

TaxAlert

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To keep you up-to-date with the latest economic and financial developments, this bulletin provides information that may affect the operation of your business in Albania.

New Amendment to Law no. 8981 “On Ratification of Customs Duties”

Upon the new Law no. 9683, dated 06.02.2007, the Albanian Parliament amended the existing Law no. 8981, dated 12.12.2002 “On Ratification of Customs Duties”.

This amendment concerns the customs duties tariffs on importation of goods under customs code no. 22, 33, 34, 39, 44, 48, 49, 72, 73, 94 and 95. Several tariffs under these codes are decreased and some other are cut to 0.

Amendments are published in the Official Gazette no. 15, dated 22.02.2007, and are effective after 15 days from publication (i.e. by 9 March 2007).

Minimum Monthly Salary for Calculation of Social and Health Contributions for Qualified Employees

The Council of Ministers upon Decision no. 42, dated 31.01.2007 determined new levels of the minimum monthly salary for purposes of calculation of social and health contributions of the qualified employees in the private sector, according to the nomenclature of economic activity.

Subject to this Decision are those employees of managerial and technical-economic level, including other qualified employees.

The nomenclature of economic activities is composed by 72 categories. Each group reflects the corresponding minimum monthly salary for every level of qualified employees (refer to Annex 1).

The Decision is effective upon its publication in the Official Gazette (i.e. Official Gazette no. 14, dated 21.02.2007). This implies that social and health contributions for salaries due for February 2007 need to be calculated according to the new rules.

Note that the maximum salary of Lek 65,700 is still applied in the private sector.

New Changes to the VAT Deferred Scheme

As per previous legislation, in order to take advantage of the VAT deferred scheme for machineries and equipment imported by the taxpayer for purposes of its business activity, the taxpayer had to present to the customs authorities a bank guarantee amounting to the calculated VAT.

The Decision of Council of Ministers no. 62, dated 07.02.2007 has removed the guarantee requirement.

The Decision is effective upon its publication in the Official Gazette (i.e. Official Gazette no. 21, publication date 02.03.2007).

Annex 1

Minimum monthly salary for the calculation of social and health contributions of the qualified employees in the private sector, according to the nomenclature of economic activity

Group	Class	Description	Minimum monthly salary	
			Employees of managerial level and technical-economic employees	Other Qualified employees
1		Agriculture, Hunting and Related Service Activities	35,000	18,200
2		Forestry, Logging and Related Service Activities	42,100	21,900
5		Fishing, Fish Farming and Related Service Activities	49,000	25,600
10		Mining of Coal and Lignite: Extraction of Peat	50,000	33,000
11		Extraction of Crude Petroleum and Natural Gas; Service Activities Incidental to Oil and Gas Extraction Excluding Surveying	-	-
	11.1	Extraction of crude petroleum and natural gas	52,500	27,300
	11.2	Service activities incidental to oil and gas extraction excluding surveying	37,900	19,700
13		Mining of Metal Ores	58,300	30,300
14		Other Mining and Quarrying	48,600	25,300
15		Manufacture of Food Products and Beverages	48,600	25,300
16		Manufacture of Tobacco Products	35,600	18,500
17		Manufacture of Textiles	45,400	23,600
18		Manufacture of Wearing Apparel; Dressing and Dyeing of Fur	45,400	23,600
19		Manufacture of Leather and Footwear	45,400	23,600
20		Manufacture of Wood and Wood Products	-	-
	20.1	Saw milling and planing of wood, impregnation of wood	45,400	23,600
	20.2	Manufacture of veneer sheets; manufacture of plywood, laminboard, particle board, fiber board and other panels and boards	45,370	23,593
	20.3	Manufacture of builders' carpentry and joinery	48,611	25,278
	20.4	Manufacture of wooden containers	45,370	23,593
	20.5	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	38,889	20,222
21		Manufacture of Pulp, Paper and Paper Products Publishing and Printing	48,611	25,278
22		Publishing, Printing and Reproduction of Recorded Media	48,611	25,278
23		Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel	64,814	33,704
24		Manufacture of Chemicals and Chemical Products	48,611	25,278
25		Manufacture of Rubber and Plastic Products	48,611	25,278
26		Manufacture of Other Non-metallic Mineral Products	48,611	25,278
27		Manufacture of Basic Metals	64,815	33,704
28		Manufacture of Fabricated Metal Products, Except Machinery and Equipment	64,815	33,704
29		Manufacture of Machinery and Equipment Not Elsewhere Classified	58,333	30,333
30		Manufacture of Electrical and Optical Equipment	58,333	30,333
31		Manufacture of Electrical Machinery and Apparatus	58,333	30,333
32		Manufacture of Radio, Television and Communication Equipment and Apparatus	45,370	23,593
33		Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks	45,370	23,593
34		Manufacture of Transport Equipment	45,370	23,593

Annex 1

Minimum monthly salary for the calculation of social and health contributions of the qualified employees in the private sector, according to the nomenclature of economic activity

Group	Class	Description	Minimum monthly salary	
			Employees of managerial level and technical-economic employees	Other Qualified employees
35		Manufacture of Other Transport Equipment	45,370	23,593
36		Manufacturing Not Elsewhere Classified	-	-
	36.1	Manufacture of furniture	55,093	28,648
	36.2	Manufacture of jewelers and related articles	55,093	28,648
	36.3	Manufacture of musical instruments	55,093	28,648
	36.4	Manufacture of sports goods	55,093	28,648
	36.5	Manufacture of games and toys	45,370	23,593
	36.6	Miscellaneous manufacturing not elsewhere classified	45,370	23,593
37		Recycling	42,130	21,907
40		Production and Distribution of Electricity, Gas, Steam and Hot Water	45,370	23,593
41		Collection, Purification and Distribution of Water	45,370	23,593
45		Construction	48,611	25,278
50		Sale, Maintenance and Repair of Motor Vehicles and Motorcycles	42,130	21,907
51		Wholesale Trade and Commission Trade, Except of Motor Vehicles and Motorcycles	48,611	25,278
52		Retail Trade, Repair of Personal and Household Goods	38,889	20,222
55		Hotels and Restaurants	38,889	20,222
60		Land Transport; Transport Via Pipelines	-	-
	60.1	Transport via railways	37,269	19,380
	60.2	Other land transport	45,370	23,593
	60.3	Transport via pipelines	42,130	21,907
61		Water Transport	55,092	28,648
62		Air Transport	55,093	28,648
63		Supporting And Auxiliary Transport Activities; Activities of Travel Agencies	55,093	28,648
64		Post and Telecommunications	-	-
	64.1	Post and courier activities	43,750	22,750
	64.2	Telecommunications	61,574	32,019
65		Financial Intermediation, Except Insurance and Pension Funding	51,852	26,963
66		Insurance and Pension Funding, Except Compulsory Social Security	51,852	26,963
67		Activities Auxiliary to Financial Intermediation	51,852	26,963
70		Real Estate Activities	64,815	33,704
71		Renting of Machinery and Equipment Without Operator and of Personal and Household Goods	64,814	33,704
72		Computer and Related Activities	48,611	25,278
73		Research and Development	48,611	25,278
74		Other Business Activities	38,889	20,222
75		Public Administration and Defense; Compulsory Social Security	48,611	25,278
80		Education	41,481	21,570
85		Health and Social Work	41,481	21,570
90		Other Community, Social and Personal Service Activities	42,130	21,907

Annex 1**Minimum monthly salary for the calculation of social and health contributions of the qualified employees in the private sector, according to the nomenclature of economic activity**

Group	Class	Description	Minimum monthly salary	
			Employees of managerial level and technical-economic employees	Other Qualified employees
91		Activities of Membership Organizations Not Elsewhere Classified	42,130	21,907
92		Recreational, Cultural and Sporting Activities	42,130	21,907
93		Other Service Activities	38,889	20,222
95		Activities of Households as Employers of Domestic Staff	38,889	20,222
96		Undifferentiated Goods Producing Activities of Private Households for own Use	38,889	20,222
97		Undifferentiated Services Producing Activities of Private Households for own Use	38,889	20,222

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