



REPUBLIC OF ALBANIA
MINISTRY OF FINANCE
AND ECONOMY

Prot No. 19014_P

Tirana, 2019

INSTRUCTION

No. date. .11. 2019

"ON A MODIFICATION OF THE INSTRUCTION NO. 6, DATED 30.01.2015 "ON THE VALUE ADDED TAX IN THE REPUBLIC OF ALBANIA ", AS AMMENDED"

Pursuant to Article 102 of the Constitution of the Republic of Albania and pursuant to points 2 and 5 of Article 77 of the Law no. 92/2014, dated 24.07.2014, "On the Value Added Tax in the Republic of Albania", as amended, the Minister of Finance and Economy,

Instructs:

As foreseen in Instruction no. 6, dated 30.01.2015, "On the Value Added Tax in the Republic of Albania", as amended, in Article 63 "Refunding of Financial Agreements", point 3, second paragraph, beginning with the sentence: "Pursuant to Article 26, of Law No. 9840, dated 10.12.2007 "and ending with the sentence" VAT refund department in the GoDT proceeds with the VAT refund ", is amended with the following content:

1. "Pursuant to the financial agreements ratified by the Assembly or grant agreements approved by the Council of the Ministers, which provide for the non-use of foreign financial resources to pay duties and taxes when the contractor/grantee (leading/coordinator, co-applicant) (co-beneficiary or sub-grantee) of the donor designated in these agreements is a Nonprofit Organization (NPO) within the meaning of the Law on Nonprofits, as well as pursuant to Article 3 of the Law on VAT, the entity which has entered into a financing contract with donor funds, notwithstanding its contract status, the NPO enjoys the right to a refund of the VAT paid on the purchase of goods and services under this contract, in accordance with the procedure set out in this instruction.

For each contract the grant may have only one identification number for reimbursement effects, but some applicant NPOs may apply for the VAT refund certificate depending on their contract status. If the applicant is an NPO, one of the parties in the contract with a leading/coordinating status, its reimbursement certificate is valid for the paid VAT, as well, when purchasing goods and services in Albania in the framework of this contract from other local NPOs, which are parties in the contract with the status of co-beneficiaries as well as sub-beneficiaries of the grant. In case we have to do with an NPO, which is a party to the contract with a Leading/Coordinator status but it is a foreign organization that exercises its activity outside the territory of Albania or exercises one or more activities within the Albanian territory, but is not registered according to the Albanian

law as a new NPO branch, the application right belongs to the local NPO, the other party in the contract which has the co-beneficiary status, with regards to the paid VAT part from it, as well as other sub-beneficiaries of the grant (local NPOs, if there are any) for the purchase of goods and services in the framework of this contract.

Even if the leader/coordinator does not enjoy the NPO status within the meaning of the Law on Nonprofits, the right to apply is granted to the NPO/domestic party to the contract with the beneficiary status, for the part of paid VAT by it/them and the grant beneficiaries (local NPOs, if any) in the purchase of goods and services in Albania under this contract.

The first applicant always receives the certificate with the base register number for the contract, while the other applicants are provided with certificates with the identification number which has a fraction of the first certificate. Regardless of the application method, individually or through another NPO (party to the same contract), NPOs that benefit from VAT refunds under this instruction are individually liable to the tax authority for their part of the declaration in order to have their VAT refundable.

The NPO (leading/coordinator or co-beneficiary) part of the grant contract with the donor or the officially authorized/delegated entity/ subject/, has to, within 90 calendar days from the final date of expenditures admission, apply to the relevant Regional Tax Directorate (RTD), for the VAT refund registration, in the framework of the contract implementation under Form 6A and the related explanations, which are an integral part of this Instruction.

The 6A form is downloadable at <https://www.tatime.gov.al/c/6/71/tatimi-mbi-vlerene-shtuar>, <https://www.tatime.gov.al/c/6/257/262/tatimi-mbi-vleren-e-shtuar> or <https://www.tatime.gov.al/d/8/129/209/185/tatimi-mbi-vieren-e-shtuar>. Upon completion of all the necessary data, it shall be formally addressed to the relevant RTD by attaching the following documents:

- a) Notarized copy of the contract (partnership agreement) between the NPO and the donor or institution/entity officially authorized by it to enter into a financed/ co-financed contract for the grant, in the language in which this contract is entered into, together with notarized copies translated into Albanian;*
- b) Notarized copy of the contract in the language in which the contract/agreement is concluded between the leading/coordinator and the co-beneficiary and/or sub-grantee (if applicable), together with notarized copies translated into Albanian;*
- c) The Extract of the NPO from the Court (Documentation proving the non-profit status together with the changes that the NPO may have undergone).*

The relevant RTD registers in a special register such NPOs for the purpose of VAT refunds paid under the grant contract and within 10 working days it issues to the NPO the certificate of VAT refund contract registration according to Form 6C part of this Instruction or announces its refusal explaining the reasons for such a refusal.

The validity of the certificate lasts from the date of its issuance up to 24 calendar months after the final date of the eligibility/admission of the expenditure. The NPO may request

reimbursement of the paid VAT for the purchase of goods and services at any time within the validity of the certificate, but in any case, only for supplies received within the time limits specified in the contract for the eligibility of expenses.

In order to obtain the VAT refund in the context of the implementation of the grant contract, the NPO holding the VAT registration refund certificate, subject to the VAT Refund Directorate, at the GDoT, submits the request for the refund of paid VAT in the context of the implementation of the grant contract, according to Form 6R attached to this Instruction as part of it, together with the following documents:

- a) Copy of the registration certificate for VAT refund purposes;*
- b) Notarized copy or original of all invoices from the purchased goods and services related to the implementation of the project in Albania and the list of VAT purchases made by the NPO within the framework of the implementation of the grant contract (part of 6R form);*
- c) Bank confirmation with the correct data for each bank account included in the refund request;*
- d) Certification/confirmation issued by the donor or the institution/entity formally authorized / delegated by the former, together with the summarizing financial report, a detailed list of expenses, expense verification report and audit report (if applicable), for all expenses for which VAT refund is required*

Within 30 days after receiving the request, the VAT Refund Directorate at the GDoT conducts the verification of the documentation submitted and proceeds with the VAT refund to the bank account of each NPO made available for the refund request.

When the NPO signs a contract with a Government Spending Unit that acts as a Contracting Authority, in the framework of the IPA assistance projects under the indirect management regime or other specific donor agreement, providing for the non-use of foreign financial resources to pay taxes and VAT, the VAT is reimbursable/refundable by the Contracting Authority to the NPO, which is party to contract. In this case, the NPO does not apply to the tax administration, as the reimbursement is covered by the fund provided as a local cost in the budget of the budgetary institution, whose area of responsibility covers the sector financed or co-financed by the donor."

2. The Tax Authority is responsible for the enforcement of this instruction. This instruction comes into force after its publication in the Official Journal.



**APPLICATION FOR NPO VAT REFUND
CERTIFICATE**

REGIONAL TAXATION DIRECTORATE _____

Number of the file: _____

(to be filled in only by the relevant RTD)

1. Name of the NPO _____		2. NIPT: _____	
3. Donor/financing entity: _____			
4. Institution/authorized/delegated entity from the donor for the grant contract/contracting authority: _____			
5. Title of the contracts and reference: (in alb and eng) _____			
6. Contract Starting date _____		7. Contract end date: _____	
8. Final eligibility/admission date for the expenditure: _____		9. Contract value: _____	
10. NPO applicant Status in the contract:		<input type="checkbox"/> E.1 Leading/coordinator <input type="checkbox"/> Beneficiary/co-beneficiary no. _____	
11. List of co-applicants in the reimbursement/refund certificate			
Status' in the	Name of the NPO	NIPT(registration	Contract
Beneficiary 1- leading	xxxxx	yyyyyy	Subsidy contract
Beneficiary 2 - partner	xxxxx	yyyyyy	Partnership' Agreement between the leading partner and the beneficiaries of the project in operation
Sub-grantee 1	xxxxx	yyyyyy	Sub-grantee agreement between
Sub-grantee 2			
11. Institution/authorized entity/delegated by the donor for the confirmation of the expenditure and invoices		Denomination _____ Address _____	



**APPLICATION FOR NPO VAT REFUND
CERTIFICATE**

Form 6A

12. Additional Information/explanations (if any)	
13. LIST of ACCOMPANYING DOCUMENTS:	
<input type="checkbox"/> Notarized copy of the contract in the language in which the grant contract/agreement is concluded, together with notarized copies translated into Albanian; <input type="checkbox"/> Notarized copy of the contract (partnership agreement) between the NPO and the donor or institution/entity officially authorized by it to enter into a financed/ co-financed contract for the grant, in the language in which this contract is entered into, together with notarized copies translated into Albanian; <input type="checkbox"/> Copy of the identification document of the legal representative of the applicant NPO for the reimbursement certificate (or of the person authorized by it, if applicable).	
14. Information on legal representatives / authorized person to apply for the refund certificate	
Name and surname of the	Personal Identification No.:
Birthplace of the representative: (country/state):	Birthday of the representative:
Address of the NPO:	
Prefecture/Qark:	Municipality/LG unit:
Street:	No. of contact:
14. SUBMISSION OF DOCUMENTATION AT THE REGIONAL TAXATION DIRECTORY: BY: APPLICANT.1	
15. I the undersigned ___aware of the penal responsibilities derived from the declaration and submission of the fake data and circumstances, declare under my own responsibility that the data presented in this form are true.	
REGIONAL TAXATION DIRECTORATE	
SIGNATURE:	Date: _____
THE UNDERSIGNED _____, I, _____, the undersigned ___ official of the RTD _____ certify that I received today from the NPO (Authorized Representative) the NPO's application form for a VAT Refund Certificate, duly completed, as well as the accompanying documents listed in the section 12 above. I also certify that the applicant (authorized representative), identified by me through the identification document above, signed this form today in my presence.	
Signature: _____	Date: _____



Instructions on the completion of the form

1. Enter the name of the main applicant NPO;
2. Enter the NIPT (registration no.) of the leading applicant NPO;
3. Enter the name of the main donor and program eg. EU/European Commission, German Government/GIZ, etc.
The terms grantor, project funder and funder are used as synonyms;
4. Enter the name of the institution creating the contract for/on behalf of the donor, eg EU Delegation in Tirana, EU Delegation in Skopje, European Commission, GIZ Tirana, Swiss Cooperation Office, etc.;
5. Decide on the title of the main contract to which the applicant is a party, thereof, as well as the contract identification number or code. The contract is supposed to be a subsidy contract, partnership agreement, etc.
The title must be completed in Albanian and English;
6. Enter the date of entry into force of the contract as set out in the contract;
7. Indicate the date of termination of the contract for which the parties have agreed;
8. Enter the final eligibility date of the expenditures as specified in the contract. Expenses presented with VAT invoices at a later date are not eligible;
9. Enter the total value of the contract for all the beneficiaries (budget);
10. Enter the contractual status of the NPO applying for the refund certificate. The terms Leading Partner, Leading Beneficiary and Leading Applicant are used as synonyms and refer to the NPO that is the first party to the contract vis-à-vis the donor or delegated/authorized institution by it to enter into the grant contract. Project beneficiaries, project partners and co-beneficiaries are used as synonyms and refer to the non-leading party to the contract. Entrepreneurs, migrants, and beneficiaries are used as synonyms and refer to NPOs that are not direct parties to the EC contract but are indirect financial beneficiaries of an EC grant through a contract with the leading beneficiary or other contract beneficiaries. The terms Applicant for the refund certificate and project applicant are not synonyms;
11. Fill in the details of each co-applicant of the refund certificate. In the case when the certificate applicant is the leading/coordinator NPO, complete the table with details of each co-beneficiary and/or sub-beneficiary performing activities in Albania under this contract. If an application is made by a co-beneficiary NPO, the table should be supplemented with data on other co-beneficiaries who have agreed to be co-applicants for the reimbursement certificate and grant beneficiaries in Albania (if any);
12. Enter the name of the authorized/delegated institution/entity by the donor for the confirmation of expenses/invoices. For example, EC or EUD Tirana, whichever is the contracting authority, as appropriate, Montenegro in the capacity of the Managing Authority for a regional project, the cost controller under contract provisions in the case of the Albanian leading NPO for a regional project, the first level control office in the case of co-beneficiaries of a project under a cross-border program etc.;
13. Fill in with additional information about the project/operation or program within which the project is being developed; Project leader data if applicant is co-beneficiary; Identify the financial agreement or framework agreement setting out Albania's coverage of VAT costs;
14. Mark the documentation attached to the application at the time of its submission to the RDT;
15. Fill in the details of the NPO legal representative applying for the refund certificate;
16. To be completed by the applicant's legal representative or the person authorized by it, with regards to the application for a refund certificate (refer to point 13). All 3 submitted copies should be signed copies;
17. To be completed by the accepting officer. 3 copies are signed for the RDT, GDoT and the applicant respectively.

General
Taxation
Directorate

REGISTRATION CERTIFICATE OF THE CONTRACT/PROJECT FOR VAT REFUND PURPOSES

Form 6C

REGIONAL TAXATION DIRECTORATE _____

Number of the Certificate in the RTD register: _____

Validity timeframe:

1. NPO
denomination:

- Leading/Coordinator
- Co-Beneficiary

7. Title of the
contract:

DIRECTOR

DREJTORIA RAJONALE TATIMORE _____

Numri i Certifikatës në regjistrin e DRT: _____

Afati i vlefshmërisë: _____

1. Emri i OJF-së:		2. NIPT:		
3. NPO Status in the contract kontrate:	<input type="checkbox"/> Lider/Koordinator <input type="checkbox"/> Bashkëpërfitues	4. Contract Starting date:		
5. Contract termination Date:		6. End Date of the expenditure eligibility:		
7. Titulli i Kontratës:		8. Grant Donor:		
9. List of co-applicant NPOs in the certificate:				
Status in the contract	Name of the NPO	NIPT (registration no.)	Contract	Controller/validating staff for the expenses
Beneficiary 1- leading	Xxxxx	yyyyyy	Partnership Agreement between the leading partner and the beneficiaries	
Beneficiary 2 - partner				
Sub-grantee 1	xxxxx	yyyyyy	Sub-grantee agreement between	
Sub-grantee 2				
10. Ratified international agreement providing for VAT exemption (reference to article and ratification law)				

DREJTORI

SIGNATUREI _____

Date: _____

REFUND REQUEST
(for NPOs that have grant contracts with
donors)

Formula.. 6R

Name of the NPO retaining the refund certificate:

NIPT of the NPO retaining the refund certificate:

Refund certificate registration number:

Name and surname of the legal representatives:

Contact (Tel./

Requested paid VAT to be refunded from the purchases for:					
Name of the NPO	NIPT	Name, surname and contacts of the legal representative	Status in the grant contract	(VAT) Requested amount	Bank account
TOTAL					
_____				_____	
(Signature of the NPO)				(data)	



List Of VAT inclusive purchases carried out by the NPO in the framework of the grant contract implementation *										
Ref. No. in the tab. Of expenses.	Serial No. of the purchase invoice	Invoice Date	Name of the vendor	NIPT of the vendor	Name of the buyer	NIPT 1 of the buyer	Status of the buyer in the grant contract	Description of goods or services to be purchased	Value exclusive of VAT	VAT
TOTAL										

_____ (Signature of the NPO)

_____ (date)

* This list is submitted to the taxation authority in electronic excel version too.
 ** Enter the serial number the invoice/expense has in the expenditure table submitted by the NPO to the controller/verifier of the contracting authority.