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 AMERICAN CHAMBER OF COMMERCE

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***AmCham Statement to National Economic Council***

January 27th, 2015

The American Chamber of Commerce appreciates the cooperation and positive willingness of the government and its institutions to talk and discuss on problems that arise. It is important for us, the commitment of the government to take in consideration some fundamental issues that we have addressed for a long time and we see them implemented today.

We believe that the dialogue is the most effective way of problems solution and this table is the appropriate place to address the issues that the business faces in its activity and we have the duty to solve them.

The law "On National Economic Council" approved by the Albanian Parliament, obliges the government to publish the draft laws with effect in the economic sector and to leave a period of 60 days for public consultation before the act takes legal effect. This has also been one of AmCham requests in years, a request which aims the establishment of a reasonable transition time from approval of the new act until its entry into force.

In this context, AmCham expresses its concern that while the new VAT law has entered into force on January 1st, 2015, the Instruction of the Ministry of Finances which will make possible the right implementation of this law and the clarification of the more specific schemes and procedures (for example, special schemes for cigarettes and prepaid cards), is not yet approved.

Moreover, the new VAT law obliges the Ministry of Finance to approve the respective Instruction no later than 4 months from the date of publication of this law in the Official Gazette. The law was published on August 13th, 2014 and consequently, the sublegal acts should have been approved and published no later than December 13th, 2014, in order to enter into force from January 1st, 2015.

As of today, the Ministry has yet not approved the Instruction on VAT, leaving a legal vacuum and even creating a stagnation situation for the business, which still is not familiar with the VAT law.

AmCham emphasizes again that it is necessary that in parallel with every new law, especially for basic laws like the VAT law, parallel sublegal acts must be compiled, which will enable its implementation and the business community should be given the necessary time to be familiar with them. It is important for us, not only to be part of the discussions, but also to have enough time to know and inform our members on expected legal changes and how they should know and prepare to implement this law.

In these conditions, considering the particular importance of the provisions of the Instruction in understanding, clarifying and supplementing the provisions of the law, AmCham would very much appreciate if the implementation of the new law is suspended until July 1st, 2015, so that during this time, the Ministry of Finance will finalize the respective Instruction and consult it with businesses in a reasonable time.