, except when otherwise provided by law.

Article 7

Rights and obligations of the tax withholding agent

(repealed by law no. 164/2014, dated 4.12.2014)

1. Unless otherwise provided by law, the tax withholding agent has the same rights and obligations as a taxpayer.
2. The tax withholding agent also has the following additional duties:
   a) to accurately calculate and withhold tax on behalf of a taxpayer;
   b) to pay the tax to the State Budget, on the date specified in the law;
   c) keep records of all income paid and withheld taxes for all taxpayers and payments, transferred to the State Budget;
   ç) provide the tax administration with accurate information on taxpayers' returns in the due date, as determined by law;
   d) to perform all other duties provided for by the legal provisions in force.

Article 8

Resident and non-resident taxpayers
(amended by law no. 83/2022, dated 24.11.2022)

Resident and non-resident persons have the same meaning as in the Income Tax law.

Article 9
Appointment of tax representative of non-resident persons
(wording changed in point 1 by law no. 124/2012, dated 20.12.2012)

1. The non-resident taxpayer appoints a resident tax representative and registers with the Regional Tax Directorate, when required by applicable legislation.
2. The non-resident taxpayer may not appoint a tax representative in one of the following cases:
   a) All income, sourced in Albania, is subject to final tax, withheld at source;
   b) The taxpayer submits the tax return himself.

Article 10
Technical guidelines
(changed the second and third sentences of point 2, added point 3 by law no. 112/2016, dated 3.11.2016)

1. The Minister of Finances shall issue a general instruction for the implementation of this law.
2. The General Director of Taxation, upon request of the taxpayer, and when necessary, issues a decision on the official position of the tax administration, in application of tax legislation, for specific circumstances of the taxpayer. The decision is published within 5 calendar days on the official website of the GDT, in the relevant section of technical decisions, while maintaining the confidentiality of the taxpayer's business data. The decision becomes binding on the taxpayer on the date when he receives notification of it in one of the forms provided for in the Code of Administrative Procedures and is applied equally by the structures of the central tax administration, for other, similar cases.
3. The General Directorate of Taxation, at the end of July and December of each year, prepare summary comments on technical decisions regarding the tax treatment of specific cases, grouping them according to their nature. These summary commentaries are published on the official website of the General Directorate of Taxation in the following month.

Article 11
Negotiation of international agreements

1. The Ministry of Finances is, as the case may be, the signing authority or party to the negotiations that take place for all international agreements with tax effects.
2. The authority signing and approving these agreements acts in accordance with the law "On the Conclusion of International Agreements and Treaties".

CHAPTER II
PRINCIPLES, ORGANIZATION AND STAFF OF THE TAX ADMINISTRATION

Article 12
Principles of tax administration

In administering the tax system of the Republic of Albania, the tax administration is guided by the following principles:

a) uniform and effective implementation of legislation by the tax administration;
b) self-assessment and self-declaration of tax liabilities by the taxpayer;
c) encouraging voluntary compliance with tax legislation, through information, education and publication of bylaws;
ç) drafting strategies and taking appropriate measures to reduce the risks that result from non-compliance with tax legislation;
d) cooperation with local and international tax authorities, in order to globalization of world economies;
dh) following changes in the business and legislative environments, as well as adapting resource organization systems, information technology and work processes, to achieve appropriate efficiency and effectiveness;
e) promoting electronic activities, especially electronic declaration and payment of tax liabilities;
ë) recruitment, training and promotion of tax employees who are honest, polite and fair and who, at all times, apply the law, bylaws and decisions, based on objective facts.

Article 13

Organization of tax administration

1. The tax administration consists of:
   a) the central tax administration, which includes the General Directorate of Taxation, regional directorates and its other units;
   b) local tax administration, which includes tax offices, under the authority of local government.
2. The Central Tax Administration is a central institution, subordinate to the Minister of Finances.

Article 14

General Directorate of Taxation, regional directorates and other units

1. The General Directorate of Taxation is the sole central tax authority in the Republic of Albania, which implements and administers national taxes, public payments and the collection of contributions, as provided for in Article 4 of this law.
2. The regional directorate reports to the General Director of Taxation.
3. The regional directorate is headed by the director of the regional directorate.

Article 15

Local government tax offices

(amended by law no. 179/2013, dated 28.12.2013, no. 83/2022, dated 24.11.2022)

Local government tax offices operate and administer local taxes, tariffs and public payments in accordance with the legislation in force for the local tax system.

Article 16

Structure of the central tax administration

(added the letter "e" with law no. 10209, dated 23.12.2009; added the letter "ë" of point 3 with law no. 10 261, dated 1.4.2010; added the letter "f" in point 3 with law no. 91/2015, dated

23.7.2015; amended point 3 repealed point 4, wording changed in point 6 by law no. 112/2016, dated 3.11.2016, point 3 changed by law no. 83/2022, dated 24.11.2022)

1. The organizational structure and the total number of personnel of the central tax administration are approved by the Prime Minister, upon the proposal of the Minister of Finances, after coordination with the Department of Public Administration (DPA).
2. The organizational chart of the central tax administration is approved by the Minister of Finances, upon the proposal of the General Director of Taxation.
3. The central tax administration is organized into directorates and other units according to the following functions:
   a) basic and operational functions, which include:
      i. taxpayer service, registration and education;
      ii. risk management, taxpayer audit, accounting and statistics;
      iii. collection of unpaid tax liabilities/implementation of enforcement measures;
      iv. tax investigation, field verification;
      v. internal anti-corruption investigation, internal audit.
   b) support functions, which include:
      i. finance and budget;
      ii. tax refund;
      iii. technical and legal services;
      iv. support services;
      v. human resources;
      vi. external relations and project management;
      vii. business processes.
4. *(Repealed).*
5. The functions and duties of the General Directorate of Taxation, regional directorates, each directorate, as well as other units of the central tax administration are determined by internal regulations, which are proposed by the General Director of Taxation and approved by the Minister of Finances.
6. The Minister of Finances may decide, in accordance with the legislation in force, to subcontract specialized private entities to carry out the functions provided for in point 3 letter "b" of this article.

Article 17

Employment relationship for the Director and Deputy Directors General of Taxes

(amended by Law No. 112/2016, dated 3.11.2016)

1. The managing body of the central tax administration is the General Director of Taxation.
2. The General Director of Taxation is appointed, laid off, or dismissed from office by decision of the Council of Ministers, upon the Minister of Finances' proposal.
3. Deputy General Directors of Taxation are civil servants and are appointed and dismissed in accordance with the provisions of the legislation on civil servants, upon the Minister of Finances' proposal.

Article 18

Tax Appeal structure

(amended by Law No. 112/2016, dated 3.11.2016)

1. The Tax Appeal Directorate, an integral part of the organic structure of the Ministry of Finances, is an independent decision-making function that examines and decides on

administrative tax appeals for values up to an amount determined by decision of the Council of Ministers. The Director of the Tax Appeal Directorate is appointed and dismissed according to the provisions of the legislation on civil servants.

2. For the review and decision-making of tax appeals, for values above the amount determined by decision of the Council of Ministers, a Tax Appeal Review Committee is established in the Ministry of Finances, consisting of 7 members, three representatives of the Ministry of Finances, two representatives of the General Directorate of Taxation, the Director of Tax Appeal and a representative of the State Attorney's Office.
3. The procedures for the functioning of the Tax Appeal Review Commission, including its composition, chairmanship, secretariat, change of members and the amount of their remuneration, as well as the procedures for reviewing the appeal and decision-making and the limit of the value subject to appeal, the decision-making of which is made by this Commission, are determined by a decision of the Council of Ministers.
4. The Tax Appeal Directorate and the Tax Appeal Review Commission for the administrative tax appeal process are subject to the provisions of Chapter XIII of this law.

Article 19

Employment relationship for tax administration personnel

(amended by Law No. 99/2015, dated 23.9.2015 and No. 112/2016, dated 3.11.2016)

1. The employment relationships of tax administration employees are regulated according to the provisions of the legislation on civil servants, except when otherwise provided for in this law.
2. The employment relationships of other tax administration employees who are not subject to the legislation on civil servants, are regulated based on the provisions of the Labor Code.

Article 20

Employment and employment categories

(amended by law no. 112/2016, dated 3.11.2016)

1. Unless otherwise provided in this law, the General Director of Taxation shall take measures to comply with the legal provisions on the procedures for the employment and recruitment of central tax administration' staff, pursuant to point 2, Article 19 of this law, whose employment relationship is regulated in accordance with the Labor Code.
2. For the category of employees, according to point 1, article 19 of this law, the procedures for their employment, parallel movement and promotion are carried out in accordance with the provisions of the law on civil servants.
3. Salary levels for each category are approved according to the applicable legislation.

Article 21

Personnel remuneration and investment expenses

(amended by Law No. 164/2014, dated 4.12.2014)

1. The General Directorate of Taxation is allowed up to 2 percent of collected tax revenues, to be used for investments in improving and modernizing the revenue collection infrastructure and for incentive bonuses for tax administration' staff.
2. Tax administration' staff are given incentive bonuses for:
   a) the effectiveness of the service provided by tax authorities;
   b) performing a service with particular risk.

3. A decision of the Council of Ministers determines the rules for approving investments and granting bonuses.
4. The Minister of Finances shall, by order, approve each year the measure for investments and incentive bonuses for staff, according to point 1 of this article.

Article 22

Disciplinary procedure

(point 4 added by law no. 99/2015, dated 23.9.2015; amended by law no. 112/2016, dated 3.11.2016)

1. Procedures for violations and disciplinary measures of central tax administration employees, who are civil servants, are carried out in accordance with the law on civil servants.
2. The provisions of the Labor Code apply to other employees of the central tax administration.
3. For the implementation of point 2 of this article, the General Director of Taxation approves an internal regulation of the institution, which details cases of disciplinary violations, in accordance with the legislation in force.

CHAPTER III

GENERAL ADMINISTRATIVE PROVISIONS

Article 23

Ways of communication with the taxpayer

(amended points 2 and 3 by law no. 84/2014, dated 17.7.2014; changed the link in point 2 and added point 3/1 by law no. 112/2016, dated 3.11.2016)

1. The tax administration may require taxpayers to use special forms for submitting documentation, information or requests. When no form is required, any communication required under tax legislation shall be sent electronically or submitted in writing, except as otherwise provided.
2. Assessments, notifications, decisions and official communications of the tax administration, addressed to taxpayers, are notified to them by sending it to the address declared by them:
   a) electronically, in accordance with electronic communications legislation and when the taxpayer has consented to receiving the notification electronically; and
   b) via registered mail service.
3. The acts specified in point 2 of this article, and any other correspondence sent to the taxpayer by the tax administration, are considered received by the taxpayer no later than ten calendar days after the date of sending the electronic message and registered mail. The date of notification is the date of sending the electronic message or receiving the document by the postal service.
   The granting of consent and the manner of obtaining and validity of the granting of consent for the taxpayer's electronic communication with the tax administration are regulated by instruction of the Minister of Finances.

3/1. For the purposes of determining the start of the deadline for receiving tax acts, according to this law, the calculation of deadlines in accordance with the Code of Administrative Procedures does not include the day on which the act is issued. The calculation of the deadline begins from the day after the day on which the act is received or is deemed to have been received by the taxpayer.

4. The taxpayer is obliged to declare the correct address, in order to ensure timely receipt of notifications.

5. The Minister of Finances, pursuant to this article, upon the proposal of the General Director of Taxation, approves the types of documentation, data that must be included in the information, as well as the procedures for sending it to the tax administration.

Article 24
Provision of tax information by the tax administration

1. Tax information related to the taxpayer, administered by the tax administration, is provided free of charge to the authorities specified in this article, upon filing a written request and when the following circumstances are verified:
   a) to the judge, during a trial or investigation of a civil case, related to a taxpayer, for the part pertaining to his relations with the tax administration;
   b) to the judge or prosecutor, during a trial or investigation of a criminal case, to related to a taxpayer, for the part pertaining to his relations with the tax administration;
   c) to the Supreme State Audit Office, only in cases where the request is made in function of the tax administration' audit carried out by this institution, in relation to drafting its recommendations;
   ç) to similar foreign authority, with which the Assembly has ratified an international agreement and the information is required in the context of the execution of the agreement;
   d) to the foreign counterpart authority or domestic authorities, with which the General Directorate of Taxation has signed bilateral or multilateral cooperation agreements, with the object of exchanging information;
   dh) to independent institutions, established by law;
   e) to any other authority, as provided for by special law.

Article 25
Confidentiality

1. Officials and employees of the central and local tax administrations shall maintain the confidentiality of the taxpayer's tax and financial data that they have obtained while exercising their duties. This point does not apply to tax liabilities for which enforcement collection procedures have been initiated.
2. The obligation to maintain confidentiality continues even after the official or employee is no longer employed by the tax administration.
3. Information related to the taxpayer is used within the tax administration, only to the extent required for tax administration.
4. The condition of maintaining confidentiality ends in cases where the taxpayer waives, in writing, his right to maintain confidentiality and to the extent permitted in the declaration made by the taxpayer.
5. The exchange of information, carried out in execution of agreements concluded by the tax administration, is carried out on the condition of maintaining confidentiality for the institutions and individuals who become aware of the tax data.

Article 26
Avoiding conflict of interest
(point 4 added by law no. 99/2015, dated 23.9.2015)

1. Tax administration' officials and employees implement tax laws fairly and impartially and do not administer, influence or direct the taxpayers in their activity, and declare in advance cases when they have a direct or indirect relationship with the taxpayer.
2. Tax administration officials cannot audit or assess their own taxes or those of persons related to them, except in cases of self-assessment.
3. Tax administration employees may not be employed, either part-time or full-time, in other paid activities, except for teaching activities.
4. The central and local tax administration' employees, who enjoy the status of civil servant, are prohibited from having an accounting or fiscal consultancy office owned by them or their relatives, up to the second degree, according to the Civil Code, and related persons, according to the law on conflict of interest. This situation constitutes a conflict of interest and against the employees of the central and local tax administration, who enjoy the status of a civil servant, the measures provided for by the legislation in force for avoiding conflict of interest, as well as the measure of dismissal from work without the right to employment in the tax administration, are taken.

Article 27
Publication of tax information

1. The tax administration may publish information collected during its activities, with the aim of using tax data in compiling statistics.
2. The publication is made in a manner and form that does not allow the identification of a specific taxpayer.

Article 28
Public information
(point 3 added by law no. 164/2014, dated 4.12.2014; amended by law no. 112/2016, dated 3.11.2016)

1. The tax administration has the duty, using all means of communication, including written and electronic media, to inform the public about the content, role and importance of tax legislation. The General Directorate of Taxation publishes informative materials, commentaries and other explanatory materials, regarding tax legislation.
   The General Directorate of Taxation, while preserving the confidential data of the taxpayer, for information purposes, publishes on its official website the opinions issued by it, which provide positions on the implementation of tax legislation.
2. For the purpose of informing the public about new tax legislation, amendments made to tax legislation and bylaws issued in its implementation, the acts are published through the printed and electronic media, as well as through the official website of the General Directorate of Taxation, no later than 15 days from the date of their entry into force.
   The tax administration publishes and keeps updated tax legal and sub-legal acts, as defined in the instruction of the Minister of Finances.
3. The General Directorate of Taxation publishes on its website every six months an information bulletin on the final decisions of the Administrative Court of Appeal, the Supreme Court and the Constitutional Court on tax matters, with the aim of informing taxpayers and on the basis of which, for unified cases, it reflects on a case-by-case basis the technical decisions that are applied to other similar cases.

Article 29

Tax liabilities' file

(point 4 added by law no. 179/2013, dated 28.12.2013)

1. The tax administration creates and updates the tax liabilities' file, where all the taxpayer's liabilities are recorded, according to the liability category, interests, fines and payments related to the taxpayer.
2. The form, method and deadline for storing file's data are determined by regulations approved by the General Director of Taxation.
3. The tax administration makes available and guarantees, electronically, taxpayer access to his file. In cases where the taxpayer cannot use the electronic way of obtaining data, the tax administration makes available copies of the file documents, upon written request of the taxpayer.
4. The General Directorate of Taxation creates a central data system for each taxpayer.

CHAPTER IV
TAXPAYER RIGHTS

Article 30

The right to information and assistance

1. For the purpose of understanding and implementing tax legislation, every taxpayer has the right to receive from the tax administration information and assistance free of charge. Within the structure of the tax administration, structures responsible for serving taxpayers are established.
2. Every taxpayer has the right to impartial, professional and ethical treatment by the tax administration on matters related to tax liabilities.

Article 31

The right to data confidentiality

1. Every taxpayer has the right to confidentiality for their tax and financial data, administered by the tax administration.
2. Tax and financial data are any information obtained by the tax administration, during the exercise of its functions, from the taxpayer or third parties.

Article 32

The right to notification

Every taxpayer has the right to receive notification of any administrative act, action or omission, made for the collection of tax liabilities, which affects his assets, except in cases where the tax administration assesses that there is a real risk that, after receiving the notification, the taxpayer will transfer ownership before the completion of the tax assessment.

Article 33

The right to reasonable audits

The taxpayer has the right to be provided with reasonable audits, carried out at a reasonable time, in the appropriate place and within the deadlines, according to the provisions of this law.

Article 34

The right to information

1. In the event of a dispute over a tax assessment made by the tax administration, the taxpayer has the right to receive a written response regarding the reasons and manner of the assessment and the decision made.
2. Based on the taxpayer's written request, the tax administration issues a certificate for taxable income, outstanding tax liabilities, and payments made by the taxpayer.

Article 35
The right to representation

1. The taxpayer has the right to appoint a representative, by proxy, who represents him in relation to the tax administration.
2. The taxpayer remains personally responsible for fulfilling tax liabilities even in the case of appointing a proxy representative.

Article 36
The right to request written or electronic evidence

The taxpayer has the right to request from the tax administration, electronically or in writing, copies identical to the original, for any document contained in the file opened for him, or to request printed and certified copies of electronic data related to him.

Article 37
The right to be heard

The taxpayer, before an administrative decision is made regarding him and his assets, has the right to be heard by the tax administration.

Article 38
The right to complain
(amended by Law No. 112/2016, dated 3.11.2016)

1. The taxpayer has the right to complaint and to be provided with an independent administrative review of matters related to him, in accordance with Chapter XIII of this law.
2. The taxpayer has also the right to complain administratively, in accordance with the Code of Administrative Procedures, to the Regional Tax Directorate or the General Directorate of Taxation, for any action or inaction of central tax administration' employees that violate the taxpayer's rights.

Article 38/1
Tax Council as an advisory body
(added with law no. 10261, dated 1.4.2010)

1. The Tax Council is established under the Minister of Finances as an advisory body.
2. The Tax Council is a technical advisory and cooperation forum for and between the Ministry of Finances, the General Directorate of Taxation and the taxpayers.

3. The Tax Council aims to discuss issues and propose measures that would enable the implementation of tax legislation with a lower administrative cost for the tax administration and a lower financial cost for taxpayers.
4. The Tax Council has the following functions:
   a) reviewing tax declaration and payment procedures, with the aim of their improvement and facilitation;
   b) examining the difficulties that taxpayers encounter in fulfilling their rights are provided for by tax legislation;
   c) proposing measures to guarantee respect for taxpayers' rights;
   ç) proposing changes to procedures to enable voluntary compliance with tax liabilities at a lower administrative cost for the tax administration and at a lower financial cost for taxpayers;
   d) drafting written materials of proposals for measures that can be taken to improving the procedures for declaring and paying taxes voluntarily;
   dh) drafting written materials of proposals for concrete cooperation plans between professional tax associations, business associations and the General Directorate of Taxation, regarding the information and education of taxpayers;
   e) organizing joint seminars and trainings for tax administration' employees and professional tax organizations of taxpayers.
5. The Tax Council may propose to the Minister of Finances changes to tax legal and sub-legal provisions related to its scope of activity.
6. The sources of funding for the Tax Council are:
   a) State Budget;
   b) contribution of members representing taxpayers;
   c) other legitimate financial sources, provided in the form of donations from institutions or national or international organizations, for the financing of activities related to its object.
7. The composition and manner of functioning of the Tax Council, as well as the financial contributions of the members representing taxpayers in it, are determined by decision of the Council of Ministers.

CHAPTER V
TAXPAYER'S OBLIGATION TO REGISTER

Article 39
Register of individuals
(amended by law no. 83/2022, dated 24.11.2022)

1. The tax administration maintains a special register of individuals according to civil status data, who have acquired full capacity to act, for the purpose of declaring their individual income.
2. The basic identification data of the individual taxpayer, for tax purposes, is the personal number according to the National Civil Status' Registry.
3. The taxpayer's civil status components and any updates thereto are exchanged through the government interaction platform in accordance with applicable legislation.
4. Individuals who bear the legal obligation to submit an annual individual income tax return, and do not comply with this obligation, are notified by the tax administration for the purpose of self-compliance.
5. If the individual does not fulfill the obligation under point 4 of this article, the regional directorate of jurisdiction has the right to assess the relevant tax liabilities.

Article 40

Registration of persons carrying out commercial and non-commercial activities

(title amended by Law No. 10209, dated 23.12.2009; point 4 amended, point 4/1 added by Law No. 84/2014, dated 17.7.2014; points 2.1 and 2.2 added by Law No. 99/2015, dated 23.9.2015; point 2.2 amended, letter "ç" of point 4, by Law No. 112/2016, dated 3.11.2016; one sentence added to point 1 by Law no. 97/2018, dated 3.12.2018)

1. Natural and legal persons shall carry out economic and commercial activities only after their registration, in accordance with Law No. 9723, dated 3.5.2007 "On the National Registration Center". A natural person with the same personal identification number shall be registered only once by the National Business Center. He shall have the right to register and be provided with a new NIPT/NUIS by the National Business Center, only after the deregistration of the existing NIPT/NUIS.
2. Persons registered under this law are provided with a unique, electronically generated identification number, which serves as their tax identification number for national and local taxes.

2.1. The tax identification number does not generate local tax liabilities for entities that exercise their activity through an intermediary at the latter's place of business, registered according to point 1 of this article, as long as the obligation to pay local taxes remains solely with the intermediary, according to his registered business address, where he exercises his activity as an independent and intermediary.

2.2. The Minister of Finances shall issue sub-legal acts in implementation of point 2.1 of this article.

3. The deadline for submitting the application, the application format and the methods of submitting the application are defined in the law "On the National Registration Center". The documents required as part of the application for tax purposes are defined in the sub-legal acts, implementing this law.
4. Registration at the National Registration Center simultaneously serves as registration with the tax administration, as well as in the social and health insurance schemes of the Labor Inspectorate and customs authorities.

4.1. The following legal entities, natural persons and individuals are registered with the tax administration:

a) non-profit organizations, which include foundations, associations, centers, as well as branches of foreign non-profit organizations registered in the register of non-profit organizations, in Tirana Judicial District Court;

b) other legal entities that are not registered in the Commercial Register at the National Registration Center, as well as foreign representations and embassies, national or local public entities, special project implementation units and other similar persons;

c) tax representatives of non-resident taxpayers;

ç) self-employed persons in the activity of street vendors, according to the definition given in letter "j", of Article 5, of this law.

d) head of household, who employs individuals, such as domestic workers, caregivers and other persons of this nature;

dh) farmer.

Persons registered with the tax administration are provided with a unique identification number (NUIS), generated by the system, which serves as their tax identification number for national and local taxes.

The registration method and the documentation administered in the registration file of these persons, at the tax administration, are determined by instruction of the Minister of Finances.

5. Failure to register does not exempt a person from paying tax or complying with other tax obligations.

Article 41

Identification of persons who carry out commercial activities without registering

(amended by Law No. 10415, dated 7.4.2011; added point 3 by Law No. 99/2015, dated 23.9.2015; amended by Law No. 112/2016, dated 3.11.2016; amended wording in the second sentence of point 1 by Law No. 83/2019, dated 18.12.2019)

1. When the tax administration identifies persons who carry out economic and commercial activities without registering with the National Business Center, it imposes the measure of blocking the goods and obliges the person to immediately register with the National Business Center as a value added tax' taxpayer. The blocking measure is lifted after the registration for the economic activity is completed, by applying the measures and penalties, according to point 2, of article 121, of this law.
2. In the event that a person carries out activities in the field of services, equipped with a professional permit/license/authorization, but has not registered the activity with the Central Tax Office, except as provided in point 1 of this article, for the goods at his disposal, the tax administration proposes to the competent structures the suspension of the permit/license/authorization to exercise the activity for a period of six months.

Article 42

Registration of non-profit organizations

1. Non-profit organizations register with the tax administration, after having previously completed registration, in accordance with the relevant legislation.
2. The tax administration maintains a separate electronic registry for non-profit organizations.
3. The following data are recorded in the register of non-profit organizations:
   a) name;
   b) duration, if this is specified;
   c) the object of the activity;
   ç) place of exercise of the activity;
   d) personal data of the manager and legal representative of the organization;
   dh) document confirming the powers of representation and the terms of their appointments;
   e) specimens of the organization's representatives, in relation to third parties;
   ë) number of employees.
4. Registration with the tax administration of non-profit organizations is done after filing the application form with the tax administration, together with the documentation attached to the form. The application form and the documentation required as part of the application, published on the official website of the General Directorate of Taxation, can be obtained free of charge at any counter of the taxpayer service units.
5. The tax administration, within 5 days from the date of receipt of the complete and accurate application form, processes the request for tax registration and provides the applicant with an identification number.
6. Failure to comply with the registration obligation does not exempt the non-profit organization from paying tax obligations.

Article 43

Updating registration data

(repealed letter "dh" of point 3 by law no. 84/2014, dated 17.7.2014; added point 1/1, by law no. 112/2016, dated 3.11.201; added point 1/2 by law no. 97/2018, dated 3.12.2018)

1. The taxpayer, both natural and legal person, registers any change in data in the National Registration Center, as defined in Law No. 9723, dated 3.5.2007 "On the National Registration Center".

   1/1. In accordance with the law on business registration, the application for changing the headquarter and opening other places of business, other than the headquarter, shall in any case be made before the effective start of the activity in that place. For the opening of other places of business, other than the headquarter, the taxpayer shall be provided with a certificate, with a unique identification number identical to that of the registration, but with a different serial number. This certificate is issued to identify the location of business, when it is different from the headquarter.

   1/2. Even a natural person trading with a NIPT/NUIS, for each new activity that he seeks to register, is provided with a certificate, with a unique identification number the same as the registration number, but with a different serial number, in order to identify the location of the new activity.
2. A taxpayer whose status changes from one category to another, as provided for in specific tax laws, must notify the relevant tax administration within 15 calendar days from the date of registration of the change. When such a change of status is determined by an audit conducted by the central or local tax administration, the administration conducting the audit shall notify the other administration within 10 calendar days after such change.
3. Non-profit organizations must notify the tax administration of the following changes, within 15 days from the date of registration of the changes:
   a) name change;
   b) change of business or contact address;
   c) change of legal status;
   ç) creation/closure of new branches, sectors or units;
   d) change of type of economic activity;
   dh) *(Repealed).*
   e) any other changes provided for in the by-laws issued in implementation of this law.

Article 44

Transfer to the passive registry

(added point 6 by law no. 10415, dated 7.4.2011; amended points 1 and 2 by law no. 84/2014, dated 17.7.2014; repealed point 6 and added point 7 by law no. 164/2014, dated 4.12.2014; amended point 2 and 5 with law no. 112/2016, dated 3.11.2016; added words to letter "c" of point 1, added point 4/1 and amended point 7 by law no. 97/2018, dated 3.12.2018)

1. The tax administration transfers the taxpayer's registration from the active register to the passive register, maintained by the tax administration, if at least one of the following conditions is met:
   a) no longer carries out commercial activities for a tax period of 12 consecutive months;
   b) does not submit a tax return for a tax period of 12 consecutive months;
   c) declares suspension of commercial activity to the NRC and pays all tax obligations.
2. For the period of stay in the passive register, the taxpayer does not submit periodic tax returns and no fines for failure to file tax returns are issued.

3. The tax administration, within 10 calendar days from the date of transfer of registration to the passive register, notifies the taxpayer in writing.
4. The transfer of tax registration from the active to the passive register does not eliminate the current tax liabilities and does not prohibit the tax administration from assessing or collecting the tax liabilities after the transfer to the passive register.

4/1. The transfer to the passive register of taxpayers, natural and legal persons, by the National Business Center, is done by first verifying the payment of tax liabilities on their part. Verification at the tax administration is done electronically within the same working day.

5. When the taxpayer resumes activity, the tax administration automatically transfers the registration from the passive register to the active register.
6. *(Repealed).*
7. The Central Tax Administration publishes on the official website of the General Directorate of Taxation and updates daily the list of taxpayers who are in the passive register.

   Any transaction carried out by taxpayers, natural or legal persons, traders, who are in the passive register, is considered an administrative violation and is punished as follows:

   a) for the seller, who is in the passive register, a tax assessment and penalty shall be made, in accordance with Article 116 of this law;
   b) for the buyer, tax assessment for non-recognition of expense and deductible VAT.

   Also, any transaction carried out by active taxpayers, natural or legal persons, with taxpayers who are in the passive register, is considered an administrative violation and is punished as follows:

   c) active seller, in accordance with point 2, of article 128, of this law. This penalty does not apply in cases where, for technical reasons, the list of taxpayers in the passive register has not been updated by the tax administration;
   ç) the buyer in the passive register, with tax assessment of the liabilities and penalty, in accordance with Article 116 of this law.

Article 45
Deregistration of entities/taxpayers

(amended points 2 and 3 by law no. 10415, dated 7.4.2011; no. 124/2012, dated 20.12.2012; amended point 3 by law no. 179, dated 28.12.2013; amended by law no. 84/2014, dated 17.7.2014; added the letters "ç" and "d", amended points 3, 4, 5, 6, 7, 8, 9, 10, by law no. 112/2016, dated 3.11.2016; by law no. 97/2018, dated 3.12.2018)

1. Subjects/taxpayers, who are registered with the tax administration, according to points 1 to 4 of Article 40, and to Article 42 of this law, are deregistered from the tax administration register only after their deregistration at the National Business Center and/or in court.

Subjects/taxpayers, who are registered with the tax administration, according to point 4.1, of article 40, are deregistered by the regional tax directorates, according to the procedures set out in the instruction of the minister responsible for finance.

2. The date of deregistration of the taxpayer with the tax administration is the date of deregistration with the National Business Center or in court, for all entities that deregister with them.

The date of deregistration of public or similar legal entities, as well as international institutions and organizations, is the date of the closure act/decision by the relevant institution.

The deregistration date for other entities/taxpayers is the date of approval of their deregistration by the tax administration.

3. Deregistration of entities/taxpayers that are part of the National Business Center register:

3.1 The deregistration of the entity/taxpayer from the tax administration register begins at the National Business Center and, after deregistration at the National Business Center, deregistration in the tax administration register takes place.

3.2 The National Business Center, upon receiving the request for deregistration of a natural person, immediately notifies the tax authority electronically about the date of the request for his deregistration.

For legal entities, the National Business Center announces the status of the company in liquidation, and subsequently, when the company submits the final liquidation report, it sends the date of submission of this report to the tax authority.

For legal entities that deregister through the procedures of merger or division of companies, the National Business Center sends the final decision approving the merger/division of companies to the relevant tax authority.

3.3 The tax administration, within 10 working days from the date of submission of the request for deregistration of natural persons, or submission of the final liquidation report for legal persons, is obliged to verify and assess the tax situation of the subject/taxpayer in his account in the accounting and data system at his disposal. The tax administration shall notify the taxpayer within these 10 days of the tax situation of the subject/taxpayer, as well as of the declarations not submitted by him.

When the tax administration, based on risk analysis, deems it necessary to carry out audit in the premises where the entity carries out its activity, this audit and its reflection on the taxpayer's situation cannot last more than 30 working days.

Communication with the National Business Center, regarding tax liabilities and undelivered taxpayer declarations, will be done electronically, in real time, according to the bilateral agreement and electronic communication protocol between the National Business Center and the General Directorate of Taxation.

3.4 The National Business Center cannot deregister an entity if the taxpayer's real-time situation results in unpaid tax liabilities and unsubmitted tax returns, as well as if he has not submitted the financial statements of the closure of the activity by the time of closure. In special cases, when the statements or financial statements have not been submitted by the entities, communication between the tax authority and the National Business Center can be done by electronic mail (*e-mail*) or by official letter.

3.5 If in the real-time situation of the taxpayer/entity there are no unpaid tax liabilities, as well as undelivered declarations, the National Business Center immediately deregisters the taxpayer, immediately notifying the tax administration electronically of the date of his deregistration.

4. Deregistration of entities/taxpayers that are liquidated in court:

4.1 The court, upon receiving the request for deregistration from the entity/taxpayer, immediately notifies the competent tax authority for the registration of the opening of liquidation procedures and subsequently for the submission of the final liquidation report. This notification is also made for legal entities that are liquidated and deregistered in court according to the provisions of the law “On traders and commercial companies” or entities/taxpayers that enter bankruptcy procedures.

4.2 The tax administration, within 10 working days from the date of filing the request for deregistration with the court, is obliged to verify the tax situation of the entities and notify the court and the entity of this situation. When the tax authority, according to risk analysis, deems it necessary to carry out audit in the premises where the entity carries out its activity, then this audit, its reflection in the taxpayer's situation and the notification to the court cannot last more than 30 calendar days.

4.3 The court cannot carry out the deregistration if, within the 30-day period, the tax administration objects in writing to the deregistration. The objection to the taxpayer's

deregistration by the tax administration indicates the amount of the taxpayer's unpaid tax liabilities and the fact that it has not submitted tax returns or has not presented financial statements of the closure of the activity until the moment of final liquidation.

If the tax authority does not respond to the court within the 30-day period, the court deregisters the entity/taxpayer and notifies the tax authority and the taxpayer on the same day.

4.4 When the entity pays the unpaid obligations on time, the tax administration immediately notifies the court and the entity itself that it has no unpaid tax obligations. The court performs the deregistration and sends the entity's deregistration document to the tax administration, including the date of deregistration.

5. The deregistration of entities/taxpayers that are registered only in the tax administration register, according to point 4.1, article 40, of the law, and that are registered in the regional tax directorates with simplified procedures, such as: street vendor, tax representatives, farmers, individuals, etc., is carried out at the relevant regional tax directorates, according to the simplified procedures provided for in the instruction of the minister responsible for finance.
6. Entities registered with the National Business Center/court and the tax administration are deregistered from the electronic registry after having paid all tax liabilities, including those arising in the cases when deregistration is carried out by liquidation. In the case of bankruptcy, the entity/taxpayer will be deregistered according to the court decision with the status of "bankrupt".
7. If, even though the tax liability for which deregistration was contested has been paid, the tax administration has not withdrawn the objection, the entity/taxpayer shall submit to the National Business Center or the court the document certifying the payment of tax liabilities. In this case, the National Business Center or the court shall immediately carry out the deregistration and notify the tax administration and the taxpayer.
8. Deregistration of the entity/taxpayer at the National Business Center or court does not eliminate unpaid tax liabilities and does not prevent the tax administration from assessing or forcibly collecting tax liabilities.

CHAPTER VI
DATA RETENTION

SECTION I
OBLIGATION TO DOCUMENT AND KEEP ACCOUNTS
FOR TAX PURPOSES

Article 46
Documentation and maintenance of tax records for taxpayers subject to VAT or profit tax

(point 3 added by law no. 99/2015, dated 23.9.2015; replaced words in point 1, amended point 3 by law no. 83/2019, dated 18.12.2019)

1. Taxpayers who are subject to VAT or profit tax, for the calculation of tax liability, maintain registers, accounting documentation, books and financial information, and issue invoices, in accordance with the legislation, as well as the by-laws issued in their implementation.
2. The taxpayer, subject to VAT, immediately records all financial transactions and prepares and maintains accounting books and records, where the following are recorded:
   a) daily sales of goods or carrying out taxable work or services, including the amount of each transaction and the amount of tax charged;
   b) completed, but not yet invoiced actions;

c) non-taxable actions;

ç) payments for goods and services, including the amount of each purchase or payment, the amount of tax paid and the name and address of the supplier.

3. The taxpayer is not obliged to keep special registers, according to point 2 of this article, for which the tax administration drafts automatic reports, in accordance with the legislation in force on the invoice and the circulation monitoring system.

Article 47

Documentation and maintenance of tax records for taxpayers classified as "small business"

(amended by Law No. 164/2014, dated 4.12.2014, amended and added words by Law No. 83/2019, dated 18.12.2019)

Taxpayers, who are subject to the law “On the local taxes’ system”, for the calculation of tax liability, keep registers, books and other documents, and issue an invoice, in accordance with the provisions of law no. 9632, dated 30.10.2006 “On the local taxes’ system”, as well as the provisions of the law “On income tax” and the legislation in force on the invoice and the circulation monitoring system.

Article 48

Keeping and storing tax data documents

(point 3 repealed by Law No. 83/2019, dated 18.12.2019)

1. Registers, books and financial information are documents containing recorded information, in a chronological and systematic manner, of a taxpayer's commercial transactions, which are kept to determine the amount of that taxpayer's tax liabilities.
2. Financial and accounting data and information are retained by the taxpayer for at least 5 years, starting from the end of the tax year to which the documents belong.
3. *(Repealed).*

Article 49

Tax invoice

(repealed by law no. 83/2019, dated 18.12.2019)

Article 50

Tax invoice with VAT

(wording changed in point 1, by law no. 112/2016, dated 3.11.2016; repealed by law no. 83/2019, dated 18.12.2019)

Article 51

Issuance of tax invoice

(repealed by law no. 83/2019, dated 18.12.2019)

Article 51/1

Expertise and/or professional activity

(added by law no. 10137, dated 11.5.2009)

The activities defined in Articles 52, 55, point 2 and 56 of this law are included in category XII.2 of the Law on Licenses. These activities are licensed according to the following provisions of this law.

Article 52

Production and distribution of tax documents

(words changed in point 3 by law no. 10137, dated 11.5.2009; point 4 added by law no. 112/2016, dated 3.11.2016; repealed by law no. 83/2019, dated 18.12.2019)

Article 53

Tax invoices, prepared by the buyer

(repealed by Law No. 83/2019, dated 18.12.2019)

Article 54

Tax coupon

(repealed by law no. 164/2014, dated 4.12.2014; added point 5 by law no. 99/2015, dated 23.9.2015; repealed by law no. 83/2019, dated 18.12.2019)

Article 54/1

Creation of a database of IMEI numbers of mobile phones

(added by law no. 99/2015, dated 23.9.2015)

1. The General Directorate of Taxation creates the Mobile Phone IMEI Numbers Database, in which all IMEI numbers of mobile phones at the time of import and all IMEI numbers of phones sold by taxpayers on the domestic market, wholesalers and retailers, are registered, without prejudice to the legislation in force on the protection of personal data.
2. The IMEI Database is accessed by information depositors who are importers, taxpayers, wholesalers, and taxpayers, retailers, only for the purposes of data collection, in accordance with point 3 of this article, as well as by tax administration inspectors during the exercise of audits. Inspectors are prohibited from accessing the database data, according to this article, outside the scope of a case under investigation and each access is accompanied by the keeping of a record of the purpose of access and the destination of the extracted data.
3. The Database is populated as follows:
   a) importers of mobile phones, at the time of declaration and payment of customs duties at customs branches, must also declare the list of IMEI numbers of the imported devices, as well as electronically upload all information on the respective IMEI numbers to the Database;
   b) individuals who, at the time of entry into customs, possess mobile devices, which are imported into Albania for the first time, the value of which is above the non-taxable minimum established by law, follow the same procedure as in letter “a” of this point. The electronic upload to the Database is carried out by the customs branch;
   c) Wholesale and retail taxpayers, within 1 month from the entry into force of the decision of the Council of Ministers, must upload the IMEI numbers of mobile phones to the Database of all mobile phones in stock. This practice must then be followed for every new phone they put on the market.

   The Council of Ministers determines the procedures for the creation and operation of the Database.

SECTION II
FISCAL DEVICES

Article 55

Obligation to use fiscal devices and to install traffic monitoring systems
(words amended by law no. 10137, dated 11.5.2009; amended by law no. 164/2014, dated 4.12.2014; added sentence to point 1 by law no. 99/2015, dated 23.9.2015; added words to point 1 by law no. 112/2016, dated 3.11.2016; repealed by law no. 83/2019, dated 18.12.2019)

Article 56
Control of the automatic data collection system of fiscal devices
(words amended by law no. 10137, dated 11.5.2009; repealed by law no. 83/2019, dated 18.12.2019)

SECTION III
KEEPING ACCOUNTS FOR TAX PURPOSES

Article 57
Documentation and accounting for tax purposes
(words replaced in point 4 by law 83/2019, dated 18.12.2019; point 1 amended by law no. 83/2022, dated 24.11.2022)

1. The taxpayer is responsible for maintaining accounting records in accordance with applicable legislation on accounting and financial statements.
2. For the recording of economic transactions related to taxes and duties, books, registers or documentation specified in specific tax laws and relevant sub-legal provisions are also used.
3. Taxpayers are obliged to use basic documentation, including the tax invoice, in accordance with tax legislation and relevant sub-legal provisions.
4. Taxpayers, subjects of Law No. 9632, dated 30.10.2006 “On the local tax system”, for the calculation of tax liability, keep registers, books and other documents, and issue invoices, in accordance with the law in the field and with the sub-legal acts issued in its implementation. Also, these taxpayers keep tax documentation, according to the requirements of this law, specific tax laws and sub-legal provisions issued in their implementation.
5. The data and registers necessary for taxation may be kept in electronic form, when tax legislation or relevant sub-legal provisions do not prevent such a thing, if they guarantee, at all times, a complete reflection of economic operations and tax data.

SECTION IV
OTHER OBLIGATIONS OF THE TAXPAYER AND THIRD PARTIES

Article 58
Documentation of goods
(words added by law 83/2019, dated 18.12.2019)

Taxpayers who hold, trade, use or transport goods must have the necessary tax documents, including the accompanying invoice, in accordance with the legislation in force on the invoice and the circulation monitoring system, that prove ownership or control over these goods and, upon request of tax administration officials, make these documents available to them.

Article 59

Cash payments

(Changed point 1 by law no. 179/2013, dated 28.12.2013; added point 1/1 by law no. 112/2016, dated 3.11.2016; added points 1/2 and 1/3 by law no. 31/2019, dated 17.6.2019)

1. Taxpayers, whether natural or legal persons, traders, may not carry out cash sales or purchase transactions between themselves when the value of the transaction is greater than 150,000 Lek.

1/1. For the purposes of this provision, payment for transactions carried out through electronic money financial institutions licensed by the Bank of Albania, or payments made by credit card, shall not be considered as a transaction carried out in cash.

1/2. Taxpayers, natural persons, who are traders, registered for value added tax, taxpayers who are legal entities, regardless of their turnover, as well as the non-profit organizations registered with the tax authority, are obliged to have a bank account of their registered business/organization and declare it to the tax administration.

1/3. Newly registered taxpayers are required to open a business/organization bank account no later than 20 calendar days from the day after registration at the National Business Center/tax administration and declare it to the tax administration.

2. In addition to other obligations provided for in this law, the taxpayer,s in accordance with tax legislation, must advertise in visible places the prices of their goods and services. In cases where they simultaneously carry out wholesale and retail trade, they are obliged to organize these activities in separate places, separated from each other.

Article 59/1

Obligation to deposit money (banknotes and coins) in the bank account

(added by law with law no. 83/2022, dated 24.11.2022)

1. The taxpayer, who issues invoices, is obliged to deposit into his bank account or into his account opened in other non-bank financial institutions, which may hold deposits in accordance with the relevant law, the money (banknotes and coins) that he has collected during the day for the supply of goods or services, which exceed the maximum cash level, in accordance with Article 59/2 of this law, on the next working day, after the day on which the maximum cash level was exceeded.
2. A taxpayer issuing an invoice whose business bank accounts have been blocked for non-payment of liabilities, cannot pay in cash or keep money in the cash register, but must deposit this money into the bank account for regular business activity immediately or on the next business day.

Article 59/2

Cash register limit

(added by law with law no. 83/2022, dated 24.11.2022)

1. The taxpayer issuing invoices, except in the cases specified in point 2 of Article 59/1 of this Law, may keep cash (banknotes and coins) in its cash register at the beginning of each working day up to the maximum amount of cash. The amount of cash is the initial amount of money (banknotes and coins) that the taxpayer may have in its cash register at the beginning of each working day or shift of each operator. The maximum amount of cash is determined by the taxpayer issuing the invoice, independently, by issuing an internal act, in accordance with the needs and security conditions, but this cannot be more than the maximum specified in point 2 of this Article.

2. The criterion for determining the maximum amount of cash on hand of the taxpayer issuing the invoice is the annual turnover level of the taxpayer issuing the invoice. The maximum amount of cash allowed in the cash register for taxpayers is scheduled as follows:
   a) for taxpayers with an annual turnover, during the previous tax year, of up to 2 million Leks, the maximum amount of *cash allowed* in the cash register is up to 150,000 Leks;
   b) for taxpayers with an annual turnover, during the previous tax year, of over 2 million Leks up to 10 million Leks, the maximum allowed cash amount in the cash register is up to 500,000 Leks;
   c) for taxpayers with an annual turnover, during the previous tax year, of over 10 million Leks, the maximum allowed cash amount in the cash register is up to 500,000 Leks or 5% of the previous year's annual turnover, whichever is the higher value.

   In cases where a taxpayer begins activity during the calendar year, the maximum allowed cash amount in the cash register is determined in accordance with letters "a", "b" and "c" of this point, referring to the amount of turnover expected by the end of the year.
3. The maximum cash amount is determined for the taxpayer issuing invoices, as a whole and within this amount, the taxpayer issuing invoices may determine the maximum cash amount in the cash register for each organizational unit or place of business activity.
4. The maximum cash amount, according to point 2 of this article, does not apply to banks and other non-bank financial institutions.
5. The taxpayer issuing invoices, who carries out currency exchange transactions, notwithstanding the provisions of paragraphs 2 and 3 of this article, may determine the maximum cash amount up to the 5,000,000 Leks or 5% of the annual turnover of the previous year, whichever is the higher value.
6. The taxpayer, who issues invoices, is obliged, at the beginning of each working day and before issuing the first invoice, through the electronic connection (internet) established with the central tax administration, which it uses to implement the fiscalization procedure, to submit information on the initial amount of cash in the cash register for each invoicing electronic device.

Article 60

Taxpayer's obligation to provide information and allow entry to economic activity' premises

1. The taxpayer makes available to the tax administration the books, records, information, and documents necessary to perform the accurate calculation of their tax obligations.
2. The taxpayer allows tax administration officials to enter the premises where he carries out his economic activity, during official working hours.
3. At the request of the tax administration, the taxpayer provides additional explanations, verbally or in writing. This obligation includes, but is not limited to:
   a) completing, signing and returning questionnaires or other written requests for information or documents from the tax administration, within 20 days from the date of posting the request or electronic delivery to the taxpayer;
   b) meeting with tax administration employees during working hours, to answer questions and to provide information, according to Article 94 of this law.
4. The tax administration's request for additional explanations is made only for information related to the taxpayer's commercial transactions, technical processes or procedures, and financial operations between the taxpayer and third parties.

Article 61

Obligation of third parties to provide information

(point 3 added by law no. 10415, dated 7.4.2011, point 3 amended by law no. 83/2022, dated 24.11.2022)

1. Upon request of the tax administration, third parties shall provide information, in writing or verbally, make available books and records, as well as other information on the tax liability of a taxpayer with whom they have entered commercial or financial transactions. This obligation includes, but is not limited to:
   a) completing, signing and returning written questionnaires, or other written requests for information or documents, from the tax administration, within 30 calendar days from the date the request, sent by post or electronically, is received or deemed to have been received by the third party;
   b) meeting with tax administration employees during official working hours at the premises of the third party's economic activity or at the tax administration offices, to answer questions and provide information, based on a written summons, according to Article 94 of this law.
2. When the taxpayer or a third party fails to fulfill the obligations provided for in this chapter, the tax administration may exercise its authority, in accordance with the provisions of this law.
3. The Minister responsible for finances shall determine by instruction:
   a) the manner, time and form in which third parties are required to submit information to the tax administration, as well as the content of this information;
   b) the nature and/or type of information required to be submitted electronically by third parties, on a periodic basis, in a standardized format and using appropriate technology;
   c) certain categories of persons who are required to automatically provide information regarding their financial transactions with taxpayers or even the data they hold regarding taxpayers, as well as the terms and conditions for providing this information.

Article 61/1

Providing information on the implementation of international agreements

(added by law no. 164/2014, dated 4.12.2014)

1. Upon request of the tax administration, for the purpose of implementing international agreements on tax matters or for the purpose of international agreements providing for administrative assistance in tax matters, which are in force in the Republic of Albania, any person must provide information in accordance with the provisions of international agreements in the tax field, including, but not limited to, information held by banks and other financial institutions.
2. Without limiting the obligations provided for in point 1, the same rules shall apply as for information provided for the purposes of implementing domestic tax legislation, unless otherwise provided for in international agreements pursuant to which this information is required.
3. The Minister of Finances shall approve the instruction on the procedures for the implementation of this article.
4. In case of failure to provide information, in accordance with this article, penalties shall be applied, according to Article 126 "Failure to provide information".

Article 62

Persons to whom the request for information is addressed
(amended by Law No. 83/2022, dated 24.11.2022)

The tax administration requests any type of information it deems necessary for the implementation of the tax legislation in force from any person, including, but not limited to, the following:

a) from each entity, including information about:
   i. dividends paid to shareholders or partners;
   ii. persons with whom the legal person has carried out financial or business transactions;
   iii. payments made to subcontractors;
   iv. debtors and creditors.

b) from banks and financial institutions, including information on:
   i. bank account details and the opening and closing statuses of these accounts within a tax year;
   ii. interest payments;
   iii. other assets they hold in the name of a person;
   iv. any other financial transaction necessary for tax liabilities' auditing and assesing purposes.

c) by brokerage companies or investment fund managers, including securities transactions or asset/portfolio management accounts;

ç) from pension funds in relation to private pension plans;

d) by real estate agents in relation to their clients' transactions;

dh) by notaries for notarization of real estate purchase and sale transactions or movables, or service contracts;

e) by resident and non-resident entities for payments made to non-resident persons;

ë) by state institutions and state administration employees;

f) by any person in financial or business transactions with a taxpayer;

g) from donors, international organizations, non-profit organizations, domestic or foreign, in in relation to payments made to taxpayers for the supply of goods and services;

gj) from electronic markets, electronic interfaces and digital platforms in relation to suppliers, users and their transactions;

h) from public and private databases and registers, including the cadastre, the register of beneficial owners, the electronic register of bank accounts and the National Registration Center, in relation to taxpayer data held therein.

Article 63
Exemption from the obligation to provide information

1. In the event of a tax investigation by tax administration bodies, the following persons have the right to refuse to provide information, according to this article:
   a) members of the taxpayer's family;
   b) lawyers, notaries, tax advisors, doctors, medical personnel, for information that they have learned during their normal professional activity.
2. The persons mentioned in point 1 of this article, except the taxpayer itself, are not obliged to provide information to the tax administration bodies when this information may expose them, as well as the members of their first-degree family, to criminal prosecution. In this case, the tax administration must recognize the taxpayer with the right of these persons to refuse to provide information, information, which must be recorded and signed by the interested person.

SECTION V
COUNTRY-BY-COUNTRY REPORTING
(added section V by law no. 95, dated 7.12.2023)

Article 63/1
Basic terminology for the Country-by-Country Reporting

For the purposes of Articles 63/2 to 63/6 and 115/4 of this law, the following terms have the following meanings:

a) "Group" means a collection of entities related through ownership or control such that it is either required to prepare consolidated financial statements for financial reporting purposes, under applicable accounting principles, or would be so required if equity interests in any of the entities were traded on a public securities exchange;

b) "Multinational entities group" is any group that:
   i. involves two or more entities whose tax residence is in different jurisdictions or involves an entity that is resident for tax purposes in one jurisdiction and is subject to tax with respect of business carried out on through a permanent establishment in another jurisdiction; and
   ii. is not an excluded multinational entities group;

c) "Excluded multinational entities group" is a group that has total consolidated group revenue of less than 105,000,000,000 (one hundred and five billion) Leks during the fiscal year preceding the reporting fiscal year, as reflected in the consolidated financial statements for that fiscal year;

ç) "Constituent entity" means:
   i. any separate business unit of a multinational entities group that is included in the consolidated financial statements of the multinational entities group for financial reporting purposes or would be included if the equity interests of such business unit were traded on a public securities exchange;
   ii. any business entity that is excluded from the consolidated financial statements of the multinational entities group solely for reasons of size or materiality; and
   iii. any permanent establishment of any separate business unit of the multinational entities group included in subparagraphs "i" or "ii" of this letter, provided that the business unit prepares separate financial statements for such permanent establishment for financial reporting, reporting in accordance with tax legislation or internal management control purposes;

d) "Reporting Entity" is the constituent entity that is required to file a report for each country, in accordance with the requirements of Article 63/4 of this Law, in its jurisdiction of tax residence, on behalf of the multinational entities group. The reporting entity is the ultimate parent entity;

dh) "Ultimate Parent Entity" is a constituent entity of a multinational entities group, which meets the following criteria:
   i. owns, directly or indirectly, a sufficient interest in one or more other entities of a multinational entities group such that it is required to prepare consolidated financial statements in accordance with accounting principles generally accepted in its jurisdiction of tax residence, or if its equity interests are traded on a public securities exchange in its jurisdiction of tax residence; and
   ii. does not have any other entity of the multinational entities group that owns in directly or indirectly an interest as described in subsection "i" of this letter;

e) “Fiscal year” is an annual accounting period for which the ultimate parent entity of the multinational entities group prepares its financial statements;

ë) “Reporting fiscal year” is the fiscal year whose financial and operational results are reflected in the report for each country specified in Article 63/4 of this law;

f) “Consolidated financial statements” are the financial statements of a multinational entities group in which the assets, liabilities, income, expenses and cash flows of the ultimate parent entity and the constituent entities are presented as those of a single entity.

Article 63/2

Country-by-Country report filing obligation

Each ultimate parent entity of a multinational entities group, which is resident for tax purposes in the Republic of Albania, shall file a Country-by-Country report, in accordance with the requirements of Article 63/4 of this Law, to the tax administration of the Republic of Albania for its reporting fiscal year on or before the date specified in Article 63/5 of this Law.

Article 63/3

Notification

Each constituent entity, which is resident for tax purposes in Albania, must notify the tax administration no later than the last day of the reporting fiscal year of the multinational entities group:

a) if it is the ultimate parent entity of the group; or

b) when the constituent entity is not the ultimate parent entity, the identifying data and the tax residence of the reporting entity.

Article 63/4

Country-by-Country report

1. The Country-by-Country report in relation to a multinational entities group is a report containing:
   a) information regarding the amount of revenue, profit (loss) before income tax, income tax paid, estimated income tax, declared capital, accumulated profits, number of employees and tangible assets, other than cash or cash equivalents, for each jurisdiction in which the multinational group of companies operates;
   b) an identification of each constituent entity of the multinational entities group, specifying the jurisdiction of tax residence of the constituent entity and, when different from the jurisdiction of tax residence, the jurisdiction under whose laws the constituent entity is organized and the nature of the principal business activity or activities of the constituent entity.
2. The procedures and detailed information contained in the report for each country are determined by decision of the Council of Ministers.

Article 63/5

Deadline for submission

The country-by-country report, according to the provisions of this law, shall be submitted no later than 12 (twelve) months after the last day of the reporting fiscal year of the multinational entities group.

Article 63/6

Use and confidentiality of report information for each country

1. The tax administration of the Republic of Albania uses the country-by-country report for the purposes of assessing high-level risks of transfer pricing and other risks related to tax base erosion and profit shifting to or from the Republic of Albania, including assessing the risk of non-compliance by members of the multinational entities group with applicable rules relating to transfer pricing and, where appropriate, for economic and statistical analysis. The transfer pricing arrangements of the tax administration of the Republic of Albania are not based on the country-by-country report.
2. The Tax Administration of the Republic of Albania maintains the confidentiality of the information contained in the country-by-country report, at least to the same extent as would apply if such information were provided under the provisions of the multilateral convention on mutual administrative assistance in tax matters.

CHAPTER VII

TAX RETURN

Article 64

Tax return

1. The taxpayer submits a complete and accurate tax return within the deadlines set forth in the relevant tax legislation.
2. When the tax law requires the submission of a tax return, the taxpayer makes a self-declaration of the amount of the tax liability or contribution, without waiting for an assessment, notification or request from the tax administration and pays this tax within the deadline and place specified in the relevant tax law, regardless of the extension of the deadline for submitting the tax return.
3. Tax returns and other forms that must be submitted by the taxpayer are made available to the public, free of charge, through:
   a) publication on the official website of the tax administration;
   b) counters of taxpayer service' units;
   c) sending by mail, using the registered postal service, for those taxpayers who submit a written request for the provision of this service.
4. The format of tax returns and documentation attached to the tax returns are approved by instruction of the Minister of Finances.

Article 65

Submission of tax return

(point 6 added by law no. 10209, dated 23.12.2009; point 7 added by law no. 10415, dated 7.4.2011; point 7 amended by law no. 84/2014, dated 17.7.2014; point 7 amended by law no. 112/2016, dated 3.11.2016)

1. The taxpayer submits the tax return through:
   a) post office, according to the provisions of this law;
   b) electronically;
   c) bank or other financial institution.

2. The Minister of Finances, by instruction, approves the procedure for submitting the tax return.
3. In cases where the deadline for submitting the declaration falls on a holiday, then the last day of the deadline is the first working day after the holiday.
4. The taxpayer and, if any, his representative, sign the tax return, indicate their tax identification numbers and confirm, under their own responsibility, that the return is complete and accurate.
5. The tax return is considered submitted if the requirements of this law, tax legislation and the sub-legal acts issued in their implementation are met.
6. The Council of Ministers determines the deadlines for submitting tax returns and other tax documents, only through electronic form.
7. For taxpayers, natural persons, who request to deregister, the obligation to declare ceases at the moment of their application for deregistration at the National Business Center, while for taxpayers, legal entities, the obligation to declare ceases at the moment of submission of the final liquidation/merger/division report to the National Business Center or court.

Article 66

Extension of the deadline for submitting the tax return

(repealed by Law No. 84/2014, dated 17.7.2014)

Article 67

Amended tax return

(amended point 2 by law no. 112/2016, dated 3.11.2016)

1. The taxpayer may submit a new tax return, with amendments, in cases where the initial tax return is incorrect and incomplete.
2. The amended return may be submitted by the taxpayer within 36 months from the deadline of submitting the initial return, provided that this return has not been previously checked by the tax administration.
   Notwithstanding the provisions in the first paragraph of this point, an audited tax return may be amended by the taxpayer in all cases where he must declare a tax liability greater than the liability resulting from the audit.
3. Filing an amended tax return includes:
   a) payment of any additional tax liability;
   b) late payment interest for the period between the deadline for submitting the initial declaration and the date of submission of the amended tax return;
   c) the taxpayer's request for crediting the overpaid tax plus interest calculated for this period, calculating this amount on account of other tax liabilities, existing or future;
   ç) the request for refund of overpaid tax, plus interest.
4. 4. For the calculation of the interest referred to in point 3 of this article, the provisions of this law on late payment interest shall apply.

CHAPTER VIII

TAX ASSESSMENT

Article 68

Tax assessment

(amended point 8 by law no. 10209, dated 23.12.2009; amended point 8 by law no. 164/2014, dated 4.12.2014; amended wording in point 4 by law no. 112/2016, dated 3.11.2016; amended wording in point 8 with law no. 97/2018, dated 3.12.2018)

1. Tax assessment:
   a) is the calculation of the taxpayer's tax liability by the tax administration;
   b) in cases where the amount of the self-declared tax liability is not paid, it is the notification, which requires payment of the tax liability on the date specified in the relevant law.
2. If the taxpayer is required to submit a tax return and pay the tax liability, the return is considered a tax self-assessment. The tax payment is made in the manner and within the deadline provided for in the relevant tax law.
3. If the tax liability is withheld by a withholding agent and the taxpayer is not required to file a tax return for the withheld tax, the withholding of the tax is a tax assessment.
4. If the tax administration determines that the tax liability, shown in the tax return, is incorrect or the taxpayer has not submitted a tax return or has not paid the tax liability, the tax administration makes a tax assessment.
5. The tax administration assesses the taxpayer's tax liability, in accordance with the provisions of the relevant legislation. The assessment is based on:
   a) the information contained in the taxpayer's tax return;
   b) the results of an audit, in accordance with Chapter X of this law;
   c) alternative methods of assessment, provided for in Article 72 of this law.
6. The assessment made by the tax administration enters into force 10 calendar days after the date when the notification of the tax assessment and the request to pay is deemed to have been received, as provided for in Article 69 of this law.
7. When an assessment is made in accordance with letters "b" or "c" of paragraph 5 of this article, the burden of proof that the amount of such assessment is incorrect shall fall on the taxpayer.
8. The amount of tax liability required to be paid or the amount of the outstanding loan, with a value of up to 1,000 (one thousand) Leks, is assessed as a liability or credit with a zero value and no tax assessment is made for such amounts by the tax administration.

Article 69

Notification of tax assessment and request for payment of tax liability

(sentence added to point 4 by law no. 179, dated 28.12.2013; point 1 amended by law no. 84/2014, dated 17.7.2014; point 1 and letter "d" of point 2 amended by law no. 112/2016, dated 3.11.2016)

1. The tax administration, within 10 calendar days from the date of its assessment calculation, sends to the taxpayer the tax assessment notification and the request for payment of the tax liability:
   a) electronically, in accordance with the legislation on electronic communications and when taxpayers have consented to receiving the notification electronically, and
   b) via registered mail service.

   The notification of the taxpayer and the calculation of all deadlines related to the assessment notification are made according to the provisions of point 3, article 23 of this law.
2. The tax assessment' notification and the request for payment of tax must contain the following information:
   a) the name and surname of the taxpayer, natural person, or the name of the legal entity;
   b) taxpayer identification number;
   c) the date of notification;
   ç) the matter for which the notification is made and the tax period(s) to which the notification refers;

d) the amount of the estimated tax or, as the case may be, the reduction of the tax loss, the reduction of tax credit, late payment interest, fines.
dh) the request for payment of the tax and the payment deadline;
e) the place and method of payment of the tax;
ë) explanation of the reason for the assessment;
f) explanation of the taxpayer's right to appeal the assessment.

3. The tax assessment notification and the request for its payment are recorded in the taxpayer's file, within 5 calendar days from the date of issue.
4. If the taxpayer disagrees with the tax liability's assessment carried out by the tax administration, the taxpayer, within 30 calendar days from the date of receipt of the assessment notification, or deemed to have been received and the request, may appeal, in accordance with the procedures provided for in Chapter XIII of this law. In cases where the exact date of receipt of the assessment of the tax liability cannot be proven, it shall be deemed to have been received 10 days from the date of dispatch by mail.

Article 70

The right to issue a tax assessment notice

(sentence added to point 3 by law no. 179, dated 28.12.2013, points 1 and 3 amended by law no.83/2022, dated 24.11.2022)

1. Regional tax directorates or other authorized structures in the General Directorate of Taxation, which may perform the same functions as them, are authorized to issue tax assessment' notifications to taxpayers registered with the central tax administration, including entities, natural persons, self-employed persons, individuals who have the obligation to declare individual income in cases where they have been audited by the responsible structures according to the procedures set out in Chapter X of this law, as well as to any other person who has the obligation to declare and/or pay taxes or duties according to the legislation of the Republic of Albania.
2. For tax liabilities related to social and health insurance contributions, the tax assessment notification, in all cases, is issued by the director of the regional directorate.
3. The tax and duties management structures of local self-governance units issue assessment notifications for categories of liabilities and taxpayers according to the legislation in force for local taxes and duties.

Article 71

The right to use alternative assessment methods

(letter "e" changed by law no. 179, dated 28.12.2013; letter "f" added) with law no. 97/2018, dated 3.12.2018; amended by the letter "ë" with law 83/2019, dated 18.12.2019)

1. The tax administration has the right to use alternative methods of assessing the taxpayer's tax liability and to issue an assessment, in cases where:
   a) the taxpayer does not submit the tax return, in accordance with the deadline and manner required in the relevant tax legislation;
   b) the tax return contains incorrect or falsified data;
   c) the taxpayer does not keep or maintain accurate accounts or records of transactions;
   ç) the taxpayer does not cooperate with the authorized tax audit;
   d) the taxpayer does not make available the requested information and other documents, necessary for calculating his tax liability;

dh) the taxpayer enters transactions with related persons not based on the principle of value market, or enters transactions without substantial economic effects;

e) the taxpayer enters cash purchase / sale transactions that exceed the amount of 150,000 Leks;

ë) the taxpayer does not issue an invoice and/or does not carry out fiscalization procedures, in compliance with the legislation in force for the invoice and the circulation monitoring system.

f) taxpayer with the status of "natural commercial person", who, for the purposes of tax avoidance and minimizing tax liability, registers/maintains more than one unique entity identification number, and submits separate returns for each NIPT/NUIS.

Article 71/1

Reminder letter

(added by law no. 84/2014, dated 17.7.2014)

1. The tax administration, within 5 calendar days from the end of the legal deadline for filing, issues a reminder to the taxpayer who has not submitted his return for a certain tax period, according to the form and content specified in the instruction of the Minister of Finances.
2. The tax administration, within 10 calendar days from issuing the reminder letter, as defined in point 1 of this article, may issue an automatic desk assessment' notification to the taxpayer who, even after the issuance of the reminder letter, continues to fail to submit his tax return for a tax period.
3. The desk tax assessment is carried out automatically by the information system, in one of the ways specified in Article 72 of this law.
4. The assessment notice issued under paragraph 2 of this article may not be appealed by the taxpayer. The taxpayer who disagrees with this assessment notice may file his tax return, which shall completely revoke the tax desk assessment.
5. For taxpayers who continue failing to file their tax returns, for which an automatic tax desk assessment has been carried out, the tax administration initiates procedures for the enforced collection of tax liabilities, as for any other unpaid tax liability.

Article 71/2

The use of alternative valuation methods in cases of tax avoidance and abuse of tax law principles

(added by law no. 97/2018, dated 3.12.2018, amended by law no. 83/2022, dated 24.11.2022)

1. In calculating taxable income and profit, the tax administration may not consider agreements or series of agreements concluded between taxpayers, which have as their main purpose or one of the main purposes the provision of tax benefits. Such agreements for tax purposes are treated by reference to their economic substance.
2. For the purposes of paragraph 1 of this Article, "agreement or series of agreements" means any transaction, act, operation, agreement, grant, understanding, promise, interaction or event. An agreement may consist of more than one act or part of an act.
3. To determine whether an agreement or a series of agreements lack economic substance, the tax administration considers whether one or more of the following situations exist:
   a) the legal substance of the individual steps that make up an agreement is not in accordance with the legal substance of the agreement as a whole;
   b) the agreement or series of agreements is implemented in a manner that is not in accordance with a proper business conduct;

c) the agreement or series of agreements includes elements that have the effect of compensating or cancelling each other out;
ç) the related transactions are of a circulating nature;
d) the agreement or series of agreements leads to a significant tax benefit, but this is not reflected in the taxpayer's business risks or cash flow;
dh) the estimated pre-tax margin is significant compared to the amount of the expected benefit tax.

4. For the purpose of point 1 of this article, the purpose of these agreements or series of agreements consists in the avoidance of tax even if, despite the absence of such purpose by the taxpayers, but if this purpose is contrary to the object, rationale and purpose of the tax provisions that should be applied.
5. For the purpose of paragraph 1 of this Article, a particular purpose shall be considered critical where any other purpose attributed or attributable to the agreement or series of agreements appears negligible, having regard to all the circumstances of the case.
6. To determine whether an agreement or a series of agreements has brought about a tax benefit within the meaning of point 1 of this article, the tax administration shall compare the amount of tax that a taxpayer is obliged to pay, taking into account the agreement, with the amount that the same taxpayer would be obliged to pay in the same circumstances in the absence of such an agreement.
7. For the purposes of this article, the burden of proof lies with the tax administration.

Article 72

The basis of alternative assessment methods

(changed the letters "ç" and "d" by law no. 164/2014, dated 4.12.2014)

1. Alternative methods of assessment are not limited to, but are based on:
   a) direct data, found in tax returns or documents or in other information provided by the taxpayer;
   b) direct data, documents or information provided by third parties;
   c) comparisons with a similar economic activity carried out by other taxpayers;
   ç) indirect data, based on market prices of similar goods and services, rental reference prices, determined by decision of the Council of Ministers;
   d) prices according to data available at customs or sales reference prices retail available from the General Directorate of Taxation.
2. When assessing the tax liability arising from transactions between related parties, the used alternative method reflects the taxable income that would have resulted from comparable transactions between unrelated parties.
3. The rules for the implementation of this article are determined in the instruction of the Minister of Finances, issued in implementation of this law.

Article 73

The right of the tax administration to make a tax assessment, and the right of the taxpayer to claim the credit balance

(amended by law no. 164/2014, dated 4.12.2014; words added to points 1 and 4 by law no. 112/2016, dated 3.11.2016)

1. The right of the tax administration to make a tax assessment is prescribed within 5 years from the last date of submission of the initial or amended tax return, specified in the relevant tax legislation.

2. The prescription period, set out in point 1 of this article, may be interrupted:
    a) because of an appeal of the previous assessment, a new assessment is made. In this case, the deadline of the prescription is later than:
        i) the prescription period, set out in point 1 of this article;
        ii) 30 calendar days from the date of the final decision of the court of appeal;
    b) because of a tax audit or investigation of the taxpayer by the tax administration, a new assessment is made. In this case, the prescription period is later than:
        i) the prescription period specified in point 1 of this article;
        ii) 30 calendar days from the date of issuance of the final, written decision tax audit or investigation;
    c) A criminal case has been initiated against the taxpayer for his tax obligations. In this case, the prescription period is later than:
        i) the prescription period specified in point 1 of this article;
        ii) 30 calendar days from the date of the court's receipt of the final decision, for criminal case.
3. In cases where a criminal case is opened against the taxpayer for his tax obligations, after the deadline provided for in point 1 of this article has passed, the right to a tax assessment is deemed not to have been prescribed.
4. The taxpayer's right to request a refund of the credit balance is prescribed when 5 years have passed from the date of submission of the initial or amended tax return as specified in the relevant tax legislation.

CHAPTER IX
TAX PAYMENT AND REFUND

Article 74
Deadlines and methods of paying tax liabilities
(amended point 3 by law no. 112/2016, dated 3.11.2016)

1. The taxpayer pays tax liabilities within the deadlines provided for in the relevant tax law.
2. When the tax administration issues an assessment of a tax liability, in accordance with Chapter VIII of this law, the assessed tax liability shall be paid within 30 calendar days from the date on which the taxpayer has received or is deemed to have received the assessment notification and the payment request.
3. The taxpayer can pay tax liabilities electronically, through banks, other financial or authorized institutions that have entered into agreements with the tax administration to accept these payments.
4. When the deadline for payment of the tax liability falls on a holiday, the tax payment due date is the first working day after the holiday.
5. All tax payments are made in Leks.

Article 75
Overpaid tax liabilities
(point 3 added by law no. 97/2018, dated 3.12.2018; point 4 added by law 83/2019, dated 18.12.2019)

1. When the amount of a paid tax liability is greater than the amount of assessed tax in the tax assessment' notification, the tax administration shall transfer the amount paid in excess to

account for other tax liabilities unpaid by the taxpayer. Thereafter, with the written consent of the taxpayer, the remaining amount, if any:

a) is refunded automatically, within 30 calendar days from the date of payment of the amount overpaid;

b) is carried forward to account for the taxpayer's future tax liabilities.

2. Actions for amounts overpaid for tax liabilities are recorded in the taxpayer's file.
3. Compensation from the credit balance of tax liabilities within each tax, except for social security and health insurance contributions, is carried out automatically by the information system.
4. In special cases, the amounts of taxes and duties to be paid or overpaid to the tax administration or customs administration may be offset against each other. The Minister responsible for finance shall determine by instruction the special cases, procedures and criteria for the implementation of this point.

Article 75/1

VAT refund and compensation of tax liabilities

(added by law no. 10148, dated 28.9.2009; amended by law no. 179/2013, dated 28.12.2013; amended by law no. 164/2014, dated 4.12.2014; reformulated point 1 by law no. 91/2015, dated 23.7.2015; added point 1.1 by law no. 112/2016, dated 3.11.2016; added point 1/2 by law 83/2019, dated 18.12.2019)

1. Taxable persons, registered for VAT, who result in a credit surplus, have the right to submit a request for refund of the overpaid VAT to the VAT Refund Directorate at the General Directorate of Taxation. This request is submitted according to the approved form “Request for VAT Refund”.

   Within 60 days from the date of submission of the taxpayer's request and within 30 days from the date of submission of the exporting taxpayer's request, the VAT Refund Directorate at the General Directorate of Taxation, in cooperation with the regional tax directorate where the taxpayer is registered, shall verify the taxpayer's fiscal situation and approve the credit balance as refundable. When necessary, the tax administration shall carry out audit based on risk analysis.

   The payment of the refundable credit balance is made within five days, through the treasury system, based on the rules set out in the instruction of the Minister of Finances. Otherwise, the taxable person shall have the right not to pay other tax liabilities to the extent of the VAT claimed for refund.

   1/1. In the case where the taxpayer, who has requested a refund, is subject to audit, according to the risk analysis, for the purpose of respecting the refund deadline, according to this article, the deadlines set by articles 83 and 84 shall not apply and each deadline shall be 5 calendar days.

   1/2. Notwithstanding the provisions of points 1 and 1/1 of this article, in special cases, at the request of the tax administration and with the consent of the taxpayer, an instalment payment agreement may be concluded, which contains a scheduled payment plan for the obligations that the tax administration has towards taxpayers, because of approved requests for VAT refund. In these cases, the tax administration's obligation towards the taxpayer is considered settled and default interest is not applied. The cases when it will be applied, the procedures and criteria for the implementation of this point are determined by decision of the Council of Ministers.
2. The detailed technical methods and procedures for the implementation of point 1 of this article shall be determined by instruction of the Minister of Finances.

Article 76

Late payment interest

(added legal references to point 2 and a sentence at the end of point 3 by law no. 112/2016, dated 3.11.2016)

1. When the tax liability is not paid on time, the taxpayer is obliged, for the period from the payment deadline until the date of payment of the tax, to pay late payment interest on this amount, at the rate specified in point 3 of this article.
2. If a refund, which should have been made by the tax administration, according to Article 75 and Article 75/1 of this law, is not made within 30 calendar days, the tax administration shall pay late payment interest on the overpaid amount, as follows:
   a) when an overpaid amount is credited against another tax liability, late payment interest is paid starting from the date of the overpayment until the due date of the tax against which the credit is made;
   b) When an overpaid amount is refunded, late payment interest is paid for the period from 30 days after making the overpayment until the refund is made.
3. The amount of late payment interest, according to this article, is 120 percent of the interbank interest rate of the Bank of Albania, which is determined every quarter, based on the average rate of the previous quarter. The General Directorate of Taxation publishes and updates on its official website the interest rate it applies for calculating late payment interest.
4. Late payment interest is paid in any circumstances and cannot be waived by the tax administration, nor can it be appealed, except in cases where there are errors in the calculation or when the tax liability to which it applies changes.

Article 77

Instalment payments' agreement

(amended points 1, 3, added sentence to point 6, added points 7 and 8 by law no. 112/2016, dated 3.11.2016; amended point 7 by law 83/2019, dated 18.12.2019)

1. When a financial circumstance prevents the taxpayer from paying tax liabilities on time, he may be allowed to enter into an instalment payments' agreement at any time. At the same time, the taxpayer must prove that he is in a financial situation of being unable to pay the tax liabilities in full, and show that, regardless of the financial circumstance, he is able to fulfill the agreement.
2. The taxpayer submits a written request to enter into an instalment payments' agreement. The request must be addressed to the director of the regional directorate or the head of similar units and must state the reasons that prevent the taxpayer from paying the tax liabilities.
3. The instalment payments' agreement shall be made in writing, within 10 calendar days from the date of submission of the request and shall be signed by the taxpayer and the director of the regional directorate or the head of a similar unit. In order to sign an instalment payments' agreement, the taxpayer shall be obliged to immediately pay at least twenty percent of the value of the liability for which the agreement is concluded.
4. The instalment payments' agreement cannot last longer than the end of the following calendar year.
5. The tax administration may reject the request for an instalment payments' agreement or require a bank guarantee before entering into such an agreement.
6. The taxpayer must pay late payment interest on all tax liabilities, the payment of which is deferred, according to the instalment payments' agreement. In the case where the taxpayer

enters into an instalment payments' agreement with the tax administration, starting from the month following the month in which the agreement is established until the end of the term of the agreement, provided that the agreement has been fully fulfilled, the taxpayer pays late payment interest on the tax liability, the payment of which is deferred, but no penalty for late payment is calculated according to Article 114 of this law.

7. An instalment payments' agreement may be concluded for tax liabilities imposed by the tax administration, because of a tax assessment conducted, according to Article 68 of this law, as well as for tax liabilities self-declared by the taxpayer.
   Notwithstanding the above, the tax administration does not enter into an instalment payments' agreement for income tax liability, withheld at source and self-declared by the taxpayer, as well as for liability from social security and health contributions, which has been calculated or collected, or withheld by the taxpayer.
   Exceptionally, in cases where the taxpayer is a state or public institution or entity, central or local, or other entity to which the state is a party, in cases of high public interest or the need to prevent violations of national order and security, an instalment payments' agreement may also be concluded for social security and health insurance contribution obligations.
   The instalment agreement does not alleviate the legal position of the responsible person in cases of presumption or consumption of a legally provided criminal offense, regarding the tax liability self-declared by the taxpayer, which has been calculated or collected, or withheld by him, including social and health insurance contributions.
8. In the case where the forced collection of tax liabilities has begun for the taxpayer, the freezing order of the taxpayer's bank accounts, imposed in accordance with Article 90 of this law, is lifted.
   In the case where the forcible collection of tax liabilities has begun for the taxpayer, in accordance with Article 91 of this law, regardless of the conclusion of an instalment payment agreement, the tax administration, in order to ensure the payment of the tax liability, does not waive this measure.
   The tax administration may not enter into an instalment payments' agreement if it has initiated auction procedures for the confiscated assets for the purpose of that outstanding tax liability, in accordance with Article 96 of this law.

Article 78

Termination of the instalment payments' agreement

1. The instalment payments' agreement is resolved by the tax administration when:
   a) the taxpayer does not make payments in accordance with the agreement;
   b) the taxpayer does not pay other tax liabilities arising during the period covered by the agreement.
2. If the instalment payments' agreement is terminated, all unpaid tax liabilities covered by this agreement shall be paid within 30 calendar days from the date of the decision to terminate the agreement.

Article 79

Order of payment of contributions and tax obligations

(amended by Law No. 84/2014, dated 17.7.2014; first sentence added to point 1 by Law No. 97/2018, dated 3.12.2018)

1. Payments made for any tax, except for payments for social security and health insurance contributions, shall initially go to cover the earliest liabilities within the same type of liability,

if these liabilities are not in the process of appeal, judgment or in an agreement for the payment of unpaid tax liabilities in instalments. Payments of insurance contributions and tax liabilities shall be made in the following order:

a) mandatory health insurance contributions;
b) mandatory employee social security contributions;
c) mandatory supplementary social security contributions;
ç) mandatory employer social security contributions;
d) taxes;
dh) late payment interest,
e) fines;
ë) administrative costs.

2. Administrative costs are calculated in accordance with the rules approved in the instruction of the Minister of Finances.
3. The rules and procedures for implementing the payment sequence, according to point 1 of this article, are determined by instruction of the Minister of Finances.

CHAPTER X
TAX AUDIT

Article 80
Tax audit
(paragraph added to point 4 by law no. 99/2015, dated 23.9.2015; amended the second paragraph of point 4 with Law No. 112/2016, dated 3.11.2016, added point 1/1 by law 83/2019, dated 18.12.2019; amended point 5 of law no. 83/2022, dated 24.11.2022)

1. The tax administration audits the taxpayer's tax returns, accounts, books and tax records, including all documentation related to income, expenses, assets and liabilities, and financial relationships with third parties.

1/1. The tax administration carries out supervision of the provisions of issuing invoices and monitoring turnover (hereinafter, issuing invoices' auditing), in accordance with the legislation in force on the invoice and turnover monitoring system and value added tax.

2. The taxpayer's audit is based on the declarations provided by the taxpayer, as well as on the books, records and information provided by third parties or in accordance with the alternative methods of assessment, provided for in Article 72 of this law.
3. The tax administration audits the accuracy of all documents related to legal status, residency, economic activity, tax payments and obligations, as well as any other document important for determining tax liability.
4. The selection of taxpayers to be audited is based on a risk assessment analysis conducted by the tax administration to identify the taxpayer who is at greatest risk of violating tax legislation. If the taxpayer has tax returns certified by recognized auditing companies, or companies classified as such by a special law, proving that they are in compliance with fiscal legislation, the tax administration includes this element in the taxpayer's risk analysis.
   The procedures, criteria and list of auditing companies or companies classified as such by a special law are determined by instruction of the Minister of Finances in implementation of this article.
5. For audits conducted by the central tax administration, the authority to initiate the tax audit is vested in the Regional Tax Directorate or other units in the General Directorate of Taxation with similar functions. For audits conducted by audit structures in the General Directorate of

Taxation, the authority to initiate the tax audit is vested in the head of the institution or his delegate. For audits conducted by the local tax administration, the local government tax unit has the authority to initiate the tax audit.

6. The procedures for conducting tax audits and the types of tax audits are approved by the Minister of Finances, upon the proposal of the General Director of Taxation.

Article 81

Tax audit notification

(point 1/1 added, letter "f" changed and a paragraph added to point 2, and points 3, 4, 5, 6 by law no. 112/2016, dated 3.11.2016; points 7-10 added by law 83/2019, dated 18.12.2019)

1. The tax administration sends the taxpayer a notification, which designates the taxpayer as the subject of the tax audit.

1/1. The tax audit notification shall be sent to the taxpayer at least 30 calendar days before the date of commencement of the tax audit written in the notice, except when the audit is carried out because of the taxpayer's request for a tax refund.

In the case of fiscal visits, which are short audit carried out over a short period of time to verify the accuracy of tax returns and payments, as a rule only for a certain tax period and only for one type of tax, the fiscal visit' notification is sent to the taxpayer at least 10 calendar days before the starting date of the fiscal visit.

2. The tax audit notification contains:
   a) identification of the body that carries out the tax audit;
   b) the name and surname of the taxpayer, natural person, or the name of the legal entity, subject to audit;
   c) taxpayer identification number;
   ç) date of issue;
   d) the legal basis for the audit:
   dh) types of taxes subject to audit;
   e) the tax period or periods for which the tax audit is carried out;
   ë) a description of the taxpayer's rights and duties during the tax audit, including the right to appeal the assessment, which is made based on a tax audit;
   f) the date and time when the tax audit begins and ends. The necessary duration of the audit is determined by the risk analysis data.
   g) the place of tax audit;
   gj) the signature of the head of office;
   h) a request for information to be made available to the tax administration specific to tax audit.

   The deadline for conducting the audit, determined in accordance with letter "f", may be extended upon approval by the Director General of Taxation, but not more than 15 working days.
3. Being notified of the tax audit, the taxpayer is given the opportunity to declare any data on undeclared transactions, for which no tax has been paid. This declaration is made to the Regional Tax Directorate, through a questionnaire form that is made available together with the notification of the audit, within 30 calendar days, but before the start of the tax audit.
4. The taxpayer shall immediately declare and pay the relevant tax or contribution together with the late payment interest, calculated in accordance with Article 76 of this law.
5. For tax liability declared before the start of the tax audit according to point 3 of this article, an administrative penalty of 50 percent of the tax or contribution shall be applied.

If the penalty applied under this provision is greater than the penalty applied for the violation under the relevant provision of Chapter XIV of the Law, then the lower penalty shall apply.

6. If the taxpayer does not declare according to point 3 of this article, before the start of the audit, it is presumed that there is nothing to declare and for any tax liability or violation found during the audit, administrative penalties according to this law are applied.
7. The tax audit notification of the issuance of invoices is sent to the taxpayer on the same day the tax audit begins at the taxpayer's business location.
8. The notification, according to point 7 of this article, in addition to the data specified in letters "a", "b", "c" and "ç", of point 2 of this article, also contains the following data:
   a) description of the taxpayer's rights and obligations during and after the completion of the tax audit;
   b) signature of the responsible person of the tax administration.
9. With the exception of points 7 and 8 of this article, the tax audit notification of the issuance of invoices is not required to be sent to the taxpayer before the start of the tax audit, if the tax audit has been initiated on the basis of information from the competent structures, according to this law and the legislation in force and the prior notification of the taxpayer would jeopardize the purpose of the tax audit. In this case, the tax audit shall begin immediately.
10. In the cases specified in point 9 of this article, the tax audit notification is sent to the taxpayer at the same time as the tax audit report, according to Article 83 of this law.

Article 81/1
(added by law 83/2019, dated 18.12.2019)

1. The tax administration carries out on-site verifications for the timely detection of violations related to the registration of taxable persons; the use of fiscal equipment; the documentation of goods in storage, use and transport; the documentation of each transaction for the sale of goods or services and the issuance of tax invoices; the registration of employees, as well as any other verification for the implementation of tax legislation.
2. Verifications, according to point 1, of this article, are carried out without prior notification of the taxable person. Before the verification, the tax administration employee shows the personal identification document as well as the daily work order, issued by the director of the department responsible for the on-site verification.
   For administrative tax violations, identified during on-site verification, administrative measures are taken according to this law.

Article 82
Exemption of the inspector from tax audit

1. Tax administration officials, related to the taxpayer, subject to the audit, cannot participate in auditing of this taxpayer.
2. Tax administration official, related to the taxpayer, subject to the audit, means the person:
   a) with family relations up to the third degree;
   b) taxpayer representative;
   c) connected to a business agreement with the taxpayer.

Article 83

Tax audit report

(amended point 4 by law no. 179, dated 28.12.2013; amended point 3 by law no. 112/2016, dated 3.11.2016, added points 7-11 by law 83/2019, dated 18.12.2019; amended point 3 by law no. 83/2022, dated 24.11.2022)

1. The tax audit' group inspector is responsible for preparing the audit report within seven calendar days after the date of completion of the tax audit.
2. The audit report provides the audit results, the amount of the proposed assessment and the legal references justifying the proposal made, and is signed by the tax audit inspector/inspectors.
3. A copy of the audit report is given for approval to the director of the regional tax directorate and a copy of the report is notified to the taxpayer. For audits conducted by the structures of the General Directorate, the audit report is approved by the head of the institution or his delegated person.
4. The taxpayer has the right to object to the results of the tax audit within 15 calendar days after the date when the report is deemed to have been received by the taxpayer.
5. The taxpayer's objection is submitted in writing, stating the reasons for this objection.
6. The audit group reviews the objection within 5 working days from the date of receipt of the objection, or deemed to have been received, and the justification provided by the audit group for the objection is included in the final audit report.
7. In the case of auditing the issuance of invoices, the tax audit report contains the results of the tax audit and the list of violations found, including a description of the legal provisions that have been violated. The tax audit report on the issuance of invoices is signed by the inspector(s) who participated in the tax audit.
8. The tax audit report on the issuance of invoices, according to point 7 of this article, is approved by the relevant structure charged with that task. A copy of the audit report is sent by mail to the taxpayer.
9. The taxpayer has the right to object to the results of the tax audit within 15 calendar days, starting from the day after the date of receipt of the act.
10. After receiving the objection to the tax audit report, a supplementary report is prepared, which is signed by the person supervising the inspectors who conducted the tax audit, and approved by the responsible person of the regional tax directorate, including the head of the sector, the director of the relevant directorate, and the director of the regional tax directorate.
11. If violations are found in the tax audit report, the administrative penalties provided for in the tax legislation are applied.

Article 84

Final tax audit report

(amended point 3 by law no. 83/2022, dated 24.11.2022)

1. The final tax audit report is completed and signed by all members of the audit team and approved by the person authorizing the audit, within 14 calendar days from the date of receipt of the taxpayer's objection, or deemed to have been received by the tax audit team.
2. The final tax audit report describes the location of the audit, the period for which the audit was conducted, a description of the documents reviewed, the persons interviewed, the taxpayer's reasoning, the reasons considered, and the reasoned outcome of the audit.
3. A copy of the final tax audit report and the calculated amount, if any, is sent by mail to the taxpayer and a copy is submitted to the Tax Audit Directorate that conducted the audit.
4. The taxpayer has the right to object to the results of the tax audit within 15 calendar days after the date on which the report is deemed to have been received by the taxpayer.

5. The taxpayer who objects the proposed assessment may appeal this assessment, in accordance with the provisions of Chapter XIII of this law.

Article 85
Tax re-audit
(point 3 added by law no. 112/2016, dated 3.11.2016)

1. The results of the tax audit are binding on the tax administration. No further audits may be conducted for the same tax liability, except in cases where:
   a) the taxpayer has not cooperated during the tax audit or has not acted, in accordance with the written request, to provide information to the tax administration, during the conduct of the tax audit;
   b) the tax administration has concrete and reliable evidence that the taxpayer is involved in tax evasion;
   c) the inspector, during the tax audit, did not act in accordance with the procedures and, for this reason, disciplinary proceedings have been initiated against him or disciplinary measures have been taken. The composition of the tax re-audit team cannot include inspectors who participated in the previous tax audit.
2. The tax re-audit is approved by the General Director of Taxation, upon a written request for the initiation of a tax re-audit, made by the director of the regional directorate or the head of a similar unit, as well as by the director of the audit or internal audit directorate within the General Directorate of Taxation.
3. The decision approving the re-audit by the General Director of Taxation, in which the reasons for the re-audit are clearly stated, is made available to the taxpayer together with the tax audit notification.

Article 86
Cooperation with external specialists

1. In cases where tax administration employees lack the necessary expertise to correctly audit and assess a taxpayer's tax liabilities, the tax administration may request technical assistance from external experts in specific fields.
2. Only relevant technical information may be provided to the external experts contracted by the tax administration. The external experts are subject to the same confidentiality rules as all tax administration employees.

Article 87
Foreign assistance

1. The tax administration may request the assistance of a foreign tax authority to resolve specific tax issues.
2. Foreign assistance is requested based on tax agreements, bilateral or multilateral. In the absence of such agreements, assistance is requested based on the principle of reciprocity, provided that:
   a) the information provided shall be subject to the same confidentiality rules, according to this law;
   b) The information obtained shall be used in accordance with this law, only in the implementation of tax legislation.

CHAPTER XI
FORCED COLLECTION OF UNPAID TAX LIABILITY

Article 88
Authority and powers for the collection of unpaid tax liabilities
(point 4 added by law no. 112/2016, dated 3.11.2016; point 5 added by law 83/2019, dated 18.12.2019)

1. The tax administration has the authority and powers granted under this chapter to collect unpaid tax liabilities for which the right of appeal has not been exercised or for which all stages of administrative and judicial review have passed.
2. The tax administration exercises these powers, applying risk assessment methods, to determine and implement, in each case, the most appropriate measure of enforced collection, in order to maximize the collection of unpaid tax liabilities.
3. The risk assessment criterion is based on financial documentation, provided by the taxpayer or third parties, considering the amount of the taxpayer's unpaid tax liability and his ability to pay the tax.
4. The tax administration, after having exhausted the procedures for the enforced collection of unpaid tax liability, according to this chapter, may collect the remaining unpaid tax liability also through a public legal entity, which benefits from a commission on the amount collected, to the extent determined by decision of the Council of Ministers.
5. The collection of unpaid debts is carried out by the departments responsible for the forced collection of unpaid debts, under the General Directorate of Taxation.

Article 89
Notification and request of payment
(paragraph added at the end of point 2, by law no. 99/2015, dated 23.9.2015; amended point 1) with law no. 97/2018, dated 3.12.2018, a paragraph was added at the end of point 2 with law no. 83/2022, dated 24.11.2022)

2. When the tax administration finds that a taxpayer has not paid his tax liabilities in full and by the due date, it sends, by registered mail or electronically, a written notification, requesting full payment of the tax liability. The deadlines and procedures provided for in Article 69 of this law shall apply to the notification and the request to pay the tax liability.
3. If the taxpayer does not exercise the right to appeal and does not pay the tax liability, the tax administration must collect the tax using one or more of the methods provided for in this chapter.

Also, in order to collect the taxpayer's unpaid tax liability, the tax administration may engage its structures to verify and monitor the taxpayer's commercial activity on site, with the aim of confiscating at the end of each day an amount not less than 50 percent of the turnover achieved, but not more than the tax liability, for which the procedure for the enforced collection of tax liabilities has begun, on behalf of the taxpayer's unpaid tax liabilities. Payment of the amount of the seized turnover is transferred to the tax administration's bank account the next day.

The taxpayer, for whom the tax administration has started the forced collection of unpaid tax liabilities, cannot transfer amounts of money from his account or sell/transfer the assets or capital of the company, except in cases where, through the sale/transfer of assets, the aim is to settle 100 percent of the unpaid tax liability. The transfer of amounts of money from the taxpayer's account, the sale/transfer of assets or capital of the company in this case is carried out only in cooperation with the tax administration.

4. The obligation to send a notification and a request of payment does not apply if the tax administration possesses concrete and reliable evidence that the tax is at risk and the taxpayer, in order to avoid the enforced collection of the tax liability, may hide or transfer assets.
5. In the case provided for in point 3 of this article, the tax administration, in accordance with the provisions of the Criminal Code and the Criminal Procedure Code, may request from the competent authorities:
   a) prohibition of movement outside the territory of the Republic of Albania of the administrator, legal entity, partner and shareholder of the legal entity or commercial individual, who has unpaid liabilities;
   b) the prohibition of transferring abroad amounts deposited in bank accounts, under the name of the commercial individual or commercial company that has unpaid liabilities.

Article 90

Order to freeze taxpayer's bank accounts

(amended point 2 by law no. 179, dated 28.12.2013; amended point 1 by law no. 164, dated 4.12.2014; added words to point 1 by law no. 97/2018, dated 3.12.2018; added words to point 1 by law 83/2019, dated 18.12.2019)

1. If the taxpayer does not pay the tax liability on the set date, in accordance with Article 89 of this law, for the notification and request of payment, the tax administration, through a written order, issued by the director of the directorate responsible for the collection of unpaid liabilities or the head of a similar unit, or the head of the local government tax office, requests any Albanian second-tier bank, according to the provisions in the instruction of the minister responsible for finances by registered mail or electronically, where the taxpayer has an account in his name, to block an amount, which must be the lesser of:
   a) amount required to be withheld;
   b) amount, which results at that moment in the taxpayer's bank account.

   The blocked amount is transferred to the tax administration's account according to the procedure determined by instruction of the Minister of Finances.
2. Except in cases where the law provides otherwise, if there are other payment orders in the bank where the taxpayer has the bank account, the order issued by the tax administration is executed according to the order set out in Article 605 of Law No. 7850, dated 29.7.1994, “Civil Code of the Republic of Albania”, as amended.

Article 91

Tax liability insurance measure

(words added to point 1 by law 83/2019, dated 18.12.2019)

1. If the taxpayer does not pay the tax liability on the due date, in accordance with Article 89 of this law, the unpaid tax liability shall be secured in favour of the tax administration on all of the taxpayer's assets, in accordance with the detailed rules issued by the Minister responsible for Finances, to the extent necessary to fulfill his tax liability.
2. The measure of securing the unpaid tax liability may be, as the case may be, a security lien and/or a mortgage lien. The decision to impose a security lien and/or a mortgage lien on the taxpayer's property shall be made in writing by the director of the department responsible for collecting unpaid liabilities or the head of a similar unit or the head of the local government tax office.
3. Before a security lien and/or mortgage lien is placed on the taxpayer's property, the latter must be notified in writing. The notification must contain all relevant information.

4. The notice of security lien and/or mortgage lien must contain the necessary data to identify the taxpayer, the unpaid tax liability, the property, the object of the security lien and/or mortgage lien, and the competence of the tax administration to submit a request for the imposition of the security measure.
5. The format of the notification of the security lien and/or mortgage lien and the public registers for their registration are provided for in the decision of the Council of Ministers.
6. If all applicable requirements for the notification and submission of the request for the imposition of a security measure for unpaid tax liability are met, in favour of the tax administration, the security lien and/or mortgage lien is valid against all other rights over the property, the object of the security for unpaid tax liability, and has priority.

Article 92

Appealing the tax liability security measure

1. The taxpayer has the right to appeal the decision on the measure of securing the unpaid tax liability to the director of the department responsible for the collection of unpaid liabilities or the head of a similar unit and to request release from the security measure, only when it has been executed irregularly. The appeal is made within 30 calendar days from the moment of becoming aware of this irregularity.
2. When the taxpayer's request is approved by the director of the department responsible for collecting unpaid debts or the head of a similar unit, based on a written decision, the director of the department responsible for collecting unpaid tax liabilities or the head of a similar unit shall immediately take all necessary measures, in accordance with the legislation in force, to unblock the security measure on the taxpayer's property.
   The decision is entered into the taxpayer's file.
   If the director of the department responsible for collecting unpaid tax liabilities or the head of a similar unit does not approve the taxpayer's request, the taxpayer may appeal this decision in accordance with Chapter XIII of this law.

Article 93

Seizure and confiscation of assets

(wording changed in points 1 and 2 by law no. 10 415, dated 7.4.2011)

1. If the taxpayer does not pay the tax liability on the date specified, in accordance with Article 89 of this law, for the notification and request of payment, the tax administration may collect the unpaid tax liability through the seizure, and then confiscation, of the asset secured in favour of the tax administration, owned by the taxpayer.
2. The execution of the security measure, through the seizure, confiscation and sale of asset under this chapter, is subject to the provisions of the law "On administrative offenses" and is carried out by the tax administration.
3. The order for the seizure of property shall be made in writing by the director of the department responsible for the collection of unpaid liabilities or the head of the local government tax office. The order shall identify the taxpayer whose property is subject to seizure, the location of the property and the tax assessment for which the seizure is being made. The order shall be sent to the taxpayer by registered mail.
4. The tax administration may seize assets under the tax liability only after imposing a security measure on the property, in accordance with Article 91 of this law and only 30 calendar days after the date when the seizure order is received or deemed to have been received by the taxpayer, in the form provided for in Article 94 of this law.

5. If the tax administration notices that tax collection is at risk, it may send a notification and request for the immediate payment of this tax and if the tax liability is not paid in full, the tax administration has the authority to seize it, regardless of the deadlines provided for in this article.

Article 94
Seizure order

1. The seizure order contains:
   a) the amount of unpaid tax liabilities;
   b) the deadline for payment of tax liabilities;
   c) the asset being seized;
   ç) the method of execution of the seizure;
   d) information about the taxpayer's right to an administrative appeal.
2. If the subject of the seizure is the taxpayer's salary, the order shall also include the name and address of the taxpayer's employer.

Article 95
Property subject to seizure

All assets of the taxpayer are subject to seizure to the extent of the unpaid tax liability, except for items specified in Article 529 of the Code of Civil Procedure.

Article 96
Sale of confiscated property
(amended point 1 by law no. 10 415, dated 7.4.2011; amended point 2 by law no. 164, dated 4.12.2014; title amended, point 4 added by law 83/2019, dated 18.12.2019)

1. If, even after 15 calendar days from the seizure of the property, carried out in accordance with Article 93 of this law, the taxpayer does not fully repay the overdue tax liability, the seized asset shall be confiscated by the tax administration and sold at public auction, in accordance with the procedural provisions of the law on public auction.
2. The proceeds from sales are first used to pay the costs of the sale and then the payment order is applied, in accordance with Article 79 of this law.
3. The remaining amount is returned to the taxpayer within five working days from the date of completion of the auction.
4. The responsible ministry of justice and the ministry responsible for finances, by joint instruction, determine the procedures that will be applied for the sale of confiscated property according to the administrative act of confiscation.

Article 97
Transfer of tax liability to a third party

1. In cases where the amount of proceeds from the sale of the seized property does not cover the entire amount of the taxpayer's unpaid tax liability, the tax administration may issue a notice to third parties, ordering the direct settlement of the payment, within 14 calendar days, from the date of receipt of the notice or deemed to have been received, in an amount equal to the

value of the property transferred by the taxpayer to the third party, when this transfer was carried out after the tax administration's notice of seizure of the property was issued.

2. The third party's liability is limited to the market value of the property transferred by the taxpayer.
3. In cases where the tax liability of a taxpayer, a legal entity, remains unpaid even after the sale of the seized property, the person who, during the three years prior to the issuance of the seizure notice, has received from this taxpayer the rights over the property, through a transaction carried out with a value significantly lower than the market value, is secondarily liable for the unpaid liability. This liability extends up to the value of the transferred rights, deducting the amount paid by the person for this property.

Article 98

The right to claim obligations from a third party

(amended point 1 by law no. 99/2015, dated 23.9.2015)

1. The tax administration, simultaneously with the other procedures specified in this chapter, may request the third party to make direct payment of any amount that this party owes to the taxpayer, within 30 calendar days from the date of sending the notification to the third party.
2. The notification and the request for payment shall be made in accordance with the procedures and deadlines set out in Article 69 of this law.
3. If the third party does not pay the amount within the specified deadline, the tax administration may initiate the forcible collection procedures provided for in this chapter.

Article 99

Liability of partners, shareholders and administrators

(wording changed in point 1 by law no. 164, dated 4.12.2014)

1. If, even after the sale of the seized property, the tax liabilities of the legal entity are not fully settled, then the remaining tax liability is transferred to the account of the partner, shareholder and administrator responsible for the settlement of the tax liability, in accordance with Article 16 of the Law "On Traders and Commercial Companies".
2. The administrator, partners or shareholders are jointly and severally liable for the unpaid tax liability of the legal entity.
3. The rules provided for in points 1 and 2 of this article also apply to cases where, at the end of the liquidation or bankruptcy process of the taxpayer, a commercial company, the tax liability has remained unpaid.
4. The Minister of Finances shall approve the rules and procedures for the implementation of this article.

Article 100

Prescription of the right to initiate proceedings for the implementation of coercive measures

1. The right to initiate procedures for the implementation of enforcement measures, according to this chapter, is prescribed within 5 years from the date when the unpaid tax liability should have been fulfilled.
2. The prescription period, provided for in point 1 of this article, is interrupted during the period:
   a) of appealing the tax liability;

b) when the tax liability is the subject of an official audit or investigation by the tax administration;
c) when the tax liability is the subject of a criminal case.

Article 101

Obligation to appear

(amended point 3 by law no. 83/2022, dated 24.11.2022)

1. The tax administration has the right to summon any person who has knowledge of tax documentation or procedures, when it deems that his presence is necessary for the proper implementation of tax legislation.
2. The tax administration has the right to summon any person to testify, provide expertise, or present books and records, in cases where the requested information cannot be sent easily and without excessive expense by mail or electronically.
3. The tax administration must issue a written summons request authorized by the head of the responsible tax administration structure, for audits conducted by tax audit structures in the central tax administration, or by the head of the local government tax unit, a request that includes the following information:
   a) identification of the central or local tax structure issuing the summons request;
   b) the name and tax identification number of the person summoned;
   c) place, date and time of the summons procedure;
   ç) the subject of the summons and the position of the summoned person (taxpayer, third party or expert); and
   d) a list of specific books and records, as well as other documentation that the person must submit.
4. The request for submission is sent by registered mail, at least 15 calendar days before the date set for submission.
5. The person is summoned during official working hours, except in cases where extraordinary and urgent measures require the procedure to be carried out outside official working hours.
6. For failure to appear, in accordance with the tax administration's request, the summoned person is punished with a fine.
7. The summons procedure is postponed only for reasonable reasons, which are presented in a written request from the taxpayer.

Article 102

Termination of procedures for the enforced collection of tax liability

The tax administration shall immediately cease the implementation of enforcement measures to secure tax liability, provided for in this law:
a) when the taxpayer fully pays all tax liabilities;
b) after the expiration of the prescription period, according to Article 100 of this law;
c) after the tax liability is declared uncollectible;
ç) when the tax liability is waived by a special law.

Article 103

Procedures for declaring a tax liability as uncollectible

(amended point 3 by Law No. 164, dated 4.12.2014; amended point 7 and added points 8 and 9 by Law No. 97/2018, dated 3.12.2018; amended point 6 by Law 83/2019, dated 18.12.2019; repealed point 5 by Law No. 83/2022, dated 24.11.2022)

1. The declaration of all or part of the tax liability, interest and fines, as uncollectible shall be made after all collection procedures have been implemented and documented, according to this law, including:
   a) the sale of liquid investments and other non-core assets for the continuation of economic activity;
   b) negotiating an instalment payment plan;
   c) conducting an assessment that bankruptcy or liquidation would not lead to a better outcome.
2. The decision to declare all or part of the tax liability as uncollectible also considers the real possibilities of collection and that taking further actions for the full collection of the tax liability constitutes the most efficient way to maximize total tax collection, according to the law.
3. For the classification as uncollectible of all or part of the tax liability, the relevant debt collection unit shall submit a written report to the Director General of Taxation, according to which it shall record, in accordance with this article, any documentation and action taken to collect the tax liability under this law and any other documentation for all its assets and liabilities, including:
   a) detailed data on income and expenses;
   b) cash flow data and cash flow forecasts;
   c) asset valuations;
   ç) profit and loss statements and balance sheets;
   d) lists of debtors and creditors;
   dh) an assessment of the possibility of collecting debts.
4. Declaring a tax liability as uncollectible in whole or in part cannot be done when there is evidence of tax evasion or fraud.
5. *(Repealed).*
6. The non-collectible declaration of the tax liability or part thereof is made as follows:
   a) for amounts up to 1,000,000 (one million) Leks is made by order of the regional director of taxes, based on the decision taken by the commission established for this purpose at the DRT, which operates according to the provisions made in the instruction of the minister responsible for finances, in implementation of this law.
   b) for amounts over 1,000,000 (one million) Leks up to 5,000,000 (five million) Leks, according to the proposal of the Regional Tax Directorate, it is made by order of the Director General of Taxation, based on the decision taken by the commission established for this purpose at the GDT. The commission functions according to the definitions made in the instruction of the minister responsible for finance, in implementation of this law.
   c) for amounts over 5,000,000 (five million) Leks, according to the proposal of the GDT, based on the decision taken by the commission established for this purpose in the GDT, is made by order of the minister responsible for finance. The commission functions according to the provisions made in the instruction of the minister responsible for finance, in implementation of this law.
7. After declaring a tax liability or part thereof uncollectible, the tax authority records in the accounting register the liabilities that have been declared uncollectible in accordance with the law.

8. The procedure for declaring a tax liability as uncollectible may be initiated upon request by the taxpayer or primarily by the tax authority.
9. The tax administration publishes annually the total value of tax liabilities declared as uncollectible, the total number of requests and the number of requests received.

Article 104

Initiation of bankruptcy proceedings

(amended point 1 by law no. 164, dated 4.12.2014; repealed by law no. 110/2016, dated 27.10.2016; amended by law no. 112/2016, dated 3.11.2016)

The initiation of bankruptcy proceedings in court by the tax administration is carried out in accordance with the bankruptcy law.

CHAPTER XII

TAX INVESTIGATION

Article 105

Structure and functions of tax investigation units

(changed letter "c", added letter "ç" of point 2, amended point 4 by law no. 164/2014, dated 4.12.2014; added point 6 by law no. 112/2016, dated 3.11.2016, deleted words in points 1 and 6, amended point 2 with law no. 83/2022, dated 24.11.2022)

1. Tax investigation structures are specialized investigation units in the central tax administration.
2. The tax investigation structures have the following functions:
   a) collection and analysis of tax information;
   b) tax investigation;
3. Employees of tax investigation units enjoy the attributes of the Judicial Police, in accordance with the Criminal Procedure Code and the law on the organization and functioning of the Judicial Police.
4. Employees of tax investigation structures are equipped with weapons, in accordance with the applicable legislation.
5. The duties and functions of the tax investigation directorate, pursuant to this article, shall be determined by decision of the Council of Ministers.
6. The Director of the Tax Investigation Directorate, within the General Directorate of Taxation, is appointed by the Minister of Finances.

Article 105/1

Structure and functions of the Directorate of Internal Investigation (Anti-Corruption)

(added by law no. 10209, dated 23.12.2009; deleted by law no. 10415, dated 7.4.2011)

1. The Directorate of Internal Investigation (Anti-Corruption) are specialized detection, investigation and enforcement structures in the central tax administration.
2. The Directorate of Internal Investigation (Anticorruption) has as its primary mission:
   a) prevention, detection and investigation of tax administration actions, which may constitute criminal offences;
   b) collecting information from various sources about the activities of the central tax administration' employees, which may constitute a criminal offense;
   c) coordinating work with the prosecutor's office, as an intermediary link, for the full continuation of the investigation;

ç) serving as a point of contact between the tax administration and other institutions, whose function is to fight corruption.

3. Employees of the Internal Investigation Directorate (Anti-Corruption) enjoy the attributes of the Judicial Police, in accordance with the Criminal Procedure Code and the law on the organization and functioning of the Judicial Police.
4. Employees of the Directorate of Internal Investigation (Anti-Corruption) and those who exercise the functions of prevention, detection, prosecution and full investigation of corrupt acts are equipped with weapons, in accordance with the legislation in the field. The approval of the permit is granted by the Ministry of Interior, only after the authorization issued by the Minister of Finances.
5. The duties and functions of the Directorate of Internal Investigation (Anti-Corruption) are approved by decision of the Council of Ministers.

Article 105/2

Structure, powers and functions of the Taxpayers' Advocate

(added by law no. 10261, dated 1.4.2010; amended by law no. 112/2016, dated 3.11.2016; replaced the word in the letter "dh" of point 2 by law no. 95, dated 7.12.2023)

1. The Taxpayers' Advocate protects the interests of taxpayers in relations with tax authorities. He is authorized to investigate all taxpayer requests that contain tax administration problems, such as unreasonable administrative delays, errors by tax officials that have not been resolved properly after the taxpayer's presentation, non-compliance with tax procedures or violations of tax procedures by tax officials.
2. The Taxpayers' Advocate has the following functions:
   a) recording, classifying and properly handling any complaint received from taxpayers;
   b) cooperation with the Taxpayers Service Directorate, to promote the role of Taxpayer Advocate in protecting taxpayer rights;
   c) cooperation with the internal investigation directorate, the personnel directorate and other directorates of the General Directorate of Taxation, to guarantee that taxpayers are treated or will be treated in accordance with legal provisions and that their rights are protected and respected in the appropriate manner by tax administration employees, in accordance with the Code of Ethics;
   ç) following up and handling each individual case correctly and closing and archiving them only after the complaints have been handled and resolved in accordance with tax legislation, the provisions of the Code of Ethics and the instructions issued in implementation of the provisions of this chapter;
   d) cooperation with the taxpayer service directorate, the training directorate and the personnel directorate, in order to ensure that the conclusions drawn from specific cases in all regional tax directorates do not repeat errors; dh) making proposals to the General Director of Taxation and regional tax directors for administrative measures against tax administration employees who have violated the provisions of the Code of Ethics;
   e) referring specific cases to the internal investigation department or the criminal investigation department, if the information or documentation obtained indicates that the case in question requires the initiation of an administrative or criminal investigation process;
   ë) making proposals to the Director General of Taxation for improvements in work processes and tax procedures, as well as in relation to the provisions of the Code of Ethics, with the aim of improving services to taxpayers, reducing the administrative burden and facilitating procedures for taxpayers in fulfilling tax obligations.

f) issues general recommendations regarding issues identified during exercise of its functions and uses them as a basis for making proposals for amending the relevant legislation;
g) issues written recommendations to the Tax Appeals Directorate or the Tax Appeals Review Commission and/or presents these recommendations at administrative hearings held by the Tax Appeals Directorate or the Tax Appeals Review Commission.

3. The primary function of the Taxpayers' Advocate Directorate is to provide efficient information and present to the relevant administrative bodies the problems and concerns of taxpayers, in fulfilling tax liabilities and relevant administrative procedures, as well as guaranteeing the fulfilment of taxpayers' rights by the tax administration.

3/1. The Taxpayers' Advocate has the right to know and receive in writing from the tax administration structures any general or specific information about a taxpayer or a group of taxpayers, at any stage of the administrative process. He may request information from any tax administration structure, including the Tax Investigation Directorate, if the interests of the tax investigation are not violated, as defined in the legal provisions in force for this purpose. The Taxpayers' Advocate has the right to know and receive information also from the relevant tax administrative review structures in the Ministry of Finance.

3/2. The Taxpayers' Advocate, upon the request of the taxpayer, has the right to recommend to the General Director of Taxation the issuance of technical decisions, in accordance with the provisions of Article 10 of this law. The General Director of Taxation shall in any case provide a reasoned response to the Taxpayers' Advocate on whether to take the recommendation into account within a 30-day period.

4. The Taxpayers' Advocate is not authorized to investigate or intervene in cases for which the taxpayer is being investigated by the Tax Investigation Directorate or the Internal Investigation Directorate. The Taxpayers' Advocate is not authorized to investigate or intervene in the process of determining the tax liability or in cases that are under appeal. However, the Taxpayers' Advocate is authorized to investigate and intervene if the tax liability assessment process or the appeal process is not carried out in accordance with the procedures established in the law or in the relevant sub-legal provisions. This authorization is limited to the right to ensure compliance with the procedures and not in decisions regarding the assessed amounts of tax liabilities or in the decision taken on the appeal.
5. The Taxpayer Advocate is appointed according to the provisions of the legislation on civil servants and is an independent decision-making structure, part of the Ministry of Finance.
6. The competencies, functional duties and manner of cooperation of the Taxpayers' Advocate with the General Directorate of Taxation and with third parties are determined by decision of the Council of Ministers.
7. The detailed procedures for the functions, responsibilities and procedures to be implemented by the Taxpayers' Advocate, as well as the procedures to be followed by taxpayers to benefit from the services provided by the Taxpayers' Advocate Directorate, are determined by instruction of the Minister of Finances.
8. The Taxpayers' Advocate Manual, which contains detailed procedures for collecting information, recording and reviewing taxpayer complaints, selecting and handling taxpayer complaints and concerns, and reporting procedures, as well as rules for generalizing individual findings, closing reviews, the time within which complaints will be reviewed, and performance measurement indicators, is approved through an instruction of the Minister of Finances.

Article 105/3

Structure and functions of the Field Verification and Coordination Directorate

(added by law no. 83/2022, dated 24.11.2022)

1. Field verification and coordination structures are specialized enforcement units in the central tax administration.
2. The primary function of the field verification and coordination structures is to:
   a) taking administrative measures for administrative tax offenses;
   b) implementation of restrictive measures.
3. The Directorate of Field Verification and Coordination is organized at central and regional levels.

CHAPTER XIII
ADMINISTRATIVE TAX APPEAL

Article 106
Subject of administrative tax appeal
(words added at the end of point 1, by law no. 112/2016 dated 3.11.2016)

1. The taxpayer may appeal against any assessment notice, any decision affecting his tax liability, any request for tax refund or relief, or any special tax executive act, in relation to the taxpayer, in accordance with the Code of Administrative Procedures, unless otherwise provided in this law.
2. The appeal shall be made in writing and in the form provided for in the implementation of this law, upon instruction of the Minister of Finances.
3. The taxpayer submits the appeal to the tax appeals department within 30 calendar days from the date the assessment or decision of the tax administration was received or is deemed to have been received by the taxpayer.
4. The appeals department sends a copy of the appeal to the tax administration that issued the tax assessment or decision that is the subject of the tax appeal.

Article 107
Payment of tax liability, subject to appeal
(amended points 1, 2, 3 by law no. 179/2013, dated 28.12.2013; added words to point 1 by law no. 164/2014, dated 4.12.2014; added words to point 2) with law no. 97/2018, dated 3.12.2018)

1. The taxpayer who wishes to appeal, according to point 1 of Article 106 of this law, must, together with the appeal, pay the full amount of the tax liability or provide a bank guarantee for a minimum of 6 months, but not less than the deadline according to which the decision has become final for the full amount of the tax liability, determined in the tax administration's assessment notice.
2. The amount payable or the amount provided as a bank guarantee, according to point 1 of this article, excludes the fines included in the appealed tax assessment, as well as the calculated late payment interest.
3. The appeal is considered only when the taxpayer has paid the tax liability that is the subject of the appeal, or has submitted the bank document that confirms the placement of the guarantee, as defined in points 1 and 2 of this article.
4. An administrative act issued by the tax administration and which has not been appealed administratively cannot be appealed in court.

Article 108

Competence for reviewing tax appeals

(amended points 5, 6, added point 7 and wording throughout the article by law no. 112/2016 dated 3.11.2016)

1. The Tax Appeals Directorate or the Tax Appeals Review Commission reviews the tax appeal and decides based on the evidence and arguments presented by the taxpayer and the tax administration.
2. The Tax Appeals Directorate or the Tax Appeals Review Commission has the right to request additional documentation from the taxpayer or the tax administration.
3. The Appeals Directorate, or the Tax Appeals Review Commission, after reviewing the appeal, decides:
   a) leaving the act subject to appeal in force and dismissing the appeal;
   b) the repeal/revocation of the act, subject of the appeal;
   c) amending the act, subject of the appeal, partially accepting the appeal.
4. The taxpayer has the right to personally present the case before the Tax Appeals Directorate or the Tax Appeals Review Commission or to appoint a person to represent him before this Directorate.
5. The burden of proof to prove that a tax assessment or decision is incorrect is exercised in accordance with the Code of Administrative Procedures.
6. The decision of the tax appeals department or the Tax Appeals Review Commission must include an explanation, in writing, of the legal basis for the decision taken by it, including the reasoning, in accordance with Article 100 of the Code of Administrative Procedures.
7. The Tax Appeals Review Commission has the authority to review and decide on tax appeals that have as their object the tax liability, according to the value determined by decision of the Council of Ministers.

Article 109

Decision on administrative tax appeal and right of appeal

(sentence added to point 4 by law no. 179, dated 28.12.2013; wording changed in point 2 by law no. 164, dated 4.12.2014; wording changed by law no. 112/2016, dated 3.11.2016; wording replaced in point 3 by law no. 95, dated 7.12.2023)

1. The decision of the Tax Appeals Directorate or the Tax Appeals Review Commission is entered into the taxpayer's file and a copy is sent, by registered mail, to the taxpayer and the tax administration body that made the tax assessment or made the decision that is the subject of the appeal.
2. The taxpayer may appeal the decision of the Tax Appeals Directorate or the Tax Appeals Review Commission to the court, within 30 calendar days from the date of receipt of this decision. If the Tax Appeals Directorate or the Tax Appeals Review Commission does not express its opinion within 60 days from the date of receipt of the appeal, the taxpayer may appeal directly to the court.
3. The decision of the Tax Appeals Directorate or the Tax Appeals Review Commission is mandatory for implementation by the tax administration body that has made the tax assessment within 30 (thirty) calendar days from the date of receipt of this decision.
4. For the restoration of the deadline, the procedures provided for in the Code of Administrative Procedures shall be applied. The Tax Appeals Directorate shall take measures to publish on its website the positions taken in the decisions taken by it.

Article 110

Refund of tax liability, payment of late payment interest and fine
(sentence added to point 1 by law no. 179, dated 28.12.2013; amended by law no. 112/2016 dated 3.11.2016)

1. If the decision of the Tax Appeals Directorate or the Tax Appeals Review Committee/s is in favour of the taxpayer, the tax liability, paid in excess by the taxpayer and the interest on overpaid taxes, calculated from the date of payment of the tax liability until the date of reimbursement, shall be reimbursed to the taxpayer within 30 calendar days from the date on which the decision of the Tax Appeals Directorate was taken or deemed to have been taken. If the taxpayer has submitted a guarantee for the payment of the liability, this shall be released in whole or in part according to the decision of the Appeals Directorate or the Tax Appeals Review Committee within 30 calendar days from the date on which the decision was taken or deemed to have been taken.
2. If the Tax Appeals Directorate or the Tax Appeals Review Commission upholds the tax administration's decision and the taxpayer accepts the decision, any tax liability, including tax, in the case where it has not been paid but a guarantee has been set, late payment interest and any calculated fine, shall be paid by the taxpayer within 30 calendar days from the date the decision on the appeal was taken or is deemed to have been taken.
3. *(Repealed).*

CHAPTER XIV
SANCTIONS

Article 111
Administrative penalties
(point 5 added by law no. 10209, dated 23.12.2009; point 4/1 added by law no. 95, dated 7.12.2023)

1. Any action or omission by the taxpayer, tax agent or taxpayer's representative, which is contrary to the law and for which this law provides for an administrative penalty, constitutes an administrative tax violation.
2. Violations of the law, which are foreseen for the movement of goods, through the customs border of the Republic of Albania, are punished in accordance with the customs legislation in force.
3. Violations of the law, which are foreseen for excise goods, are implemented in accordance with the law in force on excise duties.
4. Fines imposed for administrative tax violations may be waived in exceptional circumstances, when the non-compliance with tax legislation is caused by natural disasters or other extraordinary circumstances, such as the death or serious illness of the taxpayer, or when the taxpayer acts in accordance with the written instructions of the tax administration.

4/1. The administrative penalties provided for by this law shall not apply to central government and local self-government units in cases where the failure to declare within the deadline has resulted from the implementation of a legal or sub-legal act with retroactive effects or the implementation of a final court decision.

5. Fines imposed for administrative violations related to a tax liability cannot exceed 100 percent of the tax liability.

Article 112

Failure to comply with the registration obligation

(amended by law no. 164, dated 4.12.2014 and no. 83/2022, dated 24.11.2022)

In addition to the administrative sanctions provided for in the legislation in force for this purpose, failure to comply with the obligation to register or the obligation to update data is punishable for each violation by a fine of 10,000 Leks for natural persons and 15,000 Leks for legal entities.

Article 113

Failure to declare within the deadline

(amended by Law No. 179, dated 28.12.2013; amended by Law No. 112/2016, dated 3.11.2016, letter "b" amended and letter "c" added No. 83/2022, dated 24.11.2022)

A taxpayer who fails to submit the tax return within the deadline set by the relevant law, which he is required to declare by law, shall be fined for each tax return not submitted within the deadline, as follows:

a) 10,000 Leks for corporate profit taxpayers;
b) 5,000 Leks for other taxpayers, except for individual taxpayers.
c) 3,000 Leks for individual taxpayers.

Article 114

Failure to pay tax liabilities or contributions in due time

(amended by law no. 10209, dated 23.12.2009; added point 4, by law no. 124/2012, dated 20.12.2012; repealed point 3 by law no. 179, dated 28.12.2013; amended point 2 by law no. 84/2014, dated 17.7.2014; amended point 1 by law no. 164/2014, dated 4.12.2014; amended the second sentence of point 2 by law no. 112/2016, dated 3.11.2016)

1. The taxpayer who fails to pay the amount of the tax liability and contribution within the payment deadline provided for in this law shall be obliged to pay a fine equal to 0.06 percent of the amount of the unpaid liability for each day during which the payment is not made. In no case shall the fine be calculated for a period longer than 365 calendar days.
2. For the purposes of this Article, the unpaid amount of tax liability is the difference between the tax liability that is due and the amount of tax paid. The unpaid amount of tax liability is the difference between the exact amount refundable and the amount of refund received on the specified date.
3. *(Repealed).*
4. Exceptionally, the provisions of this article do not apply to cases of budgetary institutions that have incurred delays in paying tax liabilities and contributions due to delays in opening budgetary funds.

Article 114/1

Non-payment of corporate profit and personal income tax instalments

(added by Law No. 99/2015, dated 23.9.2015; amended by Law No. 112/2016, dated 3.11.2016, No. 83/2022, dated 24.11.2022; amended by Law No. 95, dated 7.12.2023)

Failure to pay the advance instalments of corporate profit tax and personal income tax from business and self-employment on time, according to the legislation in force on income tax, is punishable by a fine of 0.06 percent of the amount of the unpaid obligation for each day during which the payment is not made, but not more than 365 calendar days.

Article 115

Incorrect completion of tax return

(amended point 1 by law no. 10209, dated 23.12.2009; amended by law no. 164/2014, dated 4.12.2014; repealed the second sentence of point 2 by law no. 112/2016 dated 3.11.2016; added point 3 by law no. 97/2018, dated 3.12.2018)

1. Filing an incorrect tax return is punishable by a fine equal to 0.06 percent of the amount of the unpaid tax liability for each day during which payment is not made. In no case shall the fine be calculated for a period longer than 365 calendar days.
2. For the purposes of this article, the unpaid amount of tax liability is the difference between the tax liability that must be paid and the amount of tax paid.
3. An incorrect declaration is also considered a case where, because of a tax audit, the taxpayer's credit balance is reassessed downwards. In this case, the taxpayer is penalized with a fine of 20% of the difference between the declared credit balance and the credit balance that should have been declared.

Article 115/1

Penalties related to the transfer pricing

(Added by Law No. 43/2014, dated 24.4.2014)

1. In case of failure to submit the "Controlled Annual Transactions Notification" on time, in accordance with the relevant provisions of the instruction of the Minister of Finances, "On Transfer Pricing", the taxpayer is punished with a fixed fine of 10,000 (ten thousand) Leks, for each month of delay.
2. In case of adjustments of tax liabilities, for the purpose of transfer pricing based on the provisions of Article 36 of Law No. 8438, dated 28.12.1998, "On Income Tax", as amended, taxpayers are punished according to Article 114, "Failure to pay tax liability or contribution in due time", of Law No. 9920, dated 19.5.2008, "On Tax Procedures in the Republic of Albania", as amended.
3. In the event of adjustments to tax liabilities, for the purpose of transfer pricing, based on the provisions of Article 36 of Law No. 8438, dated 28.12.1998, "On Income Tax", as amended, to taxpayers who have completed and submitted to the tax authorities the transfer pricing documentation, as defined in Article 36/5 of the aforementioned law, and the instruction of the Minister of Finances, "On Transfer Pricing", these taxpayers are obliged to pay only the additional obligation and interest, but not fines.

Article 115/2

Penalties for failure to notify changes related to change of ownership

(added by law no. 97/2018, dated 3.12.2018)

If a legal entity fails to notify the tax administration regarding changes in ownership, according to the requirements of Article 27/1, "Change of Ownership", of Law No. 8438, dated 28.12.1998, "On Income Tax", as amended, it is liable and punished as follows:

a) for the violation in the case of point 3 of the aforementioned article, 15 percent of the market value of assets treated as having changed ownership;
b) for the violation in the case of point 4 of the aforementioned article, 5 percent of the market value of shares or similar interests whose ownership has changed.

The punishment, according to letter "b" above, does not apply when it is proven that the person was not aware of the change of ownership or there is no data, evidence or facts to believe that the person should have been aware.

Article 115/3

Penalties related to failure to submit documentation for the implementation of the provisions of double taxation agreements

(Article added by Law No. 95, dated 7.12.2023)

1. The documentation for the implementation of the provisions of the agreement for the avoidance of double taxation shall be submitted within the calendar year following the year in which the provisions of this agreement were implemented. This documentation shall be specified in the instruction of the minister responsible for finance.
2. If the taxpayer does not submit the documentation within the deadline specified in point 1 of this article, then a fine of 10,000 Leks is applied to the taxpayer for each month of late submission. This fine is applied for up to 24 months following the end of the deadline specified in point 1 of this article.
3. If the taxpayer does not submit the documentation even after the 24-month period specified in point 2 of this article has expired, then the taxpayer loses the right to apply the provisions of the agreement for the avoidance of double taxation and must pay the unpaid taxes or the reduced part of the tax according to the agreement, as well as fines and interests for late payment in accordance with this law.

Article 115/4

Penalties related to country-by-country reporting obligations

(Article added by Law No. 95, dated 7.12.2023)

1. Failure to fulfill the obligation to submit the country-by-country report on time, according to the provisions of this law, is punishable by a fine of 10,000 Leks for each month of delay up to 12 months after the deadline set in Article 63/4 of this law.
2. After the deadline set out in point 1 of this article, for failure to fulfill the obligation to submit this report, the taxpayer is fined 200,000 Leks.
3. Failure to comply with the obligation to submit accurate and complete country-by-country report, according to the provisions of this law, is punishable by a fine of 50,000 Leks.

Article 116

Tax evasion

(reformulated by law no. 164/2014, dated 4.12.2014)

1. Concealment or avoidance of paying tax liabilities, through failure to submit documents or failure to declare the necessary data, according to the legislation in force, submission of forged documents or false declarations or information, which leads to the incorrect calculation of the amount of tax, duty or contribution, constitutes tax evasion and is punishable by a fine equal to 100 percent of the difference between the calculated amount and what it should actually be.
2. For the purposes of point 1 of this article, taxpayers who are found to have committed these violations and to whom administrative penalties have been applied in accordance with:
   a) point 1, of article 119, of this law,
   b) point 3, of article 121, of this law;
   c) point 1, letters “a” and “b”, of article 122, of this law.

Article 117

Penalties for withholding agents, tax agents and tariffs' agents

(amended by law no. 179/2013, dated 28.12.2013; amended by law no. 112/2016, dated 3.11.2016)

The tax withholding agent, duties' agent or tariffs' agent is obliged to pay a fine, in the following amount:

a) A fine of 0.06 percent of the full amount of the tax, duty or tariff, if it has withheld, calculated and declared the tax at source or the tax, duty or tariff, but has not transferred it to the State Budget. This penalty is applied for each day during which the payment is not made, but not for a period longer than 365 calendar days.

b) A fine of 50 percent of the full amount of the tax, duty or tariff in case of failure to withhold the tax or duty or failure to collect the tax or tariff;

c) Fine of 100 percent of the full amount of the tax, duty or tariff if withheld and does not declare and pay the withholding tax or the collected tax, duty or tariff.

Article 118

Failure to maintain accurate books, records and documentation

(amended by Law No. 83/2022, dated 24.11.2022)

A taxpayer who fails to maintain tax records and documentation required under this law is required to pay a fine of 10,000 lek for each violation, in cases where he is a natural person exercising commercial economic activity or as a self-employed person, and 50,000 lek when he is a legal entity.

Article 119

Non-declaration of employees and concealment of salary

(amended by Law No. 10209, dated 23.12.2009; amended by Law No. 10415, dated 7.4.2011; letters "a" and "b" amended by Law No. 124/2012, dated 20.12.2012; amended by Law No. 164/2014, dated 4.12.2014; amended by Law No. 112/2016, dated 3.11.2016, amended the second sentence of letter "b" with law 83/2019, dated 18.12.2019; amended point 3 with law no. 83/2022, dated 24.11.2022)

1. If the verification and auditing at the business location results in the taxpayer not having declared to the tax authority any newly employed person, at least one calendar day before the start of work, in addition to the obligation to pay the amount of tax liabilities and social and health insurance contributions, calculated from the date of the finding, a fine shall be imposed for each undeclared employee:
   a) taxpayers registered as subjects of value added tax and corporate profit tax, with a fine of 200,000 (two hundred thousand) Leks;
   b) other taxpayers, with a fine of 50,000 (fifty thousand) Leks.
2. These fines do not apply in the case when, from the verification and audit at the location of the activity of the taxpayer with the legal status of a natural person, persons over 16 years of age are identified, who declare themselves as "self-employed with unpaid family employees". After the finding, the tax authority certifies on the "e-Albania" portal, through the family certificate of the self-employed person, whether he meets the conditions to be considered an unpaid family person or a cohabitant, within the meaning of the Civil Code.

3. If the verification and auditing result that the taxpayer has concealed and has not declared the exact salary received by the employee, as a result of the employment relationship, the employer, in addition to the obligation to pay the appropriate amount of tax liability and contributions for this employee, calculated for the entire period proven that the violation was committed, is punished with a fine in the amount of:
   a) 200% of the calculated liability and contribution for legal entity taxpayers;
   b) 100% of the obligation and contribution for all other taxpayers.

Article 119/1

Failure to declare real salary

(added by law no. 99/2015, dated 23.9.2015 and repealed by the decision of the Constitutional Court no.33, dated 8.6.2016)

Article 120

Cash payments or receipts over 150,000 lek

(amended by Law No. 179, dated 28.12.2013; amended by Law No. 112/2016, dated 3.11.2016; paragraphs added by Law No. 31/2019, dated 17.6.2019)

Taxpayers, natural or legal persons, traders, who carry out cash sales / purchases transactions among themselves, not in accordance with the provisions of point 1, Article 59, of this law, are punished with a fine of 10 percent of the value of each transaction.

Failure to comply with the obligation set forth in points 1/2 and 1/3 of Article 59 of this law by taxpayers shall be punished as follows:

a) for taxpayers, natural persons, traders, registered for value added tax, with a turnover of up to 8,000,000 (eight million) Leks, a fine of 25,000 Leks;
b) for legal entity taxpayers, regardless of turnover, as well as individual taxpayers who are traders, with turnover over 8,000,000 (eight million) Leks, a fine of 50,000 Leks;
c) for non-profit organizations, a fine of 37,000 Leks.

In case of continued non-compliance with the obligation of points 1/2 and 1/3 of Article 59 of this law, even after the penalty, according to letters "a", "b" and "c", of this paragraph, the taxpayer is punished with double the first fine.

Article 121

Goods not accompanied by tax documents

(point 3 added by law no. 10415, dated 7.4.2011; last paragraph added by law no. 164, dated 4.12.2014; added by law no. 99/2015, dated 23.9.2015; added points 4 and 5 by law no. 99/2015, dated 23.9.2015; repealed point 4 by the decision of the Constitutional Court no. 33, dated 8.6.2016; amended points 1 and 3, and repealed point 2, by law no. 112/2016, dated 3.11.2016, amended by law 83/2019, dated 18.12.2019; amended by law no. 83/2022, dated 24.11.2022)

1. Taxpayers who keep in storage, use or transport goods not accompanied by tax documents, in accordance with the provisions of this law and the legislation in force on the invoice and the circulation monitoring system, are penalized as follows:
   a) Registered taxpayers with tax liability for personal income tax from business or self-employment, who are not registered for VAT, and other taxpayers are punished with a fine of 25,000 Leks;
   b) Registered taxpayers with tax liability for personal income tax from business or self-employment and for VAT are punished with a fine of 50,000 Leks, but not less than the value of the missing VAT;

c) registered taxpayers with corporate profit tax liability are punished with a fine of 750,000 Leks, but not less than the value of the missing VAT;

ç) a person who carries out unregistered economic and commercial activities, according to the definitions of Article 41 of this law, shall be punished with a fine of 50,000 Leks.

2. The determination of the value of the missing VAT is made by the tax administration at the moment of ascertaining the violation by valuing the goods found without an invoice at the market price.
3. For the violations provided for in point 1 of this article, in case of repetition, the tax administration, in addition to the penalties specified in point 1, shall file criminal charges against the taxpayer in accordance with the provisions of articles 116 and 131 of this law.

Article 122

Violations of failure to register data of entities issuing invoices

(amended by law no. 10209, dated 23.12.2009; amended by law no. 10415, dated 7.4.2011; amended by law no. 164/2014, dated 4.12.2014; amended by law no. 99/2015, dated 23.9.2015; repealed points "b", "c" of point 1 and "d/1, by decision of the Constitutional Court no. 33, dated 8.6.2016; amended by law no. 112/2016 dated 3.11.2016; amended with law 83/2019, dated 18.12.2019)

1. The person who is subject to the issuance of an invoice or accompanying invoice, in accordance with the legislation in force on the invoice and the circulation monitoring system, shall be punished with a fine as follows:
   a) Registered taxpayers with personal business income tax liability who are not registered for VAT, and other taxpayers are punished with a fine of 25,000 Leks;
   b) registered taxpayers with personal income tax liability from business and for VAT are punished with a fine of 50,000 Leks;
   c) taxpayers registered with corporate profit tax liability and for VAT are punished with a fine of 75,000 Leks.
2. Fines, according to letters "a", "b", "c", of point 1, of this article, are applied if:
   a) within 24 hours before issuing the first invoice, does not notify the tax administration of the commencement of the supply of goods and services, on the basis of which he is obliged to issue invoices in accordance with this law, unless he is a person registered in the tax administration register as a VAT taxpayer, a corporate profit tax taxpayer or a personal business income tax taxpayer;
   b) within 24 hours before the issuance of the first invoice, does not submit it to the tax administration the data on the business location used for exercising the economic activity;
   c) does not submit data for any operator, natural person authorized to issue invoices, within 24 hours before the start of invoicing by each operator;
   ç) does not submit information about the software maintainer within 24 hours of the conclusion of this service contract;
   d) does not submit data to the tax administration for the change of data, according to letters "b", "c" and "ç", of this point, within the specified time limits.

Article 123

Violations of failure to issue invoices and accompanying invoices

(wording changed in point 2 by law no. 10137, dated 11.5.2009; point 2 amended by law no.10209, dated 23.12.2009; amended by law no. 10415, dated 7.4.2011, amended with law 83/2019, dated 18.12.2019; amended letter "a" of point 3 with law no. 83/2022, dated 24.11.2022; repealed point 2, amended point 3 with law no. 95, dated 7.12.2023)

1. The person who is subject to the issuance of an invoice or accompanying invoice, in accordance with the legislation in force on the invoice and the circulation monitoring system and on VAT, commits a violation if:
   a) does not issue an invoice for any supply of goods or services in the Republic of Albania;
   b) does not issue an invoice for any payment made prior to the supply of goods or prior to termination of service (for prepayment);
   c) does not issue an invoice for each receipt of goods or provision of services, if it is subject to "self-invoicing";
   ç) does not issue an invoice at the time of supply of goods or services or within the deadlines foreseen time periods that constitute an exception to this rule;
   d) issues an invoice that does not contain all the specified invoice elements;
   dh) the invoice issued for cash payments and, in special cases, the invoice for non-cash payments, does not print it on paper and does not apply the fiscalization procedure, and does not hand over the invoice to the buyer at the time of supply;
   e) the amount of cash collected above the cash maximum or if the total amount, in specified cases, is not deposited into an account opened at the bank, no later than the end of the next business day;
   ë) does not issue an accompanying invoice for any movement of goods from one place to another without alienation of ownership of goods.

   Registered taxpayers with personal business income tax liability who are not registered for VAT, and other taxpayers are subject to a fine of 25,000 Leks.

   Registered taxpayers with tax liability for personal business income tax and VAT are punished with a fine of 50,000 Leks, but not less than the value of the missing VAT.

   Registered taxpayers with corporate profit tax and VAT liability are punished with a fine of 75,000 Leks, but not less than the value of the missing VAT.
2. *(Repealed).*
3. For the taxpayer who, for the second time within a calendar year, commits a violation under letters "a" and/or "c" of point 1 of this article, ascertained both times within the framework of a "on-site verification" tax audit, in addition to the fine, as defined in point 1 of this article, the following measures shall also be taken:
   a) fine of 50,000 lek for taxpayers of personal income tax from business or self-employment, fine of 100,000 lek for taxpayers of personal income tax from business or self-employment with VAT, fine of 500,000 lek for taxpayers of corporate profit tax;
   b) tax assessment for the last three months using the alternative methods provided for in Articles 71 and 72 of this law for taxpayers registered for VAT;
   c) blocking of activity in the place where the violation was found for 30 calendar days.

   The blocking measure, according to letter "c" of this point, is lifted if the taxpayer pays the imposed penalties.
4. The taxpayer who, for the third and subsequent time within a calendar year, commits the violations specified in letters "a", "b" and "c", of point 1, of this article, in addition to the punishment, according to point 3, of this article, shall be prosecuted, according to point 2, of article 116, of this law. Also, the name of the taxpayer, the NIPT and the name of the business representative shall be published on the official website of the General Directorate of Taxation.

5. For a taxpayer, against whom, after a tax re-audit conducted within 15 days from the first finding of violations, according to letter "e", point 1, of this article, the same violation is again found, the penalties specified in letter "a", point 3, of this article shall apply.
6. A taxpayer who issues a tax receipt/pre-printed value ticket that does not contain the elements specified in this law and the sub-legal acts shall be fined 25,000 Leks for the tax receipt/pre-printed value ticket.
7. A taxpayer who issues a tax receipt indicating a value different from the value of the supply or the displayed price is punished with a fine of 25,000 Leks.
8. Failure to issue pre-printed service tickets, produced by authorized institutions, used in various sectors, is punishable by a fine of 5,000 Leks for each ticket.

Article 124

Violations in the invoice fiscalization procedure and the circulation monitoring system

(amended by Law No. 99/2015, dated 23.9.2015; amended points 1 and 2 by Law No. 112/2016, dated 3.11.2016; added a paragraph to point 1 by Law No. 97/2018, dated 3.12.2018; amended by Law No. 83/2019, dated 18.12.2019; amended letters "a", "b" and "c" of point 1 by Law No. 83/2022, dated 24.11.2022)

1. The taxpayer, who is subject to the issuance of an invoice or accompanying invoice, in accordance with the legislation in force on the invoice and the circulation monitoring system, shall be fined as follows:
   a) Registered taxpayers with tax liability for personal income tax from business or self-employment, but who are not registered for VAT, and other taxpayers are fined 25,000 Leks.
   b) registered taxpayers with personal income tax liability from business or self-employment and for VAT, are punished with a fine of 50,000 Leks;
   c) registered taxpayers with corporate income tax liability are punished with a fine of 75,000 Leks.
2. Fines, according to letters "a", "b" and "c", of point 1, of this article, are applied if:
   a) do not install electronic billing equipment or are not equipped with mobile electronic billing equipment and a fiscal printer, which contains software for electronic signature of the invoice and do not provide an internet connection for electronic data exchange with the tax administration, in case of cash payments;
   b) do not install electronic devices or do not equip themselves with portable electronic devices and a printer, which contains software for electronic signature of the accompanying invoice and does not provide an internet connection for electronic data exchange with the tax administration;
   c) are not provided by the NAIS (National Agency of Information Society) with the digital certificate specified for electronic signature invoice or accompanying invoice and for the identification of the taxpayer issuing the invoice;
   ç) do not issue invoices through electronic invoicing devices specified in letter "a" of this point, or using software specified for issuing invoices without cash;
   d) do not apply the fiscalization procedure for sales through self-service devices; dh) do not use software that enables avoidance of the application of fiscalization of the issuance of invoices or the implementation of sales fiscalization through self-service devices;
   e) in the event of an internet outage, they do not establish an electronic connection within 48 hours from the date the connection was interrupted and do not submit all invoices issued

without the unique invoice identification number (NIVF) to the tax administration, or within that period do not notify the tax administration of the impossibility of establishing an electronic connection (internet);

ë) in the event of a complete interruption of the fiscal device's operation, they do not issue receipts certified by the tax administration and, within the specified deadline, do not restore the operation of the fiscal devices for issuing invoices or do not equip themselves with new equipment within the specified deadline, do not submit all invoices issued to the tax administration during the interruption of the fiscal device's operation;

f) they carry out economic activities at the business location, where it is not possible to establish an electronic connection (internet) and for this there is a certificate from *AKEP* (Electronic and Postal Communications Authority), which they do not submit to the tax administration and do not submit data on invoices issued within the specified deadline and in the specified manner;

g) do not display a notice on each electronic billing device or in another location prominently displayed at the business location, indicating the obligation to issue the invoice, as well as the buyer's obligation to receive and retain the invoice.

Article 124/1

Failure to register the manufacturer and maintainer of the software for issuing invoices

(added with law 83/2019, dated 18.12.2019)

1. The software manufacturer and/or its maintainer, who is not registered in the register of software manufacturers or maintainers, before the start of the provision or maintenance of software for issuing invoices or accompanying invoices, in the tax administration, in accordance with the law regulating the invoice and circulation monitoring system, is punished with a fine of 1,000,000 Leks for this violation.
2. The manufacturer and/or maintainer of the software, whose program is used by the entity issuing invoices, does not enable the fiscalization procedure and if the software contains options that avoid the fiscalization procedure of the issued invoice, in accordance with the law regulating the invoice and the circulation monitoring system, is punished with a fine of 1,000,000 Leks for this violation.

Article 124/2

Violations in the procedure for issuing, sending and receiving *e-Fatura*

(added with law 83/2019, dated 18.12.2019)

1. The person who is subject to the issuance of an *e-Fatura*, in accordance with the legislation in force on the invoice and the circulation monitoring system, shall be punished with a fine as follows:
   a) Taxpayers registered with personal business income tax liability, but who are not registered for VAT, and other taxpayers are punished with a fine of 50,000 Leks;
   b) Registered taxpayers with tax liability for personal income tax from business and for VAT are punished with a fine of 100,000 lek, but not less than the value of missing VAT;
   c) Registered taxpayers with corporate profit tax liability, in accordance with the law on income tax and VAT, are punished with a fine of 150,000 Leks, but not less than the value of the missing VAT.
2. Fines, according to letters “a”, “b” and “c”, of point 1, of this article, are applied if:

a) do not issue or send the *e-Fatura* and accompanying documents, in accordance with the law that regulates the invoice and the circulation monitoring system;
b) issue and send *e-Fatura* and accompanying documents that are not in compliance with rules for using *e-Fatura*;
c) are not registered on the *e-Fatura* exchange central registry.

3. Persons who are obliged to accept the *e-Fatura*, in accordance with the law regulating the invoice and the circulation monitoring system, are punished with a fine as follows:
a) Taxpayers registered with personal business income tax liability, but who are not registered for VAT, and other taxpayers are punished with a fine of 50,000 Leks;
b) registered taxpayers with personal income tax liability from business and for VAT are punished with a fine of 100,000 Leks;
c) Registered taxpayers with corporate profit tax and VAT liability are punished with a fine of 150,000 lek, but not less than the value of the missing VAT.

4. Fines, according to letters "a", "b" and "c", of point 3, of this article, are applied if:
a) accept and process *e-Fatura* and accompanying documents that are not in compliance with rules for using *e-Fatura*;
b) do not accept or process *e-Fatura* and accompanying documents, in accordance with the law regulating the invoice and the circulation monitoring system;
c) make *e-Fatura* payments, in violation of the provisions of the law regulating the invoice and the circulation monitoring system.

5. A person who is an information technology intermediary who provides services for issuing/sending *e-Fatura*, which are not in accordance with the law regulating the invoice and the circulation monitoring system or provides services for issuing/sending *e-Fatura* and other accompanying documents, which are not in accordance with the rules for using *e-Fatura*, according to the legislation in force, shall be punished with a fine of 50,000 Leks for each invoice.

Article 125

Failure to receive the invoice

(amended by law 83/2019, dated 18.12.2019; wording amended in letter "b" by law no. 95, dated 7.12.2023)

The buyer or any recipient of an invoice issued for cash payment, who does not receive the issued invoice and, upon request of the authorized person of the tax administration, does not show the invoice received after leaving the seller's business location, shall be punished with:
a) 50,000 Leks, if a taxpayer registered for VAT and/or corporate income tax;
b) 25,000 Leks if registered taxpayer for personal income tax from business;
c) 1,000 Leks, if it is an individual, final consumer.

Article 126

Failure to provide information

Refusal to provide information requested by the tax administration, in accordance with the provisions of this law, is punishable by a fine of 10,000-50,000 Leks for each violation.

Article 127

Obstruction of tax audit or investigation

(point 3 added by law no. 10209, dated 23.12.2009, points 1 and 2 amended by law no. 83/2022, dated 24.11.2022)

1. A taxpayer who directly or indirectly obstructs a tax audit or investigation by the tax administration is subject to a fine of 100,000 Leks for taxpayers classified as commercial or self-employed natural persons, and 1,000,000 Leks for taxpayers classified as entities or high-net-worth individuals.
2. The fine, provided for in point 1 of this article, is approved by the director of the Regional Tax Directorate or similar units, or by the head of the institution or his delegate for audits carried out by the structures of the General Directorate of Taxation, and by the head of the local government tax unit for taxpayers who pay local taxes and fees.
3. If the tax authorities have reliable information that the taxpayer is concealing information about his economic and financial situation, the tax authorities have the right to seize the taxpayer's documentation, computer and fiscal equipment and other means of maintaining documentation in the premises where he carries out his activity.

Article 128

Issuance of incorrect invoice

1. A taxpayer who issues an incorrect tax invoice that results in a reduction in the liability or an increase in the amount to be reimbursed is punished with a fine equal to 50 percent of the amount of the effect on the reduction of the tax liability, in addition to tax liabilities and interests calculated in accordance with the provisions of this law and specific tax laws.
2. A taxpayer who issues an inaccurate tax invoice, but which is proven to have no effect on the calculation and payment of tax liability is punished with a fine of 10,000 Leks.
3. A taxpayer who is not subject to the obligation to issue a VAT invoice and issues such invoices is punished with a fine equal to 50 percent of the VAT given on the unauthorized tax invoice, as well as with the recovery of 100 percent of the VAT unjustly invoiced.

Article 128/1

Other penalties

(added by law no. 164/2014, dated 4.12.2014; changed word in letter "a", repealed letters "c" and "ç" with law 83/2019, dated 18.12.2019)

For violations found in the case where the taxable person responsible for VAT is the purchaser through "VAT self-charge", the following penalties apply:

a) With a fine in accordance with Article 118 of this law, when this person has not issued a VAT invoice, in accordance with the legislation in force on the invoice and the circulation monitoring system, but the failure to issue the invoice does not have consequences on the payable VAT.
b) With a fine in accordance with Article 124 of this law, when acting according to letter "a" of this article, but, in this case, failure to issue an invoice has consequences for the payable VAT.
c) *(Repealed).*
ç) *(Repealed).*

Article 128/2

Penalties for not uploading or uploading incorrect IMEI numbers to the Database
(added by law no. 99/2015, dated 23.9.2015)

Any taxpayer who fails to upload mobile phone IMEI number data or uploads incorrect information is punished with a fine of 30,000 (thirty thousand) Leks for each failure to upload/incorrect upload.

Article 128/3

Penalties for certification of tax returns by auditors
(added by law no. 99/2015, dated 23.9.2015; amended by law no. 112/2016, dated 3.11.2016)

If, from the audit carried out by the tax administration on taxpayers whose tax returns have been certified by the certifying companies, according to point 4, of Article 80, of this law, as being in compliance with the fiscal legislation, a tax liability results, the certifying company is punished with a fine, in the amount of 50 percent of the tax liability imposed on the taxpayer.

Article 129
Penalties for taxpayers who are banks or financial institutions
(changed the letter "ç" of point 1 by law no. 164/2014, dated 4.12.2014; added a sentence at the end of letter "ç" with law no. 97/2018, dated 3.12.2018; letter "d" added with law 83/2019, dated 18.12.2019)

1. The following violations, committed by banks and other financial institutions that carry out banking operations, when they do not constitute a criminal offense, constitute administrative offenses and are punishable by a fine as follows:
   a) 50,000 Leks for each violation, for opening accounts, for payments or other forms of banking/financial transactions for natural and legal persons, without the official document confirming the taxpayer identification number;
   b) 40,000 Leks for each violation for failure to comply with the administration notification deadline tax for the taxpayer opening accounts, payments or other forms of banking/financial transactions;
   c) 125 percent of the Bank of Albania's interbank interest, calculated for each day, until the payment is transferred to the budget, for failure to transfer payments from the taxpayer to the budget, within one working day from the submission of the transfer order by the taxpayer;
   ç) when the bank does not block the requested amount, it shall pay a fine equal to 0.2 percent per day of the outstanding obligation, but not less than 100,000 (one hundred thousand) Leks per day. In any case, the amount of the fine applied may not be greater than the amount requested to be blocked.
   d) 100,000 Leks for each case, if the bank or financial institution that provides cashless payment services for *e-Fatura* issued by the entity, which has implemented the fiscalization procedure, does not record the payment made, and does not notify the tax administration about this payment through the electronic system, immediately after payment, in accordance with the law regulating the invoice and the circulation monitoring system.

Article 130

Failure to display sales prices

(amended by law no. 99/2015, dated 23.9.2015; amended by law no. 112/2016, dated 3.11.2016)

Failure to display the selling prices of goods or services is punishable by a fine of 100,000 (one hundred thousand) Leks for corporate profit taxpayers and 50,000 (fifty thousand) Leks for other taxpayers.

The Minister of Finances shall determine by instruction the cases when, due to the nature of the activity, the obligation to display service prices cannot be fulfilled.

Article 131

Criminal offenses

(amended by law no. 164/2014, dated 4.12.2014; points 3 and 4 added by law no. 99/2015, dated 23.9.2015; repealed point 4, by law no. 112/2016 dated 3.11.2016)

1. A person who, for any tax imposed by a tax law, commits any of the following acts shall be punished in accordance with the Criminal Code when:
   a) intentionally attempts to commit tax evasion; a/1) commits tax evasion as provided for in point 2 of Article 116 of this law.
   b) intentionally fails to collect tax liability and social security contributions and health or does not pay them into the budget.
   c) intentionally conceals or destroys books and records, documents, statements or other important information about tax liability;
   ç) intentionally submits falsified documents, tax returns or information;
   d) intentionally fails to comply with a written request to appear before the tax authorities; dh) intentionally interferes with the assessment or collection of tax; e) threatens or commits an offense against a tax official;
   ë) in collaboration with a tax official, pays or accepts bribes;
   f) offers a bribe to a tax official;
   g) intentionally provides tax information in a manner unauthorized by law or regulation.
2. The tax administration files a criminal report with the prosecutor's office for any violation provided for in point 1 of this article.
3. Exceptionally, for taxpayers who, by 31.12.2015, voluntarily declare and consequently correct a tax return that was intentionally filled out incorrectly, under the terms of Article 116 of the law, regardless of the tax period to which this declaration belongs, pay the tax and interest on arrears, according to Article 76 of this law, the tax administration, in accordance with this article, will not file a criminal report. The correction, which includes the unpaid tax and interest on arrears, will be self-declared by the taxpayer in the declaration of the current month, within 31.12.2015, or will request to be made through a reassessment by the tax administration.

   Taxpayers do not benefit from this provision if the violation, according to the above paragraph, has been previously ascertained by the tax administration.
4. *(Repealed).*

Article 132

Double sanctioning

1. The imposition of an administrative penalty, under this law or another tax law, does not prevent the tax administration from filing a criminal report with the prosecutor's office for tax offenses.
2. The conclusion of a criminal case against a taxpayer does not prevent the imposition, for the same taxpayer, of an administrative penalty, under this law or another tax law.

CHAPTER XV
TRANSITIONAL AND FINAL PROVISIONS

Article 133
Effect on existing tax liabilities and assessments
(last two paragraphs added by law no. 10415, dated 7.4.2011; point 3 added by law no. 99/2015, dated 23.9.2015; point 4 added by law no. 112/2016, dated 3.11.2016)

1. Upon the entry into force of this law, the provisions provided for in this law shall apply to all remaining procedures for the collection of tax liabilities.

"Taxpayers who are deregistered in the NRC, but who appear registered in the relevant registers of tax administrations, are considered deregistered by these administrations from the date of their deregistration in the NRC. Within one month from the entry into force of this law, tax administrations shall take measures to reflect this action in their registers.

2. Taxpayers who have requested deregistration with the NRC and subsequently have not developed economic activity, but have not submitted zero-value tax returns and, for this reason, are recorded as debtors with the tax administration, will have their fines and interest for this failure to file a return waived.
3. The numbering of findings and the application of penalties, set out in Articles 119 and 122 of this law, shall apply from the date of entry into force of this law.
4. The numbering of findings for the application of penalties set forth in Article 122 of this law shall begin to apply upon the entry into force of this law.

Article 133/1
Adjustments to tax returns because of the new IT system
(added by law no. 99/2015, dated 23.9.2015)

Taxpayers who, with the start of the new IT system, although they did not have tax liability for a certain tax or duty, were charged with this liability and, consequently, were recorded as debtors with the tax administration, will have their accrued fines and interests abolished until 31.8.2015.

Article 134
Tax Appeals Commission

1. Within 60 days of the entry into force of this law, all functions of the Tax Appeals Commission shall be terminated.
2. 15 days after the entry into force of this law, the Tax Appeals Commission will no longer accept the submission of new requests for review.
3. The Tax Appeals Commission reviews all practices filed with the commission's secretariat, within the deadline provided for in point 1 of this article.

Article 135
Issuance of by-laws
(point 2/1 added by law no. 97/2018, dated 3.12.2018)

1. The Council of Ministers is hereby instructed to, within 6 months from the entry into force of this law, issue the sub-legal acts implementing Articles 20, point 3, 52, point 2, 55, point 2, 56, point 2 and 91, point 5 of this law.

2. The Minister of Finances is hereby charged with issuing, within 6 months from the entry into force of this law, the sub-legal acts implementing articles 10 point 1, 16 point 5, 21 point 3, 50 points 2 and 4, 51 point 3, 52 point 1, 53 point 2, 55 point 3, 56 point 1, 64 point 4, 72 point 3, 79 point 2 and 80 point 6 of this law.

2/1. The Minister responsible for Finances is hereby charged with issuing a sub-legal act regarding the procedures and criteria for implementing Article 71/2, regarding the use of alternative valuation methods, in cases of tax avoidance and abuse of the principles of tax law.

3. The General Director of Taxation is charged with issuing sub-legal acts in implementation of Article 29, point 2 and approving technical manuals, the manual of assessment, investigation, taxpayer service and coercive measures, as well as other manuals.
4. Sub-legal acts and manuals are also published in the tax bulletin and are binding on the tax administration and taxpayers.
5. The tax bulletin is the official publication of the General Directorate of Taxation.

Article 136

Repeals

(the repeals of the third paragraph are provided for by Law No. 83/2019, dated 18.12.2019 and amended in the third paragraph by Law No. 110/2020, dated 29.7.2020)

1. Upon the entry into force of this law, Law No. 8560, dated 22.12.1999 "On Tax Procedures in the Republic of Albania", as amended, is repealed.
2. Upon the entry into force of this law, Law No. 7758, dated 12.10.1993 "On the documentation and maintenance of tax accounts", is repealed.
   At the moment of repealing Articles 55 and 56 of this law, Instruction No. 16, dated 3.5.2010, of the Minister of Finances, "On the administration and documentation of fiscal equipment procedures", Decision No. 781, dated 14.11.2007, of the Council of Ministers, "On the technical and functional characteristics of fiscal equipment, the integrated computerized system for periodic, automatic transfers of financial statements, the communication system, on the procedure and documentation for their approval and on the criteria for the equipment, with authorization, of companies authorized to provide fiscal equipment", as amended, and other provisions of the implementing laws issued in implementation of this law, which are in conflict with this law, are repealed.

Transitional provision[2]

(added by law no. 164/2014, dated 4.12.2014, added points with the laws: no. 112/2016 dated 3.11.2016, no. 31/2019 dated 17.6.2019, no. 110/2020, dated 29.7.2020, normative act no. 27, dated 1.7.2021, with normative act no. 36, dated 24.12.2021)

1. All taxpayers who, on the date of entry into force of this law, fail to declare for more than 12 consecutive months, are automatically transferred from the active register to the passive register of the tax administration.
2. Tax representatives who are registered with the regional tax directorate or will be registered as such by 31.12.2014, in accordance with Article 9 of this law, are responsible for paying the VAT tax liability and will not be deregistered until the completion of the fulfilment of their obligation as tax representatives.

2

3. [3]The Tax Appeals Directorate performs its functions as a structure of the General Directorate of Taxation until January 1, 2017. The procedures for pending administrative tax appeals are determined by instruction of the Minister of Finances.
4. The Tax Appeals Directorate reviews and decides on all administrative tax appeals, regardless of the value of the appealed obligations, until the entry into force of the decision of the Council of Ministers on the composition and functioning procedures of the Tax Appeals Review Commission.
5. 5. [4]Taxpayers registered with the National Business Center/tax administration are obliged to open a bank account no later than 90 days from the entry into force of this law and declare it to the tax administration.
6. 6. [5]Fiscal devices, provided by authorized companies, with which taxpayers were equipped before the entry into force of this law, will continue to function and be maintained by these companies if they do not conflict with Law No. 87/2019 "On the invoice and circulation monitoring system".
   Until the date of commencement of legal effects, according to Article 48 of Law No. 87/2019, companies that have been authorized, according to Decision No. 781, dated 14.11.2007, of the Council of Ministers, as amended, and whose authorization term has expired before or during the transitional period, continue to provide the service of maintenance of fiscal equipment to taxpayers. The provisions of this paragraph do not exclude the fulfilment of obligations according to Law No. 87/2019.
7. [6]. Except for the provisions of this law, for administrative offenses related to the deadlines for entry into force and effective implementation of Law No. 87/2019, "On the invoice and the circulation monitoring system", as amended, the implementation of sanctions will begin to apply after January 1, 2022.
8. [7]. Except for the provisions of this law, the application of sanctions for administrative offenses related to the effective implementation of Law No. 87/2019, "On the invoice and the circulation monitoring system", as amended, will begin to apply after 30.6.2022, for taxpayers, as follows:
   a) taxpayers registered with personal business income tax liability and who are not registered for VAT, who only make cash sales to final consumers, non-taxable persons;
   b) taxpayers who provide water supply to final consumers, as well as the regulated electricity market;
   c) banks or financial institutions for notification of payments of e-Invoices issued by taxpayers.

Article 137
Entry into force

This law enters into force 15 days after its publication in the Official Gazette.

Promulgated by decree no. 5749, dated 9.6.2008 of the President of the Republic of Albania, Bamir Topi

[3]*Points 3 and 4 are provided for by Law No. 112/2016 dated 3.11.2016.*
[4]*Point 5 is provided for by Law No. 31/2019 dated 17.6.2019.*
[5]*Point 6 was added by Law No. 110/2020, dated 29.7.2020.*
[6]*Point 7 was added by normative act no. 27, dated 1.7.2021.*
[7]*Point 8 was added by normative act no. 36, dated 24.12.2021.*