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To keep you up-to-date with the latest economic and financial developments, this bulletin prepared by our Tax Team provides information that may affect the operation of your business in Albania.

The Supreme Court rules on exemption from VAT registration of lawyers having an annual turnover less than 5 million

Under the current VAT Law (law no. 92/2014 “On Value Added Tax”), taxable persons that have an annual turnover lower than the threshold set forth by the decision of the Council of Ministers are not required to be registered for purposes of value added tax (VAT).

The Decision of the Council of Ministers no. 953, dated 29.12.2014 “On implementing provisions of law no. 92/2014 “On Value Added Tax in the Republic of Albania” determines that the annual threshold for VAT registration is Leke 5 million. However, the Decision provides for an exception of such rule. Specifically, certain taxable persons such as lawyers, notaries, doctors, dentists, pharmacists, nurses, veterinarians, engineers, economists, agronomists, approved accountants and asset appraisers, and those who perform economic activities in the hospitality field should be registered for VAT irrespective of their annual turnover.

The above exception was challenged before the court by the Albanian Bar Association and on 18.07.2017, the Administrative College of the Supreme Court decided to change the Decision no. 23, dated 28.09.2015 of the Administrative Court of Appeal and ruled on the partial annulment of the Decision of Council of Ministers no. 953, dated 29.12.2014.

The written court decision is not issued yet, but according to the information provided in the website of the Supreme Court, the latter decided to abrogate partially paragraph 2 of article 11 of the Decision as regards the obligation of lawyers to get registered for VAT purposes irrespective of the annual threshold.

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Boga & Associates

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The firm maintains its commitment to quality through the skills and determination of a team of attorneys and other professionals with a wide range of skills and experience. The extensive foreign language capabilities of the team help to ensure that its international clientele have easy access to the expanding Albanian and Kosovo business environment.

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