

Albania

Transfer Pricing Country Profile

December 2021

		SUMMARY	REFERENCE
The Arm's Length Principle			
1	Does your domestic legislation or regulation make reference to the Arm's Length Principle?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Law no. 8438, dated 28.12.1998 " On Income Tax ", amended, Article 36-36/7. Instruction of Ministry of Finance No. 16, dated 18.06.2014 "On transfer pricing"
2	What is the role of the OECD Transfer Pricing Guidelines under your domestic legislation?	The provisions of the law no. 8438/1998 on transfer pricing (articles 36-36/7) and The Instruction of Ministry of Finance "On transfer pricing" is based on the principles in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.	
3	Does your domestic legislation or regulation provide a definition of related parties? If so, please provide the definition contained under your domestic law or regulation.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Law no. 8438, dated 28.12.1998 "On Income Tax", amended, Article 2 "Definitions", para 4 a) Two persons are considered to be related parties, when: i) one person participates directly or indirectly in the management, control or capital of the other person; or ii) the same person or persons participate (s) directly or indirectly in the management, control or the capital of both persons. b) A person participates directly or indirectly in the management, control or capital of another person when:	Law no. 8438, dated 28.12.1998 " On Income Tax ", amended, Article 36-36/7.

- i) that person owns, directly or indirectly, 50 percent or more of the share capital of the other person; or
- ii) that person effectively controls the business decisions of such other person.

Transfer Pricing Methods

4 **Does your domestic legislation provide for transfer pricing methods to be used in respect of transactions between related parties?**

- Yes
 No

If affirmative, please check those provided for in your legislation:

CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (If so, please describe)
<input checked="" type="checkbox"/>					

In accordance with Article 36/2, paragraph 2 of the Law on Income Tax, a taxpayer may in specific circumstances (as specified in such paragraph) apply a transfer pricing method other than any of the approved methods, such as, for example a discounted cash flow or valuation techniques.

Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”, Article 8;

Law no. 8438, dated 28.12.1998 “[On Income Tax](#)”, amended, Article 36-36/7.
[Instruction of Ministry of Finance](#) No. 16, dated 18.06.2014 “On transfer pricing”

5 **Which criterion is used in your jurisdiction for the application of transfer pricing methods?**

- Please check all that apply:
- Hierarchy of methods
 - Most appropriate method
 - Other (if so, please explain)

Law no. 8438, dated 28.12.1998 “On Income Tax”, amended, Article 36/2 “Methods of transfer pricing”, para 1: “Compliance with the market principle of a controlled transaction will be determined by applying the most appropriate method of transfer pricing, as the case may be, according to determinations made by instruction of the Minister of Finance. Except as provided in point 2, the most appropriate method of price transfer will be chosen between the following methods;

Law no. 8438, dated 28.12.1998 “[On Income Tax](#)”, amended, Article 36-36/7.

a) **Comparable Uncontrolled Price Method.** The comparable uncontrolled price method consists of comparing the price charged for property or services transferred in a controlled transaction to the price charged for property or services transferred in a comparable uncontrolled transaction.

b) **Resale Price Method.** The resale price method consists of comparing the resale margin that a purchaser of property in a controlled transaction earns from reselling that property in an uncontrolled transaction with the resale margin that is earned in comparable uncontrolled purchase and resale transactions.

c) **Cost Plus Method.** The cost plus method consists of comparing the mark up on those costs directly and indirectly incurred in the supply of property or services in a controlled transaction with the mark up on those costs directly and indirectly incurred in the supply of property or services in a comparable uncontrolled transaction.

ç) **Transactional Net Margin Method.** The transactional net margin method consists of comparing the net profit margin relative to an appropriate base, for example costs, sales, assets, that a party achieves in a controlled transaction with the net profit margin relative to the same base achieved in comparable uncontrolled transactions.

d) **Transactional Profit Split Method.** According to this method each associated enterprise participating in a controlled transaction is allocated the portion of common profit/loss derived from such transaction that an independent enterprise would expect to earn from engaging in a comparable uncontrolled transaction.

2) The taxpayer may apply a transfer pricing method other than the approved methods, where it can be proved that none of the above methods can be reasonably applied to determine consistency with the market principle for the controlled transaction, and such other method yields a result consistent with the market principle. The taxpayer asserting the use of a method, other than the approved methods in paragraph 2, shall bear the burden of demonstrating that the requirements of this paragraph have been satisfied.

3) It is not required to apply more than one method to determine consistency with the market principle for a given controlled transaction.

Where a taxpayer has used a transfer pricing method to establish the remuneration of its controlled transactions and that transfer pricing method is consistent with the provisions of this article, then the tax administration's examination of whether the conditions of the taxpayer's controlled transactions are consistent with the market principle shall be based on the transfer pricing method applied by the taxpayer. ”

6	<p>If your domestic legislation or regulations contain specific guidance on commodity transactions, indicate which of the following approaches is followed.</p>	<p><input checked="" type="checkbox"/> For controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG is followed.</p> <p><input type="checkbox"/> Domestic legislation mandates the use of a specific method for controlled transactions involving commodities (<i>if so, please explain</i>)</p> <p><input type="checkbox"/> Other (<i>if so, please explain</i>)</p> <hr/> <p>As our domestic legislation is based on TPG, in every case the approach based on TPG is appropriate.</p>	
Comparability Analysis			
7	<p>Does your jurisdiction follow (or largely follow) the guidance on comparability analysis outlined in Chapter III of the TPG?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <hr/> <p>Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”, Article 5.7 “Comparability”:</p> <p>“The following process (adapted from the 9 step process in the OECD TPG 2010), is recommended when assessing comparability. However following this process is not compulsory - is the outcome rather than the process that is of importance.</p> <p>1) determination of years to be covered;</p> <p>2) broad-based analysis of the taxpayer’s circumstances;</p> <p>3) understanding the controlled transaction(s) under examination, based in particular on a functional analysis, in order to help choose the tested party in accordance with this Instruction (where needed); select the most appropriate transfer pricing method to the circumstances of the case in accordance with this Instruction; select the financial indicator that will be tested (where needed); and, to identify the significant comparability factors that should be taken into account;</p> <p>4) review of existing internal comparable uncontrolled transactions, if any;</p> <p>5) determination of available sources of information on external comparable transactions where such external comparable transactions are needed taking into account their relative reliability;</p> <p>6) the selection of the most appropriate transfer pricing method in accordance with this Instruction and, depending on the method, determination of the relevant financial indicator;</p>	<p>Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”</p>

		<p>7) identification of potential comparable transactions: determining the key characteristics to be met by any uncontrolled transaction in order to be regarded as potentially comparable, based on the relevant factors identified in Step 3 and in accordance with the comparability factors specified in Article 36/1, paragraph 2;</p> <p>8) determination of and making comparability adjustments where appropriate, taking into account paragraph 6 below;</p> <p>9) interpretation and use of data collected, determination of conditions consistent with arm's length.”</p>	
8	<p>Is there a preference in your jurisdiction for domestic comparables over foreign comparables?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”, Article 5.7 “Comparability”:</p> <p>“4) review of existing internal comparable uncontrolled transactions, if any;</p> <p>5) determination of available sources of information on external comparable transactions where such external comparable transactions are needed taking into account their relative reliability;”</p>	<p>Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”</p>
9	<p>Does your tax administration use secret comparables for transfer pricing assessment purposes?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
10	<p>Does your legislation allow or require the use of an arm's length range and/or statistical measure for determining arm's length remuneration?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Law no. 8438, dated 28.12.1998 “On Income Tax”, amended, Article 36/4:</p> <p>“Range of market indicators</p> <p>1. Market range is a set of relevant financial indicators, eg, prices, margins or parts of the profit, derived from the application of the most appropriate method of transfer of price for a number of uncontrolled transactions, where each is almost the same I comparable to the controlled transaction, based on a comparability analysis performed in accordance with Article 36/1.</p> <p>2. A controlled transaction or group of transactions shall not be subject to adjustments, according to point 3 of article 36, when the relevant financial</p>	<p>Law no. 8438, dated 28.12.1998 “On Income Tax”, amended, Article 36-36/7.</p> <p>Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”</p>

		<p>indicator, derived from the controlled transaction (s) being tested according to the most common method suitable for price transfer, is within the market range.</p> <p>3. When the relevant financial indicator, which derives from controlled transactions, goes out of market range, the tax administration may regulate it in accordance with point 3 of Article 36, and any such adjustment will be in the average of the market range, except when the administration the taxpayer or the taxpayer can prove that the circumstances in that case guarantee the adjustment in a different point of the market range, according to the definitions made in the instruction of the Minister of Finance.</p> <p>Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”, Article 12/3 “Transfer pricing adjustment”:</p> <p>“The median of the market range is the 50th percentile of the results derived from the comparable uncontrolled transactions forming the market range. For this purpose, the 50th percentile is the lowest result such that at least 50 percent of the results are at or below the value of that result. However, if exactly 50 percent of the results are at or below a result, then the 50th percentile is equal to the arithmetic mean of that result and the next higher result derived from the comparable uncontrolled transactions.”</p>	
11	<p>Are comparability adjustments required under your domestic legislation or regulations?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”, Article 6 “Comparability adjustments”:</p> <p>“6.1 For the purposes of Article 36/1, paragraph 1, subparagraph (b) of the Law, comparability adjustments should be considered only if they are expected to increase the reliability of the results, taking in to account considerations such as the:</p> <p>a) materiality of the difference for which the adjustment is being considered;</p> <p>b) quality of the data subject to adjustment;</p> <p>c) purpose of the adjustment; and</p> <p>d) reliability of the approach used to make the adjustment.</p>	<p>Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”</p>

		<p>6.2 Comparability adjustments may include, but are not limited to, adjustments for:</p> <p>a) ensuring accounting consistency, i.e. adjustments designed to eliminate differences that may arise from differing accounting practices used with respect to the controlled transaction and the uncontrolled transaction</p> <p>b) differences in capital, functions, assets, risks;</p> <p>c) differences in contractual terms; and</p> <p>d) differences between geographic markets.</p>	
Intangible Property			
12	<p>Does your domestic legislation or regulations contain guidance specific to the pricing of controlled transactions involving intangibles?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>According to para 11 “Specific transaction types” of the Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”:</p> <p>“Transactions Involving Intangibles</p> <p>11.4 Application of the market principle to controlled transactions involving licenses, sales or other transfers of intangible property shall take into account both the perspective of the transferor of the property and the perspective of the transferee, including in particular the pricing at which a comparable independent parties would be willing to transfer the property and the value and usefulness of the intangible property to the transferee in its business.</p> <p>11.5 In assessing comparability in accordance with Article 36/1 for a transaction involving the license, sale or other transfer of intangible property, consideration shall be given to any special factors relevant to the comparability of the controlled and uncontrolled transactions, including:</p> <p>a) The expected benefits from the intangible property,</p> <p>b) Any geographic limitations on the exercise of rights to the intangible property,</p> <p>c) The exclusive or non-exclusive character of the rights transferred, and</p> <p>d) Whether the transferee has the right to participate in further developments of the intangible property by the transferor</p>	<p>Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”</p>

13	Does your domestic legislation or regulation provide for transfer pricing rules or special measures regarding hard to value intangibles (HTVI)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
14	Are there any other rules outside transfer pricing rules that are relevant for the tax treatment of transactions involving intangibles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Intra-group Services			
15	Does your domestic legislation or regulations provide guidance specific to intra-group services transactions?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>According to para 11 “Specific transaction types” of the Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”:</p> <p>Service Transactions</p> <p>11.1 A charge for a controlled transaction that is the provision or receipt of a service shall be considered consistent with the market principle where:</p> <p>a) It is charged for a service that is actually rendered,</p> <p>b) The service provides, or when rendered was expected to provide, the recipient with economic or commercial value to enhance its commercial position,</p> <p>c) It is charged for a service that an independent party in comparable circumstances would have been willing to pay for if performed for it by an independent party, or would have performed in-house for itself, and</p> <p>d) Its amount corresponds to that which would have been agreed between independent parties for comparable services in comparable circumstances.</p> <p>11.2 Where it is possible to identify specific services provided by one party to the other, the determination of whether the service charge is consistent with the market principle shall be made for each specific service.</p> <p>11.3 Where particular services are rendered by a party to various associated parties and not to any independent parties, and it is not possible to identify the specific services provided to each, the total service charge shall be allocated among the associated parties that benefit or expect to benefit from the services according to</p>	Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”

		<p>reasonable allocation criteria. For the purpose of this provision, allocation criteria shall be viewed as reasonable where they are based on a variable or variables that:</p> <p>a) Take into account the nature of the services, the circumstances under which they are provided and the benefits obtained or that were expected to be obtained by the parties for which the services are intended,</p> <p>b) Relate exclusively to uncontrolled, rather than controlled, transactions, and</p> <p>c) Are capable of being measured in a reasonably reliable manner</p>	
16	Do you have any simplified approach for low value-adding intra-group services?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
17	Are there any other rules outside transfer pricing rules that are relevant for the tax treatment of transactions involving services?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Financial transactions			
18	[NEW] Does your domestic legislation or regulations provide guidance specific to financial transactions?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
19	[NEW] Are there any other rules outside transfer pricing rules that are relevant for the tax treatment of financial transactions?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>According to point 4, article 21 “Non-deductible expenses” of Income tax law: For the purpose of defining taxable profit, the following expenses are not deductible: “ in the case of loans, of borrowing or financing by related parties, are not recognized as expenses of deductible of the tax period the excess of net interest expense exceeding 30 percent of taxable profit before interest, tax, depreciation and amortization (EBITDA). Taxable profit before interest, tax, depreciation and amortization determined in accordance with Article 19 of this law.</p> <p>The term "Net interest expense surplus" means the surplus arising from the difference between interest expenses and interest income. Any interest expense,</p>	<p>Law no. 8438, dated 28.12.1998 “On Income Tax”, amended, Article 36-36/7.</p>

		not deductible under this point, is carried forward over periods of future tax, unless 50 per cent of the shares or voting rights in society are transferred. The provisions of this paragraph do not apply to banks, non-bank financial institutions lending companies, insurance companies and leasing companies. The rules for the implementation of this paragraph are determined by the instruction of the Minister of Finance.”	
Cost Contribution Agreements			
20	Does your jurisdiction have legislation or regulations on cost contribution agreements?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Transfer Pricing Documentation			
21	Does your legislation or regulations require the taxpayer to prepare transfer pricing documentation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If affirmative, please check all that apply:</i> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Master file consistent with Annex I to Chapter V of the TPG <input checked="" type="checkbox"/> Local file consistent with Annex II to Chapter V of the TPG <input type="checkbox"/> Country-by-country report consistent with Annex III to Chapter V of the TPG <input type="checkbox"/> Specific transfer pricing returns (separate or annexed to the tax return) <input type="checkbox"/> Other (specify): 	<p>Law no. 8438, dated 28.12.1998 “On Income Tax”, amended,</p> <p>Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing</p>
22	Please briefly explain the relevant requirements related to filing of transfer pricing documentation (i.e. timing for preparation or submission, languages, etc.)	<p>According to article 36/5 of Income tax law;</p> <p>1. A taxpayer must have in place sufficient documented information and analysis to verify that the conditions of its controlled transactions are consistent with the market principle. Transfer pricing documentation shall be provided to the tax administration at its request within 30 days of receiving the tax administration’s request. The content and form of the transfer pricing documentation will be specified by Instruction of the Minister of Finance.</p> <p>2. Taxpayers engaging in controlled transactions above a specified threshold are required to submit an annual controlled transactions notice/form. The Minister of Finance by Instruction will define the above-mentioned specified threshold, format and deadline for submission of the controlled transactions notice.</p>	<p>Law no. 8438, dated 28.12.1998 “On Income Tax”, amended, Article 36-36/7.</p>

		<p>Transfer pricing documentation, in accordance with Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”, is to be submitted to the tax authority within 30 days of a request being made. Transfer pricing documentation may be submitted in Albanian or English language. However, where documents are submitted in English, the Tax Authority has the right to request translation of English documents into Albanian. This translation is at the expense of the Albanian taxpayer and must be provided within 30 days of request for translation.</p> <p>Transfer pricing documentation may be submitted either in electronic or paper format.</p> <p>A taxpayer is not considered to have satisfied the requirement of Article 36.6 of the Law if the transfer pricing documentation provided is incomplete, contains false or factually inaccurate information or omits pertinent facts or information.</p>	
23	<p>Does your legislation provide for specific transfer pricing penalties and/or compliance incentives regarding transfer pricing documentation?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Article 115/1 “Penalties related to price transfer” of the law “On Tax Procedures in the Republic of Albania”, provides that;</p> <ol style="list-style-type: none"> 1. In case of delay in the submissions of the "Notification of controlled annual transactions", according to the relevant provisions of the instruction of the Minister of Finance, “On the transfer of price”, the taxpayer is fined with a fixed fine of ALL 10 000 (ten thousand) (approximately EUR 82), for each month late. 2. In case of adjustments of tax liabilities, for the effect of transferring the price according to the provisions of article 36 of the Law no. 8438, dated 28.12.1998, "On income tax", as amended, taxpayers are fined under Article 114, “Failure to pay the tax liability or contribution on time”, of law no. 9920, dated 19.5.2008, “On tax procedures in the Republic of Albania”, as amended 3. In case of adjustments of tax liabilities, for the purpose of price transfer, according to the provisions of article 36 of law no. 8438, dated 28.12.1998, "On income tax", as amended, to taxpayers, who have completed and submitted to the tax authorities the price transfer documentation, as defined in Article 36/5 of Law of mentioned above, and the Instruction of the Minister of Finance, "On the transfer of the price", these taxpayers are required to pay only the additional duty and interest, but not fines. 	<p>Law no. 9920, dated 19.5.2008, “On tax procedures in the Republic of Albania”</p>

24	If your legislation provides for exemption from transfer pricing documentation obligations, please explain.	Taxpayers are not obliged to provide the Annual Form of Controlled Transaction or transfer pricing documentation if their aggregate amount of annual controlled transactions does not exceed ALL 50 000 000 (approximately EUR 410 000).	
Administrative Approaches to Avoiding and Resolving Disputes			
25	Which mechanisms are available in your jurisdiction to prevent and/or resolve transfer pricing disputes?	<p>Please check those that apply:</p> <p><input type="checkbox"/> Rulings</p> <p><input type="checkbox"/> Enhanced engagement programs</p> <p><input checked="" type="checkbox"/> Advance Pricing Agreements (APA)</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Unilateral APAs</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Bilateral APAs</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Multilateral APAs</p> <p><input checked="" type="checkbox"/> Mutual Agreement Procedures</p> <p><input type="checkbox"/> Other (<i>please specify</i>):</p> <hr/> <p>According to article 36/7"Advance pricing agreements" of Income tax law;</p> <p>1.A taxpayer may request that the tax administration enter into an advance pricing agreement to determine an appropriate set of criteria for the determination of conditions that are consistent with the market principle for certain future controlled transactions a defined period of time.</p> <p>2.Where the tax administration enters in to an advance pricing agreement with a taxpayer, no adjustment will be made under Article 36, paragraph 3, to controlled transactions that are within the scope of the agreement as long as the terms and conditions set by the advance pricing agreements are satisfied.</p> <p>3) The Minister of Finance will issue a specific instruction concerning Advance Pricing Agreements.</p> <p>The Instruction no.9, date 27.02.2015 "On Advance Pricing Agreements", determines the regulations and procedures for the administration and application of APAs.</p> <p>According to the para 7 of this instruction;</p>	Law no. 8438, dated 28.12.1998 " On Income Tax ", amended, Article 36-36/7.

		<p>7.1 The commencement date for the APA must be the tax year that follows the date where APA application was signed.</p> <p>7.2 The maximum covered period for advance pricing agreements is 5 (five) years, except when the advance pricing agreement belongs the application of a reciprocal Government agreement ratified by law.</p> <p>7.3 Taxpayers may not apply on an APA for a period which covers certain prior years (commonly referred to as “rollback” years). However, to the extent that the APA is signed and concluded after the first tax year of the proposed APA, the proposed tax year will still be covered under the APA agreement.</p> <p>Regarding the Mutual Agreement Procedure (MAP), the abovementioned instruction provides that; Where a bilateral or multilateral advance pricing agreement is entered into by the General Taxation Directory and one or more double tax convention partners, this respective agreement (based on the Mutual Agreement Procedure article of the relevant tax convention) will be the basis for the advance pricing agreement in Albania and in accordance with this agreement.</p>	
Safe Harbours and Other Simplification Measures			
26	Does your jurisdiction have rules on safe harbours in respect of certain industries, types of taxpayers, or types of transactions?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
27	Does your jurisdiction have any other simplification measures not listed in this questionnaire? If so, please provide a brief explanation.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Other Legislative Aspects or Administrative Procedures			
28	Does your jurisdiction allow/require taxpayers to make year-end adjustments?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Law no. 8438, dated 28.12.1998 “On Income Tax”, amended, Article 36-36/7.</p>
		<p>According to article 36/5 “Corresponding adjustments”, of “income tax law; “Where an adjustment to the conditions of a controlled transaction is made by a tax administration in another country, and this adjustment results in the taxation</p>	

		in that other country of profits on which the taxpayer in Albania has already been charged to tax in Albania and the country that has made the adjustment has a treaty with Albania that reflects an intention to provide for the relief of double taxation, then, in such circumstances, the tax administration of Albania, after a request is made by the Albanian taxpayer, shall examine the consistency of that adjustment with the market principle, as defined in Article 36, paragraph 2. If the tax administration concludes that the adjustment is consistent with the market principle, it shall make an appropriate adjustment to the amount of the tax charged to the Albanian taxpayer. Procedure for request for a corresponding adjustment under this Article will be specified in the instruction of the Minister of Finance.”	
29	Does your jurisdiction make secondary adjustments?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing
	<p>According to point 13 “Corresponding adjustments”, of Instruction of Ministry of Finance No. 16, dated 18.06.2014 “On transfer pricing”;</p> <p>“A request by a taxpayer for a corresponding adjustment in accordance with Article 36/6 must be made in writing to the General Tax Directorate and must include the information necessary for the tax authority to examine the consistency of the adjustment made by the tax administration of the other country with the market principle”</p>		
Attribution of Profits to Permanent Establishments			
30	[NEW] Does your jurisdiction follow the Authorised OECD Approaches for the attribution of profits to PEs (AOA)?	<input checked="" type="checkbox"/> Yes Our approach is to implement it for all our treaties. So far we didn’t experienced any problem regarding this issue. <input type="checkbox"/> No	International agreements
31	[NEW] Does your jurisdiction follow also another approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Other Relevant Information

32	Other legislative aspects or administrative procedures regarding transfer pricing	There are no other legislative aspects or administrative procedures regarding transfer pricing.	
33	Other relevant information (e.g. <i>whether your jurisdiction is preparing new transfer pricing regulations, or other relevant aspects not addressed in this questionnaire</i>)	N/A	

For more information, please visit: <https://oe.cd/transfer-pricing-country-profiles>