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.

**REMANDER NOTICE**

We are sending you this reminder notice regarding the amended law “On Commercial Companies”.

The amended Law requires those taxpayers subject to tax on profit, to approve the financial accounts of the previous year, within the first six-months of the subsequent year.

Taxpayers should file with the tax authorities the decision of the company’s competent body concerning use of prior fiscal year net profit, no later than 31 July of the subsequent year.

The portion of net profit used to increase registered capital, establish/increase legal or statutory reserves and retained earnings is not considered to be a dividend distribution. In case the filing is not made by 31 July, the net profit, adjusted for the legal reserves, will be considered to be a dividend distributed for tax purposes and taxed at a rate of 10%. The company should transfer the tax payment to the tax authorities by the 15th of August.

Reduction of capital, resulting from motives other than to cover losses, or not consisting of a return of shareholders’ initial cash contribution to the share capital, will be considered to be a taxable dividend. In such a case, the company withholds the tax and transfers the appropriate amount to the tax authorities within 30 days from the resolution to reduce the capital.
The information contained in this Newsletter is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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