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#### **I. Decision on the Approval of the Financial Statements and Profit Destination for FYE 2013.**

Article 33/1 of the Law no. 8438 "On Income Tax", dated 28.12.1998, as amended, requires that trading companies, after paying the Corporate Income Tax due for FYE, should approve the financial statements of the previous financial year through a decision of Shareholders Assembly or through the company's competent decision-maker authority before June 30, 2014.

The decision on the destination of the annual profit shall be taken, by determining:

- *the amount of legal reserves (applicable only for joint-stock entities);*
- *the part of profits that will be retained for further investments or for capital extension, and*
- *the part of profits which shall be distributed as a dividend.*

The provisions mentioned above do not apply to branches or representative offices as they are not viewed as separate legal entities for the purposes of the law. In this respect, a branch of a foreign company, in order to comply with article 43.3.a) of the Law no. 9723 "On the National Registration Center", shall submit the following documents:

- *the Parent company's shareholders assembly's decision,*
- *a copy of the Parent company's financial statements and financial statements of the branch/representative office as applicable.*

Such documents shall be submitted to the Albanian National Registration Centre, no later than July 31, 2014. Late submission of the documents will trigger a penalty from both the Tax Administrative and the National Registration Centre. The penalty from the Tax Administrative will be 10,000 ALL for every month delay



and 15,000 ALL (one time penalty) from the National Registration Centre.

The Parent company shareholders' assembly decision and the Parent company's financial statements are required to be signed by the President of the Assembly and stamped with the seal of the Parent Company.

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