



## Tax News

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### **I. Abrogation by the Constitutional Court of the decision on base salary for the purpose of calculation of social and health contributions for freelance professionals - Tax perspective**

The Decision of the Constitutional Court published in the [Official Gazette no. 172, dated 20.09.2016](#).

The Constitutional Court has abrogated as unconstitutional:

- Article 4 of the law no. 143/2015, dated 17.12.2015 "On some amendments and additions to the law no. 9136, dated 11.9.2013, "On collection of obligatory contributions of social and health insurances in the Republic of Albania", brought by the [Fiscal Package 2016](#), and
- The Decision of the Council of Ministers no. 37, dated 21.01.2016, issued for the determination of the base salaries for the calculation of social and health insurance contributions for freelance professionals. Subject of this Decision were a list of 23 categories of self-employed professionals registered as entrepreneurs (see our [Tax News of January 2016](#)).

Please refer to our Legal News of September 2016 for more details on the reasoning of the Constitutional Court in ruling on the unconstitutionality of the law provisions above.

Starting from the date of entry into force of the Decision of the Constitutional Court on 20 September 2016, the categories of self-employed professionals indicated in the Decision of Council of Ministers no. 37, dated 21.01.2016, are no longer required to

calculate their contribution liabilities according to the minimum base salaries determined by such Decision.

The base salary for the calculation of social and health contributions as from 20 September 2016, is:

- For social contributions – equal to the minimum salary for contributions calculation purposes (ALL 22,000);
- For health contributions – twice the minimum salary for contributions calculation purposes.

## II. Relief from VAT and other tax duties on fuel purchases for diplomatic missions and international organizations

Instruction of the Minister of Finance No. 17, dated 26.07.2016 “On exemption procedures on import duties and on other tax duties of fuels for official and personal usage within the diplomatic and consular missions and international organizations accredited in Albania and international organization known as such by the Republic of Albania” published in the [Official Gazette No. 175, dated 22.09.2016](#), outlines the modalities and procedures to be followed by diplomatic and consular missions and international organizations accredited in Albania to obtain relief from excise, import duties and VAT on fuel purchases.

As provided in article 60 of the Law no. 92/2014 “On VAT”, as amended, the above supplies should be treated as similar to exports of goods, i.e. subject to 0% VAT.

Beneficiaries of the above relief should apply for an exemption authorization filed to the General Customs Directorate accompanied with the list of supporting documentation set forth in paragraph 2 of this Instruction.

- Importation of fuel or purchase from a customs warehouse

When the supply of fuel is carried out through a tank trunk from a customs warehouse pursuant to an authorization for relief issued by the General Custom Directorate, a customs clearance is issued under the Import 4 regime showing the exemption from importation duties and excise.

Alongside, a sale fiscal invoice with 0% VAT is issued in support of the sale of goods under this regime.

- Purchase of fuel from retail suppliers

The beneficiaries should submit to the Ministry of Foreign Affairs every month copies of:

- Authorization issued by the General Customs Directorate;

- Invoices and fiscal coupons obtained from the retail suppliers.

General Customs Directorate periodically transfers to the Ministry of Foreign Affairs the amount of excise tax to be reimbursed, which is practically reimbursed to the beneficiaries on monthly basis.

Whereas, VAT is reimbursed pursuant to the rules and procedures set forth in article 64 of the Instruction no. 6, dated 30.01.2015 “On VAT”.

## III. Requirements and criteria of the operator that will develop the Central Online Monitoring System (COMS)

As anticipated in our [Tax News of January 2016](#), through the Decision no. 647 published in the [Official Gazette no. 171 dated 14.09.2016](#), the Council of Ministers has determined the criteria and requirement for the selection of the operator that will develop the Central Online Monitoring System (COMS) to be utilised by the Gambling Supervisory Authority.



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