



Tax&Legal Highlights

Kosovo

The Republic of Kosovo and the Republic of Austria have signed an Agreement for the Elimination of Double Taxation and Prevention of Fiscal Evasion

The entry into force and applicability of the Double Tax Agreement is subject to ratification by each countries' legislative authority.

The Agreement for the Elimination of Double Taxation and Fiscal Evasion has been signed in light of considerable international economic activity between the Republic of Kosovo and the Republic of Austria. The Agreement is also of importance given that Kosovo has a notable diaspora in Austria

As of yet no details of the treaty have been made available and thus no information on any deviations from the OECD Model Conventions can be reported.

The applicability and entry into force of the Agreement is subject to ratification of it by the countries' respective legislative authorities. The governments of the respective countries will inform each other of the ratification process upon which the treaty shall become applicable.

The Tax Administration of Kosovo extends new electronic services for taxpayers

The new electronic services provide “Reimbursement Management” and have been integrated in the existing Electronic System – EDI

The Tax Administration of Kosovo (TAK) has extended the new electronic services providing “Reimbursement Management” from 01 June and is available to all taxpayers who make a request for reimbursement in respect of value added tax (VAT), personal income tax (PIT) and corporate income tax (CIT).

Through this service, taxpayers can monitor the progress of reimbursement requests. More specifically through this system taxpayers, can be informed regarding the following:

- Date of the request for reimbursement;
- Claimed amount;
- Type of tax;
- Status of request (Pending/ Completed/ Rejected);
- Categorization of taxpayer under TAK Internal Regulation;
- Completion date, and;
- Approved amount.

The Government has published a series of Draft Laws on taxation in the Republic of Kosovo

Among the proposed amendments, the key measures include the introduction of dividend taxation and the reduction in the carry forward of tax losses to four (4) years.

The Government of Kosovo has published and circulated the following Draft Laws:

- Draft Law on Tax Administration and Procedures;
- Draft Law on Personal Income Tax;
- Draft Law on Corporate Income Tax;
- Draft Law on Value Added Tax;
- Draft law on amending and supplementing the Customs and Excise Code;
- Draft Law on the Kosovo Taxation and Customs Agency.

Currently the Government has circulated the aforementioned Draft Laws to parties of interest for consultation.

Among the key amendments proposed include:

- the introduction of taxation of dividends at the rate of 10%;
- the reduction in the carry forward of tax losses to four (4) years from six (6) years;
- reduction in the threshold for taxation based on real income from EUR 50,000 to EUR 30,000;

The proposed changes will be discussed in more detail in subsequent editions as they are further contemplated by Kosovo’s Parliament.

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