

### Approval of the Law Pardoning Tax Penalties

As from the 29<sup>th</sup> May 2014 all taxpayers that have been subject to fines which have been registered and accounted in the tax registers between 1<sup>st</sup> March and 31<sup>st</sup> August 2013 shall no longer have to pay such fines. However, the underlying liability shall still be payable. This Law no. 39/2014 was approved by the Albanian Parliament on 17<sup>th</sup> April 2014.

### Approval of the Transfer Pricing Package

The Albanian Parliament has approved changes in the existing Income Tax Law and Tax Procedures Law to expand upon the provisions relating to transfer pricing, such matters now are regulated in more detail and sanctions for breach of such provisions have been introduced. Such changes are effective as of 4<sup>th</sup> June 2014, specifically, Law no. 42/2014, dated 24.04.2014, amending the Income Tax Law, and Law no. 43/2014, dated 24.04.2014, amending the Tax Procedures Law. Both Amendments have been published on the Official Gazette no. 70, dated 20.05.2014; however, we note that the related normative acts that shall be crucial to the manner of implementation of the new rules have yet to be published.

### Amendment of the VAT Instruction on Reimbursement

On 16<sup>th</sup> May this year the Minister of Finance issued an amendment to the VAT Instruction to better clarify the procedure to be followed by the tax administration and Ministry of Foreign Affairs in regards to the VAT reimbursement of the diplomats and international organizations. This Instruction no. 6/4 amends the Instruction no. 17, dated 13.05.2008 “On Value Added Tax”, as amended.

FOR FURTHER INFORMATION PLEASE CONTACT OUR TAX & BANKING DEPARTMENT:

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