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The Albanian Parliament has approved on 30 March, the Law no. 33/2017 "On the payment and deletion/remission of the tax liabilities, customs duties and the removal of the transport vehicles from circulation after the deletion/remission of the tax liabilities". As of today, Law no. 33/2017 has not yet been published in the Official Gazette and has not yet come into force. However, we bring it to your attention as this Law (expected to be effective soon) provides an opportunity for the deletion/remission of unpaid tax liabilities and customs duties of certain previous tax periods, upon fulfilment of certain conditions (if applicable).

• **Criteria to benefit from this Law**

In order to benefit from this Law, there are two main conditions:

- 1) Taxpayers should withdraw from any ongoing administrative appeal or court proceedings related to the tax liabilities, penalties and interest object of deletion/remission; and
- 2) The VAT credit balance available to the taxpayer, if any, shall be automatically used to compensate unpaid tax liabilities (except for social and health contribution liabilities), in order for the related penalties and interest as well as the part not so compensated of such tax

liabilities to obtain any deletion/remission based on this Law.

- **Tax liabilities that may be deleted/remitted**

Tax liabilities, penalties and interest assessed by the tax administration that may be object of deletion/remission based on this Law may be divided into the following categories:

- **Tax liabilities related to periods prior to and including December 2010:**
 - 1) Unpaid tax liabilities already evidenced in the taxpayer's account until 31 December 2016 and related to tax periods prior to and including December 2010 (except for social and health contributions liabilities);
 - 2) Unpaid local taxes and tariffs related to tax periods prior to and including December 2010;
 - 3) Unpaid interest and penalties on social and health contributions already evidenced in the taxpayer's account until 31 December 2016 and related to tax periods prior to and including December 2010.
- **Interest and penalties related to periods from January 2011 to December 2014:**
 - 1) Unpaid interests and penalties evidenced in the taxpayer's account until 31 December 2016, when the relevant tax liability (including social and health contributions and local taxes and tariffs):
 - pertains to tax periods from January 2011 to December 2014, and
 - such tax liability has been settled before the entry into force of this Law or will be fully paid within 31 December 2017;
- **Other tax liabilities and penalties regardless of the tax period to which they are related:**
 - 1) Unpaid taxes, interests and penalties of entrepreneurs and commercial companies already de-registered from the National Business Center upon a court decision or from the tax administration as at the date of entry into force of this Law;
 - 2) Penalties calculated automatically by the system for delayed submission of tax declarations;
 - 3) Penalties for the failure to submit tax declarations, provided that such

declarations are submitted by the taxpayer within 30 June 2017;

- 4) Penalties for late submission at the tax administration of the annual financial statements and the decisions for destination of profits;
- 5) Penalties applied in accordance to the Law no. 99/2015 "On some additions and amendments to the Law no. 9920, dated 19.05.2008 "On tax procedures" which was abrogated by the Constitutional Court (for more information please refer to our Tax News of [June 2016](#));
- 6) For hydrocarbon companies in the exploration phase, tax effects deriving from a delayed or a missing approval for VAT exemption issued by the National Agency of Natural Resources (AKBN), provided that the application for VAT exemption to AKBN has been submitted prior to 31 December 2014;
- 7) Penalties and interest on social and health contributions of the period from January 2011 to December 2016 of self-employed persons in the agricultural sector, provided that such contributions are paid by them within 31 December 2017;
- 8) Etc.

- **Customs liabilities that may be deleted/remitted**

Customs duties, penalties and interest assessed by the customs administration that may be object of deletion/remission based on this Law are also divided into the following two main categories:

- **Certain customs duties to be deleted/remitted unconditionally;**
- **Certain customs duties to be deleted/remitted upon fulfilment of a certain condition.**

Finally, this Law provides also the procedure of removing from circulation registered vehicles in relation to which no action has been carried on after 31 December 2011.

Within 15 days from the date of entry into force of this Law, the Minister of Finance is expected to approve its implementing instruction.

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