

Exemption of Value Added Tax (VAT) for Import of Machinery and Equipment for the Purpose of Executing Contracts of Equal or Greater than 500 million ALL

General info

Economy name

Albania

ID

A47

Incentive name

Exemption of Value Added Tax (VAT) for Import of Machinery and Equipment for the Purpose of Executing Contracts of Equal or Greater than 500 million ALL

Brief description

The exemption applies to the import of machinery and equipment that are:

- Used for the execution of investment contracts with a value equal to or greater than 500 million ALL.
- Involved in the active processing sector and agribusiness sector, regardless of the investment value.
- Intended for the production purposes by entities subject to simplified profit tax.

Legal reference

Legal reference name

Law No. 92/2014 dated 24.07.2014 "On VAT in Albania"

Legal reference (Law section / article)

Article 56, paragraph 38 Import of machinery and equipment:

- a) for the realization of investment contracts with a value equal to or greater than 50 million lekë;
- b) for the realization of investment contracts in the active processing and agribusiness sector, regardless of the value of the investment; and
- c) import of production machinery by entities subject to simplified profit tax.

The list of machinery and equipment directly related to the investment, the exemption procedure, the relevant criteria, and the categories of economic operators included in the active processing and agribusiness sector, are determined by a decision of the Council of Ministers.

Incentive design

Incentive group

Financial

Incentive category

Value Added Tax (VAT)

Economy-wide/Sector-specific

Economy-wide

Sector (Simplified)

All sectors

Sector (NACE)

N/A

Size of firm that can use incentive

All sizes of firms

Level at which incentive is available

Economy-wide

Ownership of firm that can use incentive

Any

Incentive location

General

Main objective of the incentive

Technological advancement

In case of grant, share of grant in investment (in %)**Access to information**

Contact Info

Street "Dëshmorët e Kombit" Nr.3, Tirana 1001

Weblink to Incentive information in English

https://www.pwc.com/al/en/Tax_Alert_May_June_2023.pdf

Weblink to Incentive information in local language

[https://www2.deloitte.com/content/dam/Deloitte/al/Documents/tax/Ligji_nr.92-2014_date_24.07.2014_Per_T_VSH-ne_\(i_indeksuar_nga_Deloitte\).pdf](https://www2.deloitte.com/content/dam/Deloitte/al/Documents/tax/Ligji_nr.92-2014_date_24.07.2014_Per_T_VSH-ne_(i_indeksuar_nga_Deloitte).pdf)

Eligibility criteria

Eligibility criteria (description)

The list of machinery and equipment directly related to the investment, the exemption procedure, the relevant criteria, and the categories of economic operators included in the active processing and agribusiness sectors are determined by a decision of the Council of Ministers.

Entities must ensure that the imported machinery and equipment are used for the specified purpose and comply with all regulatory requirements.

Eligibility criteria (weblink)

[https://www2.deloitte.com/content/dam/Deloitte/al/Documents/tax/Ligji_nr.92-2014_date_24.07.2014_Per_T_VSH-ne_\(i_indeksuar_nga_Deloitte\).pdf](https://www2.deloitte.com/content/dam/Deloitte/al/Documents/tax/Ligji_nr.92-2014_date_24.07.2014_Per_T_VSH-ne_(i_indeksuar_nga_Deloitte).pdf)

Incentive administration

Awarding Authority (Name)

Ministry of Finance, General Directorate of Taxes and Council of Ministers

Application procedure + Weblink (where available)

The application needs to be submitted to the General Directorate of Taxation in a paper form

Implementing Authority (Name)

Ministry of Finance, General Directorate of Taxes and Council of Ministers