

ALBANIA

As per 1 January 2015

EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Tax rate	Progressive tax rate for employment income: 0-23%. *For Income from 0-30,000 ALL/month (Aprox 0-215 eur), tax rate is 0%. *For Income from 30,001-130,000 ALL/month (Aprox 215-930 eur), tax rate is 13% of the amount over 30,000 ALL. *For Income over 130,000 All/Month (aprox 930 eur) tax rate is 13,000 ALL+23% of the amount over 130,000 ALL. Flat tax rate for all orther income 15%
Tax period	Calendar Year
Tax residency / Domicile according to domestic law	Permanent place of living in Albania. Albanian citizen, consular or diplomatic of The Republic of Albania abroad. Present for more than 183 days in Albania.
Tax registration	At least 1 day before the first working day.
Employment income definition	Salaries and other remunerations related to an employment relationship.
Examples of tax exemption	Income from Social Contributions Institution under the Mandatory Scheme of Social Contributions, Scholarships, Remunerations for illness or disasters, are not taxable in accordance with ruling laws.
Specific expatriate concession	Not applicable
Income of board members	Treated as income derived from indipendent personal services and taxed with WHT at 15%.
Tax returns	Local Employment Agreement: The employer is liable for the monthly tax compliance. The individual with anual gross income equal or in excess of 2,000,000 ALL (aprox 14,290 eur) have the obligation to submit an Anual Tax Return. For individuals with anual gross income less than 2,000,000 ALL (aprox 14,290 eur) the submission is voluntary. The deadline for the submission of Anual Tax Return is the 30-th of April of consecutive year of income payment. Foreign Employment Agreement: The employer is liable for the monthly tax compliance. The individual with annual gross income in Albania equal or in excess of 2,000,000 ALL (aprox 14,290 eur) have the obligation to submit an Annual Tax Return. The deadline for the submission of Anual Tax Return is the 30-th of April of consecutive year of income payment. Individuals that are self-employed and freelancers must submit an Anual Tax Return within the 10-th of february of consecutive year of income entitlement.
Tax payments	Local Employment Agreement: The employer is oblided to deduct and pay the PIT on a monthly basis (within the 20-th of consecutive month of income entitelment). Foreign Employment Agreement: The employer is oblided to deduct and pay the PIT on a monthly basis (within the 20-th of consecutive month of income entitelment). Individuals who are self-employed and freelancers are responsible for paying their own taxes and social and health contributions. For income generated from a service rendered to a local company, the later withholds and pays the Income Tax on behalf of the individual within the 20-th of consecutive month of income payment.

TAX TREATIES

Employment income / income from board members	Art 15/16 Model OECD Tax Convention
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INTERNATIONAL SOCIAL SECURITY

Cross border employments	Agreements for social benefits recognition with Turkey, Belgium and Luxembourg.
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Exception under Art 16 of Reg. 883/2004 and Art 17 of Reg. 1408/71	Not Applicable
Social Security Cost as % from gross salary and absolute amounts	<p>Due by the employer on gross salary:</p> <ul style="list-style-type: none"> * Social Security Contributions at a rate of 15%. * Health Contributions at a rate of 1.7%. <p>Due by Employee on gross salary:</p> <ul style="list-style-type: none"> * Social Security Contributions at a rate of 9.5%. * Health Contributions at a rate of 1.7%. <p>Tax base for Social contributions is capped at the value of 97,030 ALL (Aprox 693 eur).</p>
IMMIGRATION	
Work permit	All foreign nationals, need work permit.
Visa	<p>Nationals of Schengen zone, US and UK Nationals that stay in Albania for less than 90 days within a period of 6 months do not need a Visa.</p> <p>Nationals of Schengen zone, US and UK Nationals that stay in Albania for more than 90 days within a period of 6 months need a Visa.</p> <p>Other nationals need a visa to enter in Albania, which must be obtained before their arrival in Albania and should correspond to the purpose of their visit. The application for Visa is made at the nearest Albanian Diplomatic Mission of their country of residency.</p>
Residency permits / registration certificate	<p>All nationals, that stay in Albania for more than 90 days in Albania, need a residency permit.</p> <p>All nationals, that aim to work in Albania, need a residency permit.</p>
Driving license	<p>All nationals, that have a period of stay in Albania shorter than 1 year can use their foreign driving license.</p> <p>All nationals, that have a period of stay in Albania longer than 1 year have the obligation to apply for exchange with an albanian driving license.</p>
STOCK OPTION PLAN	Not applicable



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