

ALBANIA

As per 1 January 2019

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EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Personal Income Tax Rates – Employment Income	<p>Progressive employment income tax rate: 0-23%.</p> <p>*For Income from 0-30,000 ALL/month (Approx 0-240 eur), tax rate is 0%.</p> <p>*For Income from 30,001-150,000 ALL/month (Approx 240-1200 eur), tax rate is 13% of the amount over 30,000 ALL.</p> <p>*For Income over 150,000 All/Month (Approx 1200 eur) tax rate is 15,600 ALL+23% of the amount over 150,000 ALL.</p> <p>Divident income tax rate is 8%.Flat tax rate for all income except employment income and dividend: 15%</p>
Tax period	Calendar Year (1 January to the following 31 December)
Tax residency / Domicile according to domestic law	Permanent place of living in Albania or more than 183 days present in Albania. Albanian citizen, consular or diplomatic of The Republic of Albania abroad.
Tax registration	Registration of the employees to the tax system is required, at least 1 day before the first working day.
Employment income definition	Employemnt incomes includes; Salaries and other remunerations related to an employment
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	The income of board members, is taxed as income derived from independent personal services and taxed with WHT at 15%.
Tax returns	<p>For Domestic Individuals: The employer is liable for the monthly tax compliance. The individual with annual gross income equal or in excess of 2,000,000 ALL (Approx 16,000 Eur) have the obligation to submit an Annual Tax Return. For individuals with annual gross income less than 2,000,000 ALL (Approx 16,000 Eur) the submission is voluntary. The deadline for the submission and payment of Annual Tax Return is April 30 of consecutive year of income entitlement.Late filing and late payment penalties apply</p> <p>For Foreign Individuals: 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 (Approx 16,000 Eur) have the obligation to submit an Annual Tax Return. The deadline for the submission and payment of Annual Tax Return is April 30 of consecutive year of income entitlement.Late filing and late payment penalties apply</p> <p>Individuals that are self-employed and freelancers must submit an Annual Tax Return within before February 10 of consecutive year of income entitlement.</p>
Tax payments	<p>Local Employment Agreement: The employer is obliged to deduct and pay the PIT on a monthly basis (within the 20-th of consecutive month of income entitlement).</p> <p>Foreign Employment Agreement: The employer is obliged to deduct and pay the PIT on a monthly basis (within the 20-th of consecutive month of income entitlement).</p> <p>Individuals who are self-employed and freelancers are responsible for paying their own taxes and social and health contributions.</p> <p>For income generated from a service rendered to a local company, the latter withholds and pays the Income Tax on behalf of the individual within the 20-th of consecutive month of income payment.</p>

Employment income / income from board members

Art 15/16 Model OECD Tax Convention

INTERNATIONAL SOCIAL SECURITY

Cross border employments

Agreements for social benefits recognition only with Turkey, Belgium, Luxembourg, Hungary, Czech Republic, Germany, Austria and Macedonia.

Exception under Art 16 of Reg. 883/2004

Not Applicable

and Art 17 of Reg. 1408/71

Social Security Cost as % from gross salary and absolute amounts

Due by the employer on gross salary:

* Social Security Contributions: 15%.

* Health Contributions: 1.7%.

Due by Employee on gross salary:

* Social Security Contributions : 9.5%.

* Health Contributions: 1.7%.

Tax base for Social contributions is capped at the value of 114,670ALL (Approximately 917 Eur).

IMMIGRATION

Work permit

All foreign nationals, need work permit.

Visa

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.

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.

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.

Residency permits / registration certificate

All nationals, that stay in Albania for more than 90 days in Albania, need a residency permit.

All nationals, that aim to work in Albania, need a residency permit.

Driving license

All nationals, that have a period of stay in Albania shorter than 1 year can use their foreign driving license.

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.

STOCK OPTION PLAN

Not applicable

ARTICLE 15 OF THE OECD MODEL

183 days

Notion of employer

Existence of a permanent establishment



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