



Albania

Standard rate

The standard rate of the added value tax for goods and service supplies is applied as a percentage of the taxable value.

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

Reduce rate is 10%

Supply of agricultural inputs, including chemical fertilizers, pesticides, seeds, and seedlings.

Reduce rate is 6%

- Supply of books;
- Delivery of buses with an electric motor designed for use as public transport and with a capacity of more than 8 people.

Zero rate

- Export of goods;
- Delivery of goods for non-profit organizations;
- The delivery of goods and services in the form of work engaged for imported goods to be developed in Albania and that are later on exported to other countries;
- Some activities related to the international delivery of goods and transportation of passengers;
- The delivery of goods and services for an international company and for its members;
- Delivery of goods, within the framework of diplomatic and consular agreements;
- The delivery of goods and services for the armed forces of other nations joining the North Atlantic Treaty Organization;
- Cooperation with the Bank of Albania, such as the supply of gold;
- As in many countries, this list includes supplies directly related to imports and export.

Threshold

A “foreign business” is a business that does not have a fixed office/branch in Albania.

No VAT registration threshold applies to taxable supplies made in Albania by a non-established business. A non-established business must register for VAT in Albania if it engages in any of the following collections:

- Supply of goods situated in Albania at the time of supply;
- Import and export activities in Albania.

Deductible VAT

An entity registered as a VAT taxpayer has the right to deduct earlier paid VAT amounts on purchased goods and services. At the same time, it should be taken into account that the purchased goods and services must be used for business purposes (for example, goods for resale), and not for personal consumption.

To deduct, you must have documents confirming the payment. Such as tax invoices, a customs declarations for import.

Registration procedure

To register, you need to fill out an application form in the Albanian language. It can be found on the website of the tax agency of Albania (you can find the link to the website above). Additionally, the passport of the director of the company, a tax certificate, and other constituent documents may be requested.

Tax representative

If the company/individual entrepreneur responsible for declaring and paying VAT is a taxpayer who does not incorporate in Albania as the place where VAT is paid, then it must appoint a tax agent in the Republic of Albania as the person responsible for paying VAT.

The tax agent must be registered with the regional office of the tax department.

VAT returns filing and VAT payment date

You should be very careful not to miss the last day of filing the VAT return and paying the tax. In Albania, such a day is the 14th of the month following the reporting period. For most companies, the tax period is a month.



