

NewsLetter



Years

THE OFFICIAL NEWSLETTER OF THE AMERICAN CHAMBER OF COMMERCE IN ALBANIA

» PANDEMIC «

ADDITIONAL CLARIFICATIONS RELATED TO THE RECOMMENCEMENT OF THE JUDICIAL ACTIVITY!

DELOITTE ALBANIA

By the means of a Press Release dated 24.02.2020, the Supreme Judicial Council has elaborated on its decision of 22.04.2020 regarding the resumption of judicial activity and services starting from 27.04.2020...

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VIDEO CALL MEETING

U.S. AMBASSADOR YURI KIM

Talks with AmCham Representatives on COVID-19 Challenges

In a video call meeting held on April 29th, U.S. Ambassador Yuri Kim discussed COVID-19 challenges with the AmCham Board and a number of CEOs from the member community. The Ambassador highlighted the important role AmCham...

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» PANDEMIC «

EXTENSION OF THE DEADLINE FOR PAYMENT OF CORPORATE INCOME TAX INSTALLMENTS AND SUBMISSION OF ANNUAL PERSONAL INCOME TAX DECLARATION

DELOITTE ALBANIA

Extension of the deadline for payment of corporate income tax installments and submission of Annual Personal Income Tax Declaration Following the measures taken by...

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PRESIDENT OF AMCHAM, ENIO JAÇO:

OUR MEMBERS KEEPING OVER 98% OF THEIR EMPLOYEES IS POSITIVE NEWS, BUT IT CAN'T LAST FOR MUCH LONGER.

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COVID 19- ECONOMIC NEWS



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Public debt rises since March - Government reports 66.7% of GDP, without correcting economic growth - Scan-tv.com

"Traffic permit for the needs of entities" in e-albania, businesses must apply between 3 alternatives, procedure

The declaration of personal income over ALL 2 million is postponed to July 31 - Monitor.al

Denaj: Debt financing is safe, even if the Eurobond fails to be issued, how much the deficit increases - Monitor.al

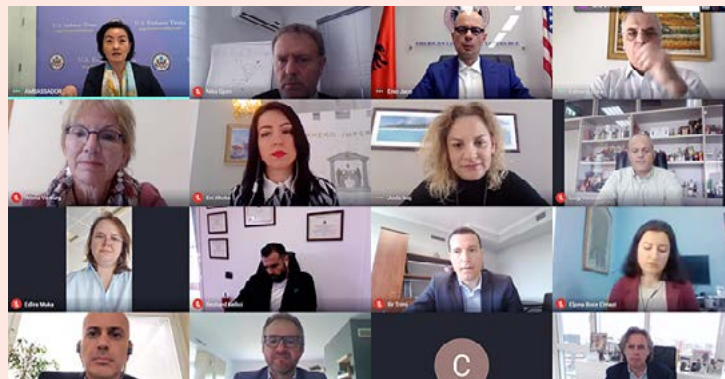
U.S. Ambassador Yuri Kim Talks with AmCham Representatives on COVID-19 Challenges

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...has played in identifying business issues on the ground and recommending feasible and impactful solutions to the government. She also praised the donations and other charitable actions of all the AmCham member companies that have helped and been close to the Albanian community during this time of crisis.

Members and Ambassador Kim spoke directly about the challenges they have had to overcome or are still facing. The meeting also served as a platform to discuss ideas on how to best reopen the economy while mitigating health risks.

The Board members and at-



tending CEOs expressed their concerns about the current economic situation and pointed out that additional government relief is necessary to curb the present and anticipated adverse effects on their respective businesses and industries. Other

ideas to help the economy included greater economic regional cooperation and the establishment of safe zone corridors.

Increased trade between the United States and Albania continues to be one of Ambassador Kim's and

AmCham's top priorities. The U.S. Embassy's support for the business community will help AmCham and its members support the implementation of the necessary steps aimed at improving the business climate in Albania.

PRESIDENT OF AMCHAM IN ALBANIA, ENIO JAÇO:

OUR MEMBERS KEEPING OVER 98% OF THEIR EMPLOYEES IS POSITIVE NEWS, BUT IT CAN'T LAST FOR MUCH LONGER.



“The number of jobs lost during this period by AmCham member companies has been very low. Only 466 employees, or 1.9% of the total number of employees, have lost their jobs due to this situation. This figure is significantly lower than we expected and this is positive news. Our members value their employees as the most important asset, and this has made us feel better during this period.”

On the other hand, the president of AmCham, Jaço stressed the concern expressed in the survey by members themselves, about a second number of possible employee layoffs that could happen in the upcoming months.

“Unfortunately, this number is higher than the one of employees who have lost their jobs so far. There are about 666 people who could be laid off in the next two months, making the combined number of employees effected close to 5% of the total. This gives us concern, thus we will continue to monitor this process in the future.”

Despite difficulties encountered during these two months, none of the members of the American Chamber of Commerce in Albania has declared bankruptcy and neither is planning to do so. But according to the head of AmCham, it is possible that such a thing could happen in the future.

To mitigate this negative impact and create opportunities for business continuity, AmCham has made several proposals to the government.

“These requirements were essentially focused in providing access to capital for companies of different sizes, to provide them with liquidity during this period; postponing the payment of taxes for 2020 but also extending all unemployment payments to employees of each company. All three of these proposals were addressed by the second package of the government. Of course that while these proposals are complex, they were not addressed 100%, but this is normal.”

According to the American Chamber of Commerce, the size of the government's package aimed at helping businesses, needs to be increased. But this is expected to happen in the successive stages that the government will undertake to address the economic crisis caused by Covid-19.

Talking about the results of the members' survey, which involves information from 78% of AmCham members regarding the impact of Covid-19 on employment, Enio Jaço, head of the American Chamber of Commerce in Albania, highlighted the positive results and the resistance that the members are showing while facing the negative impact of the restrictive measures.

ADDITIONAL CLARIFICATIONS RELATED TO THE RECOMMENCEMENT OF THE JUDICIAL ACTIVITY!

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...The Supreme Judicial Council has emphasized that Decision no. 143, date 22.04.2020 "On the resumption of judicial activity and services", will be implemented in strict accordance and compliance with Normative Act of the Council of Ministers no. 9 "On provisional measures regarding judicial activity, during the duration of the epidemic caused by COVID-19", approved by the

Parliament of the Republic of Albania on 16.04.2020.

IN THIS CONTEXT, THE SUPREME JUDICIAL COUNCIL EXPLAINS THAT:

- The judicial activity and services will be limited only to cases of pressing nature, while other cases not of this nature will continue to be suspended;
- Statute of limitations (i.e. time limits within which an action must be brought to court) with respect to lawsuits, appeals and any other procedural action in administrative, civil and criminal court cases which



are not of a pressing nature, will remain suspended. The Supreme Judicial Council does not provide any explanation with regard to the meaning of the categories of "cases of a pressing nature" and "cases not of a pressing nature".

We bring to your attention that in the previous decisions on suspension, specifically Decision no. 127, dated 10.03.2020, Decision no. 128, dated 24.03.2020, Decision no. 133, dated 06.04.2020, the Supreme Judicial Council expressly

excluded from the effects of the suspension the cases of a pressing nature. Therefore, further clarifications are needed with regard to the cases which effectively will resume their activity by the means of Decision no. 143.

Furthermore, the Supreme Judicial Council notifies that a commission is established with the aim of preparing a plan of measures regarding judicial activity.

The Supreme Judicial Council will notify the new developments and the respective explanations in the upcoming days.

EXTENSION OF THE DEADLINE FOR PAYMENT OF CORPORATE INCOME TAX INSTALLMENTS AND SUBMISSION OF ANNUAL PERSONAL INCOME TAX DECLARATION

PREPARED BY
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...the Government of the Republic of Albania to facilitate and cope with the consequences of the Covid-19 pandemic, in the Official Gazette no.73, dated 24.04.2020 are published the Normative Acts no.18, dated 23.04.2020, "On some amendments and additions in the Law no. 8438, dated 28.12.1998, "On Income Tax", as amended" and no. 19, dated 23.04.2020 "On some amendments and additions in the Law no. 9632, dated 30.10.2006, "On local taxes system", as amended" according to which new legal deadlines are provided for prepayment of corporate income tax and simplified corporate income tax installments, extension of the deadline for submission of Annual Personal Income Tax Declaration, as well as new exemptions from tax of impact on infrastructure.

» New deadlines and exemptions on prepayment of corporate income tax and simplified corporate income tax installments

Below are schematically presented the new deadlines for prepayment of corporate income tax installments, as well as categories of taxpayers to whom they apply:

Amongst others, according to the above Normative Acts, the following are also foreseen:

» Extension of the deadline for submission of Annual Personal Income Tax Declaration and payment of liability (if results in a liability position) on 31st of July, 2020 (the regular deadline was 30th of April, 2020);

» Investments under the reconstruction programs to cope with the consequences of the natural disaster are excluded from the payment of the tax of impact on infrastructure.

The above legal provisions enter into force immediately starting from 25.04.2020.

LEGAL OBLIGATION	TAXPAYERS' CATEGORY	Exceptional legal deadline according to Financial Package no. 1	Exceptional legal deadline according to Financial Package no. 2
Prepayment of corporate income tax installments for year 2020	Taxpayers subject to corporate income tax with annual turnover > ALL 14 million, except the activities listed as below: - Bank; - Telecommunication; - Trade of pharmaceutical products; - Trade of food products	30th of March, 30th of June, 30th of September, 30th of December, 2020 (there was no extension of deadlines)	Installments of 30th of June and 30th of September, 2020 will be postponed to April - September 2021. There is no deadline extension for the installment of 30th
	Taxpayers subject to corporate income tax with annual turnover < ALL 14 million	Anytime within 31st of December, 2020	Will not be paid
	Taxpayers subject to simplified corporate income tax with annual turnover from ALL 5 to ALL 8 million	20th of April, 20th of July, 20th of October, 20th of December (there was no extension of deadlines)	Will not be paid
	Taxpayers operating in tourism and active processing with ordering material, as well as call center	Depending on tax liability and turnover	Installments of corporate income tax for the period April - December 2020 will be postponed to April - December 2021



Invest in Optimism!

ABI Bank has donated three respirators to the health ministry



"Respiratory equipment that we donate today, will facilitate the work of these heroes and heroines and will help in the noble mission of saving the lives of all the Albanian people"

AMCHAM IS PROUD OF IT'S MEMBERS!

ABI Bank has donated three respirators to the health ministry to be used by the intensive therapy unit, expressing its deep gratitude for the sacrifice of doctors and nurses during these COVID-19 times.

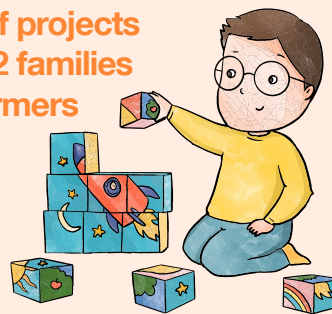
Deputy Minister of Health Mira Rakacolli welcomed the social responsibility shown by ABI Bank to help the health care system, a donation that will help the public health care system during and after the COVID-19 pandemic.

"The slogan of ABI Bank was and still is Invest in Optimism! We are privileged to have the opportunity to thank the entire doctors and nurses community. These respiratory equipment that we donate today, will facilitate the work of these heroes and heroines and will help in the noble mission of saving the lives of all the Albanian people" – says the Director of Legal and Compliance Division at ABI Bank, Ms. Vilsa Lika.

World Vision

Psychological support for children

Relief projects for 62 families of farmers



World Vision Albania has supported families in Albania and in Kosovo with food packages

AMCHAM IS PROUD OF IT'S MEMBERS!

In the extraordinary situation caused by the COVID-19 pandemic, World Vision Albania has supported 2,148 families or over 8,905 adults and children in Albania and 150 families in Kosovo with food and hygiene packages. Also, thanks to the # RE-IN-VEST project, 104 families returned from emigration have been supported with food and hygiene packages as well.

Children have also been the focus of World Vision, who through an innovative cycle and two professional psychologists, will explain and advise on aspects of children's and their relatives mental health during emergency situations.

Part of the relief projects were also 62 families of farmers in some villages in the areas of Librazhd and Përrenjas, who were supported by 4,600 hazelnut seedlings to develop their agricultural activity during this time.



luteCredit Albania has undertaken three different initiatives

Medical equipment for the Reanimation Department of the Infectious Diseases Hospital

Donating food packages for 100 families in need in the cities of Elbasan and Durrës. Approach of initiative "Adopt a Grandparent" by adopting as an institution not one, but 50 grandparents

AMCHAM IS PROUD OF IT'S MEMBERS!

During the world pandemic situation created by COVID-19, luteCredit Albania could not remain indifferent. Every year, luteCredit uses a part of its annual profits to help the most vulnerable groups of our society and this is exactly what they have done during this period.

The financial institution has undertaken three different initiatives.

First, luteCredit Albania donated to the Hospital Center "Mother Teresa" medical equipment for the Reanimation Department of the Infectious Diseases Hospital, where those affected by COVID-19 are being treated. These devices will facilitate the work of doctors to monitor the vital parameters of the patients in this department. Second, luteCredit joined the "Fundjavë Ndryshe" foundation to help 100 families in need in the cities of Elbasan and Durrës, donating packages with enough consumer products for a month. Third, they have supported the initiative of the Municipality of Tirana "Adopt a Grandparent" by adopting as an institution not one, but 50 grandparents in the # 9 Administrative Unit, helping them and staying close to them in these difficult days.

"We feel we have a moral obligation to help those in need in such difficult times. We hope that the entire business community will know how to be a good example by being in solidarity with the people in need, to collectively overcome this health and economic crisis", - says luteCredit Albania.



PUBLIC DEBT RISES SINCE MARCH - GOVERNMENT REPORTS 66.7% OF GDP, WITHOUT CORRECTING ECONOMIC GROWTH - SCAN-TV.COM

Public debt has returned to growth since the first quarter of the year. According to data from the Ministry of Finance, for the first three months of 2020 the public debt stock increased by 50 billion ALL and reached a total value of 1 trillion and 162 billion ALL or about 9.3 billion euros. Official statistics have also reflected growth in real indicators, although this increase is far from what is expected to be realistic.

"TRAFFIC PERMIT FOR THE NEEDS OF ENTITIES" IN E-ALBANIA, BUSINESSES MUST APPLY BETWEEN 3 ALTERNATIVES, PROCEDURE

All businesses that have reopened normally must provide an exit permit to all their employees and the use of vehicles for the purpose of the activity. In e-albania, the option "Traffic permit for the needs of entities" has been added, through which businesses can choose between 3 alternatives according to their needs.

THE DECLARATION OF PERSONAL INCOME OVER ALL 2 MILLION IS POSTPONED TO JULY 31 - MONITOR.AL

The end of April is the last official deadline for all individuals who make an online declaration of their personal income, when they exceed 2 million ALL (DI-VA-Individual Annual Declaration of Income). But, due to the situation created by the pandemic of COVID-19, the Ministry of Finance has postponed this deadline for the declarations of 2019.

DENAJ: DEBT FINANCING IS SAFE, EVEN IF THE EUROBOOND FAILS TO BE ISSUED, HOW MUCH THE DEFICIT INCREASES - MONITOR.AL

In the First Normative Budget Act, the deficit widened to 3.9% of Gross Domestic Product (GDP). The International Monetary Fund, in its latest report, predicts a wider deficit of 5.4% and we do not rule out the possibility of this scenario, said the Minister of Finance and Economy, Anila Denaj, in an interview with Monitor.

ÇUÇI: 70% OF THE FUNDS OF THE NATIONAL SCHEME WILL GO TO LIVESTOCK, APPLICATIONS START WITHIN A MONTH - MONITOR.AL

Farmers will start applications within a month to benefit from the funds provided by the state budget as support for the agricultural sector through the National Scheme. The Minister of Agriculture and Rural Development, Bledi Çuçi, said that this year most of the funds will go to support livestock. Subsidies will be given for the basic herd, for the heads of cows and petified minutiae.

ALBANIA'S THREE ECONOMIC CHALLENGES - EC: BUSINESS CLIMATE, WORKERS QUALIFICATION, ENERGY DIVERSIFICATION - SCAN-TV.

COM

The European Commission in the working document for the evaluation of economic reforms in our country, underlines three key challenges for Albania. As the document emphasizes at the outset, the crisis caused by Covid-19 does not change our country's priorities in terms of economic program at all, but simply makes them more urgent. Challenge number one refers to improving the skills of the population to meet the needs of the labor market.

THE CORONAVIRUS CRISIS, HOW ARE THE BIGGEST EMPLOYERS REACTING - MONITOR.AL

The largest companies, instead of production, export and trade, claim that due to the crisis from the coronavirus, the impacts are being felt on employment and employee payments. Balfin claims that there are no job cuts, but for less than 30% of employees there has been a temporary review of payments. Call center companies, among the largest employers in the country, continue with 20% of the workforce in offices, the rest working from home. Shoe manufacturers and fish processors are looking at the possibility of assisting employees if they are not able to get help from the state with the expanded package.

THE CRISIS AFFECTS MAJOR EXPORTERS, AS IT WILL

AFFECT BY 2021 - MONITOR.AL

The country's largest exporters predict that the economy will not be able to recover in the remaining eight months of the year due to the global pandemic crisis. Kurum is currently exporting 30% of its production compared to normal time. The situation is also difficult for the cement sector, where production and trade is 50% less compared to March-April 2019. Even the shoe manufacturer "Albaco Shoes", the decline in exports is high. The largest exporter of fish, Coral, claims that there are currently no new processing orders.

SURVEY: PRODUCTION BUSINESSES RUN OUT OF LIQUIDITY, 83% CANNOT PAY LIABILITIES; 65% DISSATISFIED WITH THE GOVERNMENT'S BAILOUT PACKAGE - MONITOR.AL

83% of manufacturing businesses claimed that they did not have enough liquidity to pay their liabilities, as a result of a significant drop in revenue, according to a Survey conducted by the Union of Manufacturers with 100 members. About 80% of businesses claim that they can pay salaries to their employees for a maximum of two months.

IMF: AID PACKAGES TO THE NEEDY NEED TRANSPARENCY; WE ARE READY FOR AN

AGREEMENT WITH ALBANIA - MONITOR.AL

The new head of the IMF Mission for Albania, Yan Sun, and the outgoing chief, Jan Kees Martijn, said in a joint interview with Monitor that Albania's budget deficit goes beyond 5% of GDP this year if the crisis resolved in the second 6 months. The IMF suggests that government support packages for families and businesses go to the most affected and be accompanied by transparency. The fund advises Albania to diversify production and exports, moving away from dependence on Italy. Sun expresses IMF readiness for agreement with Albania.

THE OECD ASSESSES THE IMPACT OF COVID-19 ON SEE, ESPECIALLY SEVERE FOR ALBANIA, FOR THESE REASONS - MONITOR.AL

A report by the Organization for Cooperation and Development (OECD) examines the effects and consequences of coronavirus pandemic on the life and society of Southeast European countries, including Albania. The study looks at how the virus is spreading in the region, how deterrent measures are being taken and how health care systems and economies are coping.

ALBANIA TO JOIN OVER 100 COUNTRIES IN WHO STUDY TO FIND TREATMENT FOR COVID-19 - EXIT.AL

The World Health Organization will conduct a study to find effective treatments for COVID-19 in over 100 countries, including Albania. The tests will take place on consenting adult patients who have been diagnosed with COVID-19 and are hospitalized. These patients will receive medications that are being studied for their impact on the virus and the other conditions it can cause.