

# Albania

Albania has met all aspects of the terms of reference (OECD, 2021<sup>[1]</sup>) (ToR) for the calendar year 2022 (year in review) except for having the necessary information gathering process in place (ToR I.A) and exchanging information on the tax rulings in accordance with the form and timelines under the transparency framework (ToR II.B). Albania receives two recommendations on these points for the year in review.

In the prior year report, Albania had received the same two recommendations. As they have not been addressed, the recommendations remain in place.

Albania can legally issue two types of rulings within the scope of the transparency framework.

In practice, Albania issued no rulings within the scope of the transparency framework.

As no exchanges took place, no peer input was received in respect of the exchanges of information on rulings received from Albania.

## Information gathering process (ToR I.A)

1. Albania can legally issue the following two types of rulings within the scope of the transparency framework: (i) preferential regimes;<sup>1</sup> (ii) cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles.

### **Past rulings (ToR I.A.1.1, I.A.1.2, I.A.2.1, I.A.2.2)**

2. For Albania, past rulings are any tax rulings issued prior to 1 March 2020. However, there is no obligation for Albania to conduct spontaneous exchange information on past rulings.

### **Future rulings (ToR I.A.1.1, I.A.1.2, I.A.2.1)**

3. For Albania, future rulings are any tax rulings within scope that are issued on or after 1 March 2020.

4. No future rulings were issued by Albania during the year in review.

5. In the prior year's peer review report, it was determined that Albania issues rulings based on legal provisions and that the General Directorate of Taxation (GDT) identifies these rulings and has all relevant information in relation to APAs, including information on relevant exchange jurisdictions. Albania confirmed that taxpayers are required to provide information on related parties, as well immediate and ultimate parent companies at the time the request for a ruling is submitted to the tax administration as well as additional information at the request of the tax administration. Regarding rulings on preferential regimes, it was determined that there were no processes yet in place to ensure the identification of all relevant exchange jurisdictions and thus to ensure the implementation of the obligations relating to the transparency framework.

6. During the year in review, Albania did not provide additional information and was in the process of taking appropriate steps to implement the transparency framework and action the recommendations of the prior year's peer review report.

### **Review and supervision (ToR I.A.3)**

7. In the prior year's peer review report, it was determined that Albania did not yet have a review and supervision mechanism under the transparency framework. During the year in review, Albania did not implement such a review and supervision mechanism, and therefore the recommendation remains in place.

### **Conclusion on section A**

8. Albania is recommended to put in place an effective information gathering process to identify all potential exchange jurisdictions for future rulings on preferential regimes and to implement a review and supervision mechanism, as soon as possible (ToR I.A).

## Exchange of information (ToR II.B)

9. Albania has the necessary domestic legal basis to exchange information spontaneously. Albania notes that there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

10. Albania has international agreements permitting spontaneous exchange of information, including: (i) the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010*

*Protocol* (OECD/Council of Europe, 2011<sup>[2]</sup>) (“the Convention”) and (ii) bilateral agreements in force with 43 jurisdictions.<sup>2</sup>

### **Completion and exchange of templates (ToR II.B.3, II.B.4, II.B.5, II.B.6, II.B.7)**

11. In the prior year’s peer review report, it was determined that Albania did not yet have a process to complete the templates on all relevant rulings, to make them available to the Competent Authority for exchange of information, and to exchange them with relevant jurisdictions. Therefore, Albania was recommended to develop a process for the completion and exchange of information as soon as possible. During the year in review, Albania notes that it is currently in the process of taking appropriate steps.

12. During the year in review, no exchanges were required to take place and no data on the timeliness of exchanges is reported.

### **Conclusion on section B**

13. Albania is recommended to continue to develop a process to complete the templates for all relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timelines under the transparency framework going forward (ToR II.B).

## **Statistics (ToR IV.D)**

14. As no rulings were issued, no statistics can be reported.

## **Matters related to intellectual property regimes (ToR I.A.1.3)**

15. Albania does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015<sup>[3]</sup>) were imposed.

## **Summary of recommendations on implementation of the transparency framework**

| <b>Aspect of implementation of the transparency framework that should be improved</b>   | <b>Recommendation for improvement</b>   |
|---|---|
| Albania does not yet have the necessary information gathering process in place.   | Albania is recommended to put in place an effective information gathering process to identify all potential exchange jurisdictions for future rulings on preferential regimes and to implement a review and supervision mechanism, as soon as possible. |
| Albania does not yet have a process to complete the templates on relevant rulings, to make them available to the Competent Authority for exchange of information, and to exchange them with relevant jurisdictions. | Albania is recommended to continue to develop a process to complete the templates for all relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timelines under the transparency framework. |

## **References**

- OECD (2021), *BEPS Action 5 on Harmful Tax Practices - Terms of Reference and Methodology for the Conduct of the Peer Reviews of the Action 5 Transparency Framework*, OECD Publishing, Paris, <https://www.oecd.org/tax/beps/beps-action-5-harmful-tax-practices-peer-review-transparency-framework.pdf>. [1]

OECD (2015), *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://doi.org/10.1787/9789264241190-en>. [3]

OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264115606-en>. [2]

## Notes

<sup>1</sup> Industry Incentive Regime.

<sup>2</sup> Participating jurisdictions to the Convention are available here: [www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm](http://www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm). Albania also has bilateral agreements with Austria, Belgium, Bosnia and Herzegovina, Bulgaria, China (People's Republic of), Croatia, Czechia, Egypt, Estonia, France, Germany, Greece, Hungary, Iceland, India, Ireland, Israel, Italy, Korea, Kosovo, Kuwait, Latvia, Malaysia, Malta, Moldova, Montenegro, Netherlands, North Macedonia, Norway, Poland, Qatar, Romania, Russia, Saudi Arabia, Serbia, Singapore, Slovenia, Spain, Sweden, Switzerland, Türkiye, United Arab Emirates, United Kingdom.



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