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I. Minimum level of the rental fees for tax purposes

The Decision of the Council of Ministers no. 469, dated 03.06.2015 “On determination of the minimum value of reference rental prices for tax purposes”, published in the Official Gazette no. 98, dated 15.06.2015, aims to set the minimum rental fees that should be applicable for tax purposes on the lease of:

- (i) houses/dwelling apartments; and
- (ii) other buildings (i.e. basements, warehouses, garages, etc.).

This Decision has been further elaborated by Deloitte Albania’s legal experts and it has been published in our website. Please access the full analysis in this [link](#).

II. Amendment to the list of VAT exempt supplies

An amendment to the Instruction no. 6, dated 31.01.2015 “On VAT”, was published in the Official Gazette no. 206, dated 08.01.2015. Following this amendment, dental implants classified under the commodities codes 9021 31 00 100 and 9021 90 90 100 have been added to the list of VAT exempt supplies.

III. VAT exempt supplies of goods and services in the research phase of hydrocarbon operations

The Joint Instruction of the Ministry of Finance and the Ministry of Energy and Industry no. 17, dated 12.06.2015, published in the Official Gazette no. 103, dated 22.06.2015, presents the list of goods and services used in hydrocarbon operations exempt from VAT and the applicable procedures to obtain such exemption. This Instruction has been published for the implementation of

article 53.k) and 56.39 of the Law no. 92/2014, dated 24.07.2015 "On VAT".

With the entry into force of this Instruction on 22.06.2015, the Joint Instruction of the Ministry of Finance and the Ministry of Energy and Industry no. 673/2, dated 28/01/2014 has been abolished.

The main changes brought by this Instruction consist in the following:

- Construction of technologic lines and deposits for dispatching and warehousing of petroleum produced during the exploration phase is no longer an exempt supply from VAT.
- The National Agency of Natural Resources is expected to issue an authorization to the hydrocarbon contractors and subcontractors for VAT exemption within 30 calendar days from the date of issuance of the respective fiscal invoice. Based on the previous Instruction, such authorization was expected from the National Agency of Natural Resources within the same tax period (i.e. the same month of the invoice).
- Along with the fiscal invoice, contractors should submit to the National Agency of Natural Resources other relevant supporting documentation, including the contract agreement between the contractors and the subcontractors. The maximum term for submitting such supporting documentation should be no later than 10 days before the expiration of the period for issuing the authorization.
- In case the contractor/subcontractor has not obtained the authorization from AKBN within the 30 days period, the supply subject of authorization will be considered as taxable with VAT and the contractor/subcontractor should correct the invoice accordingly.
- In order to benefit the VAT exemption applicable to imported goods intended for the realization of hydrocarbon operations in the research phase, contractors/subcontractors should provide to the National Agency of Natural Resources the pro-forma invoices or any other similar document issued by the exporter. After assessing the request of the contractors/subcontractors, the National Agency of Natural Resources shall issue the respective exemption authorization within 30 days, by specifying a list of relevant details regarding the import. This authorization should contain the same items and details reflected in the invoice submitted to

the customs authorities where the clearance procedures will take place.

IV. Amendment to Law no. 9789, dated 19.07.2007 "On the establishment and functioning of economic zones"

The Albanian Parliament approved on 28.05.2015, Law no. 54/2015 "On some changes and amendments to Law no. 9789, dated 19.07.2007 "On the establishment and functioning of economic zones"".

The amendments that will enter into force on 08.07.2015 introduce *inter alia* the stability clause in favor of the economic zones' investors; a 15 to maximum 30 days term for government agencies to process licenses and permits related to the economic zones; new fiscal facilities for investors; and 99 year term granted for use of land or immovable properties owned by the state.

For detailed information on such piece of legislation please contact us at the email address:

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V. Amendment to Decision no. 54, dated 05.02.2014 "On determination of criteria, procedure and ways of leasing, emphyteusis or other contracts of the state properties"

Upon Decision of Council of Ministers no. 445, dated 20.05.2015 "On some additions and amendments to the Decision no. 54, dated 05.02.2014 "On determination of criteria, procedure and ways for leasing, emphyteusis or other contracts of the state properties"", published with the Official Gazette no. 94, on 09.06.2015, there were approved several amendments of the criteria and procedure for using state properties for business purposes.

The Decision among others expands the area of operability of the EUR 1 Lease Contracts to large investments in the education, media and shipbuilders activities. Additionally the Decision determines the competencies of the Ministry of Economy to 'regain possession' on state properties awarded to the Agency for Restitution and Compensation of Properties in case of request for investments.

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