

Accounting & Tax

June 2009

Accounting

Accounting is regulated through Law no. 9228 date 29.04.2004 "Accounting and Financial Statements". The law determines that all legal entities registered in Albania are obliged to apply National Accounting Standards (NAS). The law determines the application of International Financial Reporting Standards (IFRS) for the following entities:

- Companies listed in Stock Exchange as well as their branches subject to consolidated financial statements;
- Banks, Insurance Companies and investment banks;
- All Corporate with annual turnover over 1.250.000.000 ALL and employing over 100 employee;

Please visit www.minfin.gov.al for Law 9228 date 29.04.2004 "Accounting and Financial Statements" (Alb. version).

National Accounting Standards are approved by National Counsel of Accounting through decision No. 3 date 17.05.2006. For more information about NSA please visit www.minfin.gov.al.

Auditing

The statutory Audit is regulated through Law no. 10091 date 05.03.2009. This Law provides the organization of the registered chartered accountants and the certified public accountant professions, public supervision rules as well as the applicability of International Standards on Auditing.

For more information please visit www.qpz.gov.al

Tax

Law no. 8438 date 28.12.1998 on "Income Tax" determines the scope of income tax on business profits, dividend, interest and capital gains. This law provides the rules for withholding tax and transfer pricing as well.

Income tax is 10%.

The loss carry forward is up to 3 years.

For more information please visit www.tatime.gov.al

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Law no. 7928 date 27.04.1995 on "VAT" provides the application of VAT on the supply of goods, services as well as imported goods.

The VAT rate is 20 % and is payable on the 14th of the following month.

For more information please visit www.tatime.gov.al

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Law no. 9136 date 11.09.2003 on "Social and Health Insurance Contribution" provides that employers must properly calculate and pay social and health insurance contribution. Contributions are partially paid by the Employer and partially by the Employee. In addition the law provides a minimum and maximum salary lever over which the social and health insurance contribution are calculated.

For more information please visit www.tatime.gov.al

This information is provided as a guide only and should not be construed as advice. Professional accounting and tax advice should be sought before acting upon any of the point raised in this information.