



Albania

VAT Standard rate

The standard VAT rate in Albania in 2023 is 20%.

Threshold

The threshold for registration of digital service providers is not set.

Pieces of evidence

As a rule, the same criteria are used in all countries to determine the place of delivery. You can see the main ones below:

- Customer's address;
- The address to which the invoice is issued;
- Phone code (phone code of Serbia +355);
- Buyer's IP address;
- The location of the customer's fixed landline through which the service is supplied to him.

The legislator leaves the list open to quickly adapt to various conditions for the provision of digital services.

E-services list

Digital services in Albania mean services that require minimal human intervention and are carried out through an electronic network or the Internet. The following list of digital services isn't exhaustive.

- Telecommunication services;
- Radio and television broadcasting;
- Websites, web hosting, software and hardware maintenance;

- Software and updates for it;
- Images, texts, information, evaluation, and reliability of databases;
- Gambling;
- Audio, video, and audiovisual content;
- Online training.

Registration procedure

To register, it is necessary to appoint a fiscal representative, fill out the registration form “Formula ii regjistrimit” in Albanian, and submit it for consideration together with a set of documents. After checking the information provided by you, the tax agency may request additional explanations/evidence of conducting business.

Tax representative

Yes, according to the rules established in Albania, foreign entities are required to engage a tax representative.

VAT returns filing and VAT payment date

The same rules apply to filing declarations and paying VAT for an overseas entity that supplies digital services as for remote sellers – it is necessary to file a return and pay the tax due no later than the 14th day of the month following the reporting period. A monthly tax period applies to most taxpayers. The tax is paid in Albanian Lek (ALL).

The currency must be converted according to the exchange rate set by the Bank of Albania.

Keeping records

You need quality financial records to prepare your tax returns. These records should confirm the income, expenses, and loans that you report. As a rule, these are the same records that you use to track your business and prepare financial statements. It is necessary to keep records for 10 years.

