

NewsLetter



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AMCHAM NEWS

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The American Chamber and Monitor Magazine Engage Political Parties on Economic Agendas

The American Chamber of Commerce, in collaboration with *Monitor* Magazine, hosted an economic conference with representatives from various political parties, focusing on key economic issues that require attention to drive sustainable development.

Moderated by *Monitor* Magazine's Editor-in-Chief, Ornela Liperi, the conference brought together major political forces including the Democratic Party, the "Mundësia" Party, the Right-Wing Coalition for Development, the Euro-Atlantic Coalition, and the Together Movement.

Notably absent were representatives from the Socialist Party, who canceled their participation at the last moment. "This is an economic dialogue initiated by the business community, which contributes 20% of Albania's GDP and seeks to establish constructive engagement with political forces. Their presence is vital," stated Grant Van Cleve, President of the American Chamber of Commerce. He emphasized that the Chamber maintains political neutrality and remains committed to its core mission: fostering an optimal environment for local businesses and foreign investors.

The discussion was guided by the

Chamber's **Strategic Priorities**, developed through an extensive consultation process with its expert committees and aligned with international best practices. "This report outlines concrete, long-term solutions structured around seven key pillars of reform—from improving the investment climate and combating corruption, to modernizing fiscal policy, developing human capital, and building a sustainable, high-value tourism sector. Special focus has also been placed on strengthening public consultation mechanisms and improving the health-care system—both essential for creating an inclusive and resilient society," said Executive Director Neritan Mullaj during his presentation.

These themes formed the basis of the questions posed to party representatives, prompting them to explain how their economic programs address these priorities.

Representatives from the Democratic Party—Dorian Teliti, Jorida Tabaku,

and Florjon Mima—stressed the importance of efficient fiscal legislation, advocating for a flat tax system that would enhance competitiveness and reduce tax evasion. Proposed fiscal incentives include reducing the property transfer tax to 2% and raising the tax threshold for small businesses, providing benefits to both enterprises and individuals.

Agron Shehaj of the "Mundësia" Party shared his perspective as both a businessman and a politician, highlighting the kind of opportunities that need to be created to support the business sector.

The Together Movement, represented by Jani Marka, emphasized fair legal frameworks and constructive collaboration with businesses. He particularly stressed the need for increased attention to priority sectors like tourism.

Mateo Spaho of the Euro-Atlantic Coalition centered his remarks on placing families and individuals at the heart of the economy, as core contributors to social and economic development. He outlined a range of tax relief measures and support programs aimed at empowering these groups.

Artan Murrizi, representing the Right-Wing Coalition, advocated for a flat tax as a means of supporting business, particularly in the agriculture sector. He highlighted the urgent need for credit access and subsidies in agriculture to help it become a key pillar of Albania's economic growth.



MONEY WEEK:

The Bank of Albania and AmCham Discuss Open Banking and SEPA Zone Transactions

The “Money Week,” organized by the Bank of Albania, provides the perfect opportunity to discuss an innovative new payment model, “Open Banking,” which is revolutionizing the financial sector in Albania and aligning it with EU payment standards.

This has sparked a collaboration between the American Chamber of Commerce (AmCham) and the Bank of Albania to host the forum titled, “The Future is Now: How Innovation is Reshaping Albanian Financial Services in 2025.”

The forum was opened by Governor Mr. Gent Sejko, who, in his speech, stated, “Albania was the first country in the region to transpose the European framework for payment services known as PSD2. This regulatory package opened the door for new fintech actors to offer payment products tailored to customer needs, with lower costs and greater ease of use. It also

introduced a new concept— “Open Banking”—which has stimulated market competition.”

In a world where technology is rapidly transforming the way we do business, “Open Banking” is an innovative key that takes the relationship between banks and consumers to a new level, establishing new standards for competition, personalized service, efficiency in payment systems, cost reduction and the necessary security in this relationship.

“As a business organization, we recognize our potential to play a critical role in promoting and adopting “Open Banking” within the business community by educating our members on

its benefits and how it can transform their financial operations,” said Mr. Neritan Mullaj, Executive Director of AmCham Albania, in his address. Mr. Mullaj emphasized that every process comes with its own challenges, and that transitioning to the SEPA zone and implementing “Open Banking” will bring benefits to the financial sector. However, it will also require local banks and businesses to tackle the challenge of improving their systems and training their staff.

The introduction of “Open Banking” comes at a time when Albania has joined SEPA, taking another important step toward financial integration with EU countries. This will



facilitate transactions with these countries, thus supporting trade and investment. This significant moment was discussed by experts in finance and banking, who have examined the financial sector and the legislative framework in which “Open Banking” will operate, as well as its potential impact on business activities. The panel, moderated by Lindita Shomo, Chairwoman of the AmCham Digital Committee and Executive Director of Easy Pay, included the participation of Deniz Deralla, Director of the Supervision Department at the Bank of Albania, Ledia Bregu, Director of the Payment Systems, Accounting and Finance Department at the Bank of Albania, Elton Çollaku, Board Member of AmCham and Administrator of Financial Union Tirana and Marin Gjonaj, Premium Member of AmCham and Chairman of the Board of Gjonaj Group Holding.

The moderator of the event, Mrs. Lindita Shomo, discussed the practical benefits of “Open Banking” and how businesses can take advantage of this payment system. She also highlighted the need for proper information dissemination throughout the process, drawing on the experience



of the financial institution she leads, Easy Pay. Experts from the Bank of Albania provided insights into the regulatory framework governing “Open Banking” and SEPA zone transactions, outlining key elements for its practical implementation. Mr. Deniz Deralla, Director of the Supervision Department, explained that the Bank of Albania had rapidly developed regulations enabling financial institutions to implement “Open Banking” and offer this service to businesses and individuals. “Open Banking will be an advantage for businesses that use it, while joining the SEPA zone will make transactions about 10 to 15 times cheaper. Albania is the only country in the region currently op-

erating within this zone,” said Ms. Ledia Bregu, Director of the Payment Systems Department.

Representatives from the American Chamber of Commerce shared their own experiences on the panel. Mr. Elton Çollaku, Board Member, discussed how Financial Union Tirana, the financial institution he leads, is streamlining processes to ease business operations through secure methods. Mr. Çollaku noted that Albania has made significant progress compared to its neighbours in implementing these processes and has achieved milestones that place it on par with EU countries.

As a representative of businesses in the telecommunications sector, Mr. Marin Gjonaj emphasized, “Payment services and online transactions are essential for Albanian businesses competing on the international stage, such as those in Gjonaj Group. I am confident that accelerating the adoption of ‘Open Banking’ for businesses, particularly within the SEPA zone, will benefit them by lowering costs and giving greater flexibility to their international operations.”

American Chamber of Commerce, Business Forum: **Customs and Entrepreneurship in 2025**

The American Chamber of Commerce continued its tradition of kicking off the year with the organization of the Business Forum with the General Customs Directorate, further strengthening an ongoing dialogue that has led to the discussion of a significant business-related issues over the years.



Mr. Grant Van Cleve, President of the American Chamber of Commerce, expressed gratitude to Mr. Genti Gazheli, General Director of Customs, for the institution's openness in addressing business concerns, demonstrating transparency and public accountability. This positive collaboration has been reflected in the Business Index, with Executive Director Mr. Neritan Mullaj noting, "This cooperation has yielded tangible results, which is evident from the consistently positive feedback from members about customs administration over the years."

Similarly, the General Director of Customs, Mr. Genti Gazheli, emphasized that businesses act as a mirror for the customs administration. The upcoming meeting with AmCham is particularly timely, as the Albanian Customs has successfully digitized 100% of its services, taking the Customs-Business relationship to a new level.

The meeting also provided an opportunity for Ms. Alketa Uruçi, Head



of the Tax and Customs Committee, to highlight key issues raised by American Chamber members. The topic of reference prices was revisited, with the General Directorate of Customs clarifying that in over 97% of cases, the transaction value (invoice) is used for customs valuation. Only for certain goods, like stock market items or products from China, adjustments were made to maintain fair market competition, one of customs administration's primary goals.

The discussion also covered the need for increased digital interaction between customs and other institutions such as the National Food Au-

thority and the Ministry of Health, aimed at reducing the time that imported goods stay in customs. Customs and AmCham leaders encouraged members to apply for the Authorized Economic Operator (AEO) status and for obtaining authorizations for simplified procedures, aiming to simplify customs procedures.

The General Director of Customs also updated members on the administration's priorities. "Our main focus continues to be on advancing Information Technology. In collaboration with AKSHI and UNCTAD, we have fully modernized and digitalized Albania's customs services. In 2025, we will continue to focus on Artificial Intelligence and data-driven operations for risk analysis, ensuring compliance with regulations, securing budget revenues, and fighting illegal activities, all while fostering fair competition and supporting economic growth," he stated.

The meeting provided Chamber members with a unique opportunity to engage directly with the Director General of Customs and his technical team, exchanging views on the functioning of customs operations

AmCham talks: Transatlantic Relations Under Trump's Presidency



The American Chamber of Commerce has launched its 2025 events, marking the 25th anniversary of the Chamber, with a networking activity where members had the chance to participate in an online event hosted by the AmChams in Europe, focusing on business and transatlantic relations.



The Chamber's plans for 2025 and the engagement of its members were also key topics of discussion during this networking session.

The Executive Committee of the American Chambers of Commerce in Europe, along with the representative of the American Chamber of Commerce in Washington, discussed the economic policies the Trump administration plans to implement, particularly concerning the development of trade routes with Europe, the investment climate, and the expected economic developments on both sides of the Atlantic.

Representatives from ACE (American Chambers of Commerce in Europe) spoke about their expectations for the growth of relations with the United States, and how AmChams can work together to strengthen transatlantic ties during the Trump administration.

The meeting was opened by Executive Director Neritan Mullaj and Chamber President Grant Van Cleve. "Strengthening our relationship with the strategic partner, the United States, through cooperation with its Embassy, helps us promote the growth of trade relations and increases American investor interest in Albania. Our work extends beyond our borders, with

collaboration between the American Chambers of Commerce in Europe and the U.S. Chamber of Commerce being key mechanisms connecting us to the global economy," said Executive Director Neritan Mullaj in his remarks. Meanwhile, Grant Van Cleve, the President of the American Chamber, drawing on his experience as an American voter and businessman, emphasized Albania's potential to become an attractive destination for American investors and a valuable partner for the United States, citing its geopolitical position, natural resources, the potential of key sectors to attract investments, and its reputation as the most pro-American country in the region.



AmCham and Charge d'Affaires VanHorn discuss business ties

U.S. Chargé d'Affaires Nancy VanHorn met with the Board of Directors at the American Chamber of Commerce office.

The meeting served as a platform to exchange insights on AmCham's ongoing efforts to support American businesses by fostering a more favorable business environment. Among the key initiatives discussed was the lobbying effort to apply zero-rated VAT on services exported to the United States—where such a tax does not apply—making cross-border service transactions more straightforward

and cost-effective. Ms. VanHorn welcomed this progress and highlighted the importance of a strong legal framework that promotes secure and sustainable investment. The gathering also provided an opportunity to introduce new Board members and present AmCham's core policy priorities, all aimed at advancing the Chamber's mission of strengthening economic ties between Albania and the United States.





ELECTIONS FOR COMMITTEE LEADERSHIP

BOARD ELECTS NEW CHAIRPERSONS AND VICE CHAIRPERSONS

The American Chamber of Commerce has conducted elections for its committees, selecting new leadership through a competitive process. The chairpersons and vice chairpersons of the six committees have been approved by the Chamber's Board and given a two-year mandate to lead the committees' activities.

The elections reflected strong interest from members in running for positions, resulting in fierce com-

petition across all committees, which are the backbone of the organization. Thanks to the expertise within the committees, the Chamber is able to provide exceptional service to its members and engage in effective lobbying. Member participation in the committees offers a chance to share knowledge and collaborate with Government Institutions and other key stakeholders to drive improvements in Albania's business climate.

INVESTMENT & TRADE COMMITTEE

Adrian Shehu – TCN, Chair

Genc Biçoku - Kastrati Group, Vice Chair

LABOUR & ETHICS COMMITTEE

Valbona Dode - AADF, Chair

Endri Cela - Hotel Adriatik, Vice Chair

TAX & CUSTOMS COMMITTEE

Alketa Uruci - Boga & Associates, Chair

Olta Kaziaj - Avanttive, Vice Chair

REGULATORY, LEGAL & IPR COMMITTEE

Albana Karapanco - Tegeria, Chair

Ened Topi - Deloitte, Vice Chair

Arlind Ahmetaj - Halimi Law, Vice Chair

TOURISM & HOSPITALITY –

Elvis Kotherja - Elite Travel Group, Chair

Nikolla Gjoni - Safecomm, Vice Chair

HEALTHCARE

Anna Savinkina - Hoffman La Roche, Chair

Gentiana Peshkatari - Trimmed, Vice Chair

The Health Committee Holds Its First Meeting, Defining Objectives and the 2025 Work Plan

The Health Committee has held its inaugural working session. Under the leadership of newly elected Chairwoman Anna Savinkina and Vice-Chairwoman Gentiana Peshkatari, the committee represents a strengthened and unified Health Working Group that was established to address the critical challenges within Albania's healthcare sector, focusing on regulatory improvements and boosting the com-

petitiveness of Albanian businesses. Since its creation, the group has made significant progress, prompting the decision to elevate it from a Working Group to a full Healthcare Committee.

The mission of the Healthcare Committee is to actively influence the future

of healthcare in Albania. The committee will act as a trusted partner for both public and private healthcare stakeholders, advocating for meaningful reforms and encouraging collaboration to strengthen Albania's healthcare system.



AmCham Hosts Training for Members on Changes to Tax Declarations

The American Chamber of Commerce, through its Tax Committee, organized a training session aimed at supporting its member businesses by providing in-depth information about recent changes to the guidelines for completing tax declarations, payment lists, withholding tax, and DIVA reporting.

The training was led by Rezana Celmeta, Director of Business Processes at DPT, and Alketa Uruçi, Chair of the Tax Committee. It helped finance department staff understand the updates to tax declarations and provided an opportunity to address participants' questions.

The session saw strong attendance from members, who expressed keen interest in the topic. Neritan Mullaj, Executive Director of AmCham, thanked the two experts and emphasized that the American Chamber of Commerce will continue to prioritize enhancing the capacity of staff within its member businesses.





American Chamber Hosts training with International Experts on VAT and CFC issues for its members

The American Chamber of Commerce, through its Tax Committee, organized today on 25.04.2025 a specialized training session on “VAT and the New Rules for Controlled Foreign Entities (CFC)”.

The event featured two distinguished international experts: Giorgio Beretta, Assistant Professor in Indirect Taxation at the University of Amsterdam, and Claudio Cipollini, Assistant Professor of Tax & Technology at the same institution.

“This training is a valuable opportunity to gain firsthand insight into how EU legislation is applied, particularly for member companies collaborating with partners across European markets,” said Executive Director Neritan Mullaj during his opening remarks.

The session focused on practical

aspects of VAT implementation, followed by a session with particular attention to the recent rules concerning Controlled Foreign Entities into Albanian legislation. The training aligned these updates with best practices from the EU and included interpretations from the European Court of Justice.

VAT law and its recent amendments—along with the relevant sub-legal acts—have been a key area of focus for the Chamber’s Tax Committee, chaired by Alketa Uruçi. She highlighted the importance of applying the law effectively, especially in scenarios involving invoicing services to

taxpayers in jurisdictions where VAT does not apply.

The experts delved into specific EU legal provisions regarding the place of supply of services and related issues, and offered clarity on “the effective use and enjoyment rule for services”. They also addressed inconsistencies between Albanian regulations and the EU VAT Directive, outlining potential business implications.

Overall, the training offered actionable insights and policy recommendations, equipping businesses with a clearer understanding of VAT complexities and how to remain compliant with evolving EU standards.



ASS. PROF. GIORGIO BERETTA

Giorgio Beretta is an Assistant Professor in Indirect Taxation at the University of Amsterdam (UvA) and a member of the Amsterdam Centre for Tax Law (ACTL)'s research project on "Designing the tax system for a Cashless, Platform-based and Technology-driven society (CPT)". He is also the academic coordinator of the "VAT/GST" and "VAT – Advanced" courses within the UvA's Advanced Master's (LL.M.) in International Tax Law programme.

Giorgio Beretta is also a tax lawyer in Italian and of Counsel at RCLex – Law Firm based in La Spezia, Italy, and an editorial board member of the international tax journals "Intertax", "Highlights & Insights on European Taxation".



CLAUDIO CIPOLLINI

Claudio Cipollini is an Assistant Professor in Tax & Technology at the University of Amsterdam (UvA). He is one of the research leaders of the Amsterdam Centre for Tax Law (ACTL)'s research project "Designing the tax system for a Cashless, Platform-based and Technology-driven society" (CPT). He lectures in the courses "EU Tax Law" and "International Tax Law Moot Court" within the "Advanced Master's (LL.M.) in International Tax Law" of the Amsterdam Law School. He also acts as an academic coordinator and lecturer of the ACTL/CPT summer course on "Blockchain, Digital Assets, web3: Taxation and Reporting" launched in July 2023.

Claudio Cipollini is also a tax lawyer admitted to the Italian Supreme Court and the founding partner of RCLex – Law Firm based in La Spezia, Italy.



AmCham and the Office of the Information Commissioner collaborate to raise business awareness

Protection of personal data, the obligations introduced for businesses by the new law

Personal data is a valuable asset and now a legal obligation for all businesses and institutions that process it. The new law, aligned with the EU, introduces many innovations in the obligations related to its protection, significantly increasing the need for information and training of businesses for its implementation.

To introduce the law and the new methodology being developed for its enforcement in detail, the American Chamber, in cooperation with the Office of the Information Commissioner, organized the Forum on the New Law for the Protection of Personal Data in



Albania. The Information Commissioner, Mr. Besnik Dervishi, and the Executive Director of the American Chamber, Mr. Neritan Mullaj, emphasized the importance of understanding and rigorously applying this law, which brings Albania closer to the EU in upholding this fundamental human right.

A selected panel of experts, composed of Albana Karapanço, Chair of

the Legal Committee; Besa Velaj, Chief of Staff at the Office of the Information Commissioner; and Dhimitër Shuli, a certified expert in the field of Security and Data Protection, engaged with participants and responded to all their questions.

“There is great interest among our members regarding the key changes brought by the new European legislation on data protection and concrete



recommendations on how businesses should implement this law. This is understandable, as they will now be subject to the law, and to apply it correctly, they must first understand it," said the Executive Director of AmCham Albania, Neritan Mullaj, in his opening remarks.

"The new law provides better protection for data subjects and also more clearly defines the rights and obligations of every controller and processor. The law expands individuals' rights over their data, including the right to access and rectify data; the right not to be subject to automated decisions; and the right to be forgotten, which obliges businesses and online platforms to delete data no longer necessary for the purpose for which it was collected," said Mr. Besnik Dervishi in his speech.

This was precisely the purpose of the meeting: to guide businesses through the challenges of this new phase, which involves full implementation of the law. "The new Law No. 124/2024 brings a series of essential innovations in the protection of personal data, which have a direct impact on businesses and require all entities to review and update their data

The new law provides better protection for data subjects and also more clearly defines the rights and obligations of every controller and processor.

processing practices, including new privacy policies for the collection, processing, and storage of personal data," said Albana Karapanço during the forum moderation.

"The new law requires businesses

to appoint a Data Protection Officer (DPO), who will be responsible for overseeing compliance with the law and ensuring that appropriate measures are implemented. The Office of the Commissioner, in cooperation with international partners, will offer training and modules for DPOs to

support the implementation of these obligations," said Besa Velaj, Chief of Staff at the Office of the Information Commissioner.

A more practical perspective on the implementation of the law and the experiences EU countries have had with its application was offered by Mr. Dhimitër Shuli. "Businesses must strengthen measures to protect personal data from unauthorized access or misuse, as this is also accompanied by heavy fines in the EU," said Mr. Shuli. In this context, businesses must implement new encryption protocols, conduct regular audits, and train their employees to be in full compliance with the law. The Office of the Information Commissioner has insisted on the philosophy that, although the law provides for substantial fines, the goal is not to penalize businesses but to place them in a position to rigorously comply with the law.



University of Cincinnati Students Meet with AmCham Albania Leaders

The American Chamber of Commerce in Albania hosted an introductory and informative session for high-achieving second-year students from the Carl H. Lindner College of Business at the University of Cincinnati, organized by the International Study Programs.

Albana Karapanço, Head of the Legal and Intellectual Property Committee, engaged in a discussion with the visiting professors and students, highlighting the Chamber's role in improving Albania's business and investment climate through its various committees.

The conversation explored key topics such as economic development, priority sectors, foreign investor interests, and Albania's progress in aligning its legisla-

tion with that of the European Union.

The students' visit to Albania aims to provide firsthand insight into how social, political, legal, and financial environments influence business decision-making, and how executives navigate everyday challenges. With 25 years of experience as a business organization, AmCham Albania has played a significant role in shaping policies that affect the business environment—making it an ideal place for an engaging and meaningful exchange with the students.



AMENDMENTS TO THE VAT INSTRUCTION

The American Chamber of Commerce has welcomed the approval of Instruction No. 6/2015 “On VAT”, which follows sustained institutional-level advocacy by the Tax Committee experts at AmCham. The primary objective of these efforts has been to align Albania’s VAT legislation with European standards and to foster a competitive and equitable environment for local service providers.

The newly approved instruction by the Ministry of Finance marks a significant development for businesses offering services to clients outside of Albania, particularly in jurisdictions where VAT is not applicable. Under the new provisions, businesses providing services to the U.S. market, for example, may now apply a 0% VAT rate, thereby facilitating smoother cross-border business operations between the two countries.

KEY CHANGES INCLUDE: Removal of the Unjustified VAT Burden on Services Provided to Foreign Clients

Previously, VAT regulations stipulated that a service could only be invoiced without VAT if the recipient was registered for VAT in their home country. The revised instruction eliminates this restriction. From now on, all services supplied to taxable persons located outside Albania will be eligible for VAT exemption—regardless of whether the recipient possesses a VAT number,

fiscal code, or a similar identifier.

To qualify as a “taxable person,” the foreign client must simply be engaged in economic activity and hold a valid business identification number. There is no longer a requirement for them to be VAT-registered in their respective country.

This change significantly enhances the ability of Albanian businesses to compete in international markets, including those where VAT is not implemented (e.g., the United States), by removing unnecessary tax burdens and lowering service costs for foreign clients.



Application of 0% VAT on Projects Funded Through Grants or Similar Agreements

The revised instruction also introduces new provisions for treating supplies related to donor-funded projects. Specifically, the supply of goods and services for projects financed through grants or donation agreements—entered into between the Council of Ministers of the Republic of Albania and international donors—will now qualify for 0% VAT, provided that the agreement stipulates the funds are not to be used for the payment of taxes in Albania.

TRANSFER PRICING: A CHALLENGE FOR BUSINESSES AND TAX AUTHORITIES IN ALBANIA

Meri Muçelli

Chief Financial Officer
Herba Fructus Natyrore L.t.d



Profit-Split Method – distributing profits fairly between related entities based on their contribution.

HOW CAN BUSINESSES AVOID TAX DISPUTES?

To stay compliant and avoid penalties, businesses in Albania should take proactive steps:

Maintain Proper Documentation: Companies should keep detailed records proving that their internal transactions align with market standards.

Advance Pricing Agreements (APA):

Businesses can reach agreements with tax authorities to establish fair transfer prices in advance, minimizing the risk of disputes.

Conduct Regular Audits: Internal reviews of pricing policies help identify potential risks and ensure compliance with tax laws.

Use Legal Channels if Necessary: If a company disagrees with the tax authority's reassessment, it has the right to file an appeal or take legal action.

Transfer pricing is one of the most debated topics in the relationship between businesses and tax authorities. How do companies handle this issue, and what are the legal implications in Albania?

In the modern global economy, multinational companies engage in internal transactions, often transferring goods, services, or intellectual property between their subsidiaries. The challenge arises when these transactions do not reflect real market values, allowing companies to shift profits to jurisdictions with lower taxes. This practice, known as transfer pricing, is closely monitored by tax authorities worldwide, including Albania.

WHY IS TRANSFER PRICING A CONCERN?

In Albania, businesses are increasingly facing scrutiny from the tax administration regarding transfer pricing practices. Consider this scenario: A subsidiary of a multinational company purchases raw materials from its parent company at 50 usd per unit, while the actual market price is 35 usd. The tax authorities may view this as an attempt

to shift profits abroad and reduce tax obligations in Albania.

This is where the “arm’s length principle” comes into play. According to international tax regulations, related-party transactions must be priced as if they were between independent companies. Failure to comply can lead to financial penalties and adjustments in tax obligations.

THE LEGAL FRAMEWORK IN ALBANIA

Albania has established clear guidelines to regulate transfer pricing. Law No. 29/2023, “On Income Tax,” along with instructions from the Ministry of Finance, provides mechanisms to reassess transfer pricing if discrepancies are detected. The law aligns with OECD (Organization for Economic Co-operation and Development) standards, offering various methods to determine fair pricing, including:

Comparable Uncontrolled Price Method – comparing internal transactions with similar deals in the open market.

Cost-Plus Method – ensuring prices include a reasonable profit margin.

FINAL THOUGHTS

As tax administrations worldwide tighten regulations, businesses in Albania must adapt to ensure transparency in their financial dealings. The growing awareness and enforcement of transfer pricing rules signal a shift toward stricter compliance. By implementing best practices, companies can safeguard their financial stability and maintain a positive relationship with tax authorities. With tax audits becoming more frequent, are businesses ready to navigate the complexities of transfer pricing? The answer lies in preparation, compliance, and strategic planning.