

NewsLetter 20 Years



THE OFFICIAL NEWSLETTER OF THE AMERICAN CHAMBER OF COMMERCE IN ALBANIA

ECONOMIC OPINION

CHALLENGES OF HR AND LEADERS IN THE NEXT NORMAL

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After the abnormal business situation of last months, HR and business leaders around the world are facing several challenges regarding the talent management strategies in the next normal times after COVID.

AIMS International, one of 10 largest global human capital advisory firms with more than 90 offices in over 50 countries, hosted web-based roundtable sessions for top executives and business leaders of companies from diverse industries...

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SPECIAL

OVERNIGHT DISRUPTION AND THE FUTURE OF ADVERTISING

Juela Isaj

CEO / DDB Albania

In March when lockdown happened, no one had ever imagined that the future would have been so dramatically different just overnight.

Years after years, the industry of advertising has been transforming rapidly. Digital transformation at all levels has been one of the main challenges in the industry. Building capacities, talking data through creativity were processes that had to be implemented overnight though.

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BUSINESS

ELECTRONIC INVOICES

everything you need to know about



Albania's Official Gazette has published the Ministry of Finance guideline that defines the basic and technical elements of the electronic invoice, including the taxpayer's name, date and quantity of goods sold, as well as the manner of payment, etc.

The process will involve all businesses registered in Albania, but enrollment will be done in stages as defined in the official guideline. As it stands, Sept. 1, 2020 marks the start of the fiscalization process for businesses with a turnover of more than 8 million leks. Meanwhile, the rest of the

businesses will enroll on Jan. 1, 2021. The Ministry of Finance has asked businesses to start preparing for the new fiscal system which will bring major changes in the way they bill through invoices.

Businesses are now required to get the needed information in a timely manner so they can meet obligations set by the new system. The official guideline determines who will issue and receive the electronic invoices and accompanying documents, the procedure for issuing and exchanging electronic invoices and accompanying documents as well as the sending and reception of messages on elec-

tronic invoices when the exchange of electronic invoices is not possible for cashless transactions and for transactions with public bodies, in accordance with the law "On the invoice and circulation monitoring system"

The issuance of accompanying fiscalized invoices will also be an obligation to transport goods from one business to another within the country. According to the Ministry of Finance guideline, the electronic invoice must follow Albanian standards and the documentation published by Albania's General Directorate of Standardization...

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Members News

Welcomes
New Members

DEKON FRIGO is a company that specializes in the import, distribution, packaging and processing of meat products.

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TIME LIMITS FOR THE IMPLEMENTATION OF THE FISCALIZATION PROCESS

» **On Sept. 1, 2020**, the new system will start for cash transactions by taxpayers subject to value added tax and profit tax with annual income of more than **8 million leks**;

» **On Jan. 1, 2021**, the new system will start for cash transactions by taxpayers subject to value added tax and simplified profit tax with an annual income of more than **2 million leks**;

» **On Jan. 1, 2021**, the new system will start for cash transactions by taxpayers subject to simplified profit tax with an annual income of up to **2 million lek**;

» **On Jan. 1, 2021**, the new system will be applied to cashless transactions between taxpayers and public bodies;

» **On July 1, 2021**, the new system will start for cashless transactions between taxpayers.

THE ELECTRONIC INVOICE'S BASIC ELEMENTS

The electronic invoice must contain the following basic elements:

a) The title "Tax Invoice" is specified with the invoice type code (in the specifications given under BT-3);

b) the date (in the specifications given under BT-2) and the time of issuance of the invoice (hours, minutes and seconds) (in the specifications given under BG-1);

c) invoice number (in the specifications given under BT-1);

d) the unique identification number of the seller (in the specifications given under BT-29);

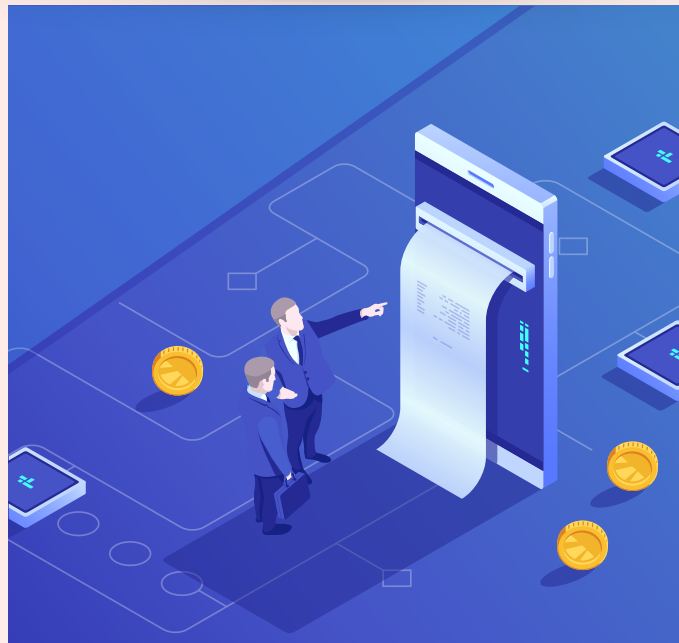
e) name of the taxpayer/name and surname of the seller (in the specifications given under BT-27);

f) the address of the seller (in the specifications given under BG-5);

g) unique identification number, name of the taxpayer/name, surname and address of the buyer. This information is only required if the buyer is: i. a taxpayer, subject to profit tax, simplified profit tax for small business, or subject to VAT, in accordance with relevant laws; ii. a legal entity; iii. a person who buys personal property with an individual value of more than 500,000 leks; or in other cases, when the buyer requests that his identification data be placed on the invoice (in specifications under BT-

ELECTRONIC INVOICES

everything you need to know about



46, BT-44 and BG-8);

h) the operator's code according to Article 3, Point "g", of the law, given in accordance with Article 15, of the law (in the specifications under BG-1);

i) the code of the place where the business activity takes place according to Article 3, Point "ll", of the law, given in accordance with Article 14 of the law (in the specifications given under BG-1);

j) the quantity and description of the goods sold, and the description of the services performed, the unit price, i.e. the identifiers of the invoice items, the code of the unit of measurement of the calculated amounts (in the data specifications under BT-126, BT-129, BT-130, BT-146 and BT-153);

k) the full amount (in the data specifications under BT-106 and BT-131);

l) the total amount to be paid (in the specifications given under BG-22);

m) currency and exchange rate if the amounts in the invoice are not ex-

pressed in the Albanian national currency (leks) (in the data specifications under BT-5 and BG-1);

n) payment instruction/payment method (banknotes and coins, cards, check, bank transaction, payment order, electronic money, other cashless payments) (in the specifications given under BG-16)

o) Special Identification Number of the Invoice (NIVF), expressed as an alphanumeric sign (in the specifications given under BG-1);

p) Security Number of the Invoice Issuer (NSLF), expressed as an alphanumeric sign (in the specifications given under BG-1); q) the process label (in the specifications given under BT-23);

r) identifier specifications (in the specifications given under BT-24); s) the e-mail address of the seller (in the specifications given under BT-34);

t) the e-mail address of the buyer (in the specifications given under BT-49).

ADDITIONAL ELEMENTS FOR VAT INVOICES:

a) price details, such as the price per unit without VAT, discounts on the price (in the specifications given under BG-29);

b) the basic amount of the VAT category (in the specifications given under BT-116);

c) the amount of the VAT category (in the specifications given under BT-117);

d) VAT category code (in the specifications given under BT-118); e) VAT rate category (in the specifications given under BT-119);

f) the total amount of VAT on the invoice (in the specifications given under BT-110);

g) the total amount of the VAT invoice (in the specifications given under BT-112);

h) the reason for exemption from VAT (in the specifications under BT-120 and BT-121);

i) when the invoice is issued for payments made in advance and VAT is calculated at the time of receipt of the payment and the right of deduction arises at this moment, the invoice must contain the text: "Prepayment" (in the specifications given under BT-3=386);

j) if a taxable person, acting as a buyer or customer, is responsible for paying VAT, the invoice should contain the text: "Auto Load" (in the specifications under BT-95=AE, BT-102, BT-118 and BT-151);

k) in case of application of a special system for travel agencies, the invoice must contain the text: "Margin System - Travel Agents" (in the specifications under BT-95=E, BT-102, BT-118, BT-120, containing the text "Margin System - Travel Agents", with the possible use of BT-121 containing values from the list of reasons for VAT CEF (VATEX) exemption and under BT-15);

l) in case of one of the special settings applicable for used goods, works of art, collectors' items and antiques, the application of the invoice shall contain the statement: "Margin System - Used Goods"; "Margin System - Works of Art" or "Margin System - Collectable Items and Antiques" respectively (in the specifications under BT-95=E, BT-102, BT-118, BT-120 containing the text "Margin System - Travel Agents", with the possible use of BT-121 containing values from the list of reasons for VAT CEF (VATEX) exemption and under BT-15);

m) if the taxpayer is a person who implements the margin system, the invoice contains the text: "Sales subject to the profit under margin system" (in the specifications given under BG-1); n) if the taxpayer is the organizer of the auction sale, the invoice contains the text: "Sale subject to the auction system" for each invoice issued to the buyer in connection with the auction system (in the specifications given under BG-1).



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...in many countries to share how they were dealing with the COVID-19 pandemic. A leading discussion during these sessions was about the challenges they face and measures that they have put in place to **ensure sustainability of their operations during unsure times**.

This has been a great opportunity for leaders to share experiences and ideas how to make quicker and better human resource decisions and plan for post Corona operations.

Key challenges brought forward by the HR and business Leaders include:

» **The COVID-19 pandemic is not an “HR issue”;** instead, top leadership need to be engaged and aligned and become more accessible, showing their human side, showing that they care. All of a sudden, we are acutely aware that, through the rise of online meetings, it is possible for HR to engage frequently with even the most remote locations.

Health, safety and security have become key focus areas for employers, consumers and employees. Honest and transparent communication is important to help alleviate the high levels of anxiety in organizations. HR support now extends from the individual to families of employees and even to communities.

Remote working has great benefits, but we have seen productivity surge in many areas in the first weeks, however, after a few months we find that family and domestic

issues get in the way. How do we change our mindsets to accommodate a more integrated working style for parents remains among main challenges.

Staff retention and engagement is a huge challenge; How do we retain and engage our staff, especially those who are working from home? How do we onboard new graduates when we cannot host personal workshops and training?

Organizational Effectiveness (OE) has to be redefined. Some realize that their business continuity plan is changing from the traditional

top-down method to a bottom-up methodology, in order to be more agile. Empowerment of local leaders is therefore becoming crucial. Values which drive cultures and actions are changing – safety and health come first. It needs to be identified what does this mean for OE in your business.

Get ready for work force evolution- there is a skill gap between talent demand and supply especially in 4 critical future skills areas:

Innovation & Creativity - Adaptability & Resilience - Collaboration & Communication - Commercial Thinking & Business Acumen.

Challenges of HR and Leaders in the next normal



Digital Readiness becomes priority. Keep people with digital mindset, not necessarily digital technical skills.

In conclusion, HR professionals face an unprecedented challenge due to this pandemic, needing to strengthen the culture and values of their organizations. Never has it been more important to communicate consistently and transparently, to be flexible, to show humanity, to engage staff across all platforms.

SOME OF THE CHALLENGES IN ALBANIA

Emerging BPO services are attracting Albanian talent at all levels from technicians to Country Manager Profiles. Italy remains the No. 1 source of demand for new BPO services, other than contact center services.

Expected Brain Drain after opening - Many Albanian professionals are waiting the opening to leave for better jobs abroad, or have already been contracted. On the other side, due to uncertainty, professionals are hesitant to consider new employers locally.

Salary increase is expected for some critical positions due to increased talent war. Companies should act swiftly in filling critical talent gaps by attracting talent from industries affected by COVID.

Increase remote work productivity and staff motivation. The factors that need to be addressed are not only about IT infrastructure and web-based sharing platforms, instead, they are mainly about people management, managing performance, and how to nurture the company culture when people are remote. Companies should invest in building a future proof skills portfolio, including digital mindset and remote working critical competencies and up skill accordingly. Don't think young people are better. A recent study of SHL, worldwide talent assessor show that youngsters score lower than old employees in some critical competencies required in next normal.

Employer Branding not yet a priority among Albanian companies. Companies should redesign their talent management strategies to attract and retain talent. The role of company HR as a Strategic Partner becomes crucial.



Juella Isaj

CEO
DDB Albania

In March when the lockdown happened, no one had ever imagined that the future would have been so dramatically different overnight. Years after years, the industry of advertising has been transforming rapidly. Digital transformation at all levels has been one of the main challenges in the industry. Building capacities, talking data through creativity were processes that had to be implemented overnight though.

The **new norm** is here to **stay**

Never before had we thought that brainstorming sessions would work online. Creative sessions need a lot of team engagement, Creativity thrives on human interaction. So flexibility, empathy and for sure a sharper focus into the future of business, are needed in order to keep teams, motivated and engaged.

SMART WORK, is here to stay so we have quickly adapted our teams into working remotely.

FINANCIAL CHALLENGES

The service sector is suffering at all levels, especially in a market where the financial situation is quite unstable. Thus, when cost-cutting is the only option to survive, advertising

costs are the easiest to be cut.

On the other hand, the Advertising industry has not been very active into supporting its own interests.

While I firmly believe that creativity is really a powerful force into driving the business forward, it has very often been undervalued by the local market.

Businesses see advertising as a luxury instead of a driving force, and a tool to adjust them through the future. Even more so, when times are tough.

Thus, the need to adapt and remain relative, is even more essential during these times.

BUILDING CAPACITIES

As any sector finding qualified staff has always been difficult. Although young people love advertising, the lack of proper education remains an issue. There is a great need into building such capacities. Even more difficult to do so, when so many young people decide to leave the country.

Hiring people with passion, and training them onboard has been our response to this challenge.

ENSURING OUR CLIENTS REMAIN ON TOP

We are here to find solutions for our clients. Solutions that involve their digital transformation. With our digital group company we offer tailor-made approaches based on each clients' need to enforce, push forward and increase their presence in the market.

From virtual stores, to gamification, further to re-positioning and re-branding for a more digital world are solutions that we currently provide our clients with.

Such transformations need commitment, clear goals and quite a great scale of agility.

We have been lucky enough to have clients and partners who have trusted such processes with us and we are proud to have built tools that

support real estate projects, SME projects, banking applications etc.

Through our solutions, in collaboration with our clients, our main goal remains to strengthen and enhance their customer experience. We try to do so, in every digital touchpoint so that each single interaction is a comfortable and unique experience.

I am optimistic as to what the future holds, I strongly believe that although times are tough, there are opportunities and new routes to be further explored. Our industry doesn't work from the comfort zone, so the need to invent and re-invent ourselves all the time and remain agile is what pushes us forward and what urges us to provide solutions that are different.

One thing is for sure, no matter how much technology develops, creativity will always remain human and it will always drive the business forward.



Overnight Disruption and the future of advertising

Prepared by Boga & Associates

On May 27 2020, the Council of Ministers adopted the Normative Act "On Changes to the Normative Act No. 9, dated 25.03.2020, On Special Measures in the Field of Judicial Activity during the Epidemic Situation caused by Covid-19".

According to this Normative Act, during the extend of the epidemic situation caused by COVID-19, the courts will conduct the hearings of administrative, civil and criminal cases, implementing the necessary measures to avoid assembling at court premises and courtrooms, more specifically:

(i) limiting public access to the court premises;

(ii) arranging access to services, by reservation through phone or electronic communication, ensuring that users can make use of the services within a specified time, and adopting any measures deemed necessary to avoid assembling;

(iii) implementing binding guidelines on the restriction and movement of persons;

(iv) Closed-door proceedings of all public hearings;

(v) Conducting hearings in administrative and civil cases, in which the presence of the parties

Normative Act

"On Changes to the Normative Act No. 9, dated 25.03.2020, On Special Measures in the Field of Judicial Activity during the Epidemic Situation caused by Covid-19".



is not required, by using electronic means of communication for the presentation of procedural acts and decisions by the court.

The terms for filing lawsuits, appeals and the conducting of any procedural action in administrative, civil and criminal cases, that were suspended as per the Normative

Act No. 9 dated 25.03.2020, will start running from the date of entry into force of the Normative Act dated 27.05.2020.

This Normative Act enters into force with immediate effect, upon publication in the Official Gazette.

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Normative Act

THE COUNCIL OF MINISTERS CANCELS THE SUSPENSION OF ENFORCEMENT, MEDIATION AND BANKRUPTCY PROCEDURES

The Council of Ministers approved the normative act with the effect of the law no. 22, dated 27.05.2020 "On the repeal of the normative act no. 13, dated 2.4.2020, of the Council of Ministers "On the enactment of special measures in the field of the judicial enforcement service, mediation and administration of insolvency procedures during the duration of the epidemic caused by the COVID-19", approved by Law no. 34/2020" (Normative Act no. 22).

Normative Act no. 22 aims to repeal the normative act no. 13, dated 02.04.2020, of the Council of Ministers, approved by law no. 34/2020, which suspended the statute of limitations for the performance of procedural acts of the private and state judicial enforcement service, mediation and of the administrator in the insolvency procedures.

Normative Act no. 22 entered into force immediately and was published with the Official Gazette no. 98, dated May 29 2020.

Prepared by Deloitte Albania



Welcomes



DEKON FRIGO is a company that specializes in the import, distribution, packaging and processing of meat products. It was part of the CAMPO FRIO group, established in 1992. Later, in 2007, the company DEKON FRIGO was established and it was possible to invest in the construction of refrigeration storage and processing rooms with a refrigeration capacity of 1200 tonnes, covering an area of 6000 m2. The technology used in the construction of refrigeration rooms and equipment is in accordance with European standards, in particular Italian standards. The company is certified according to the Hygienic-Sanitary Self-Control System H.A.C.C.P UNI 10854: 1999. DEKON FRIGO is one of the leading import companies in the chicken, beef and pork products industry. The portfolio products of the company are of US and EU origin. DEKON FRIGO has a wide range of foodstuffs for HORECA and supermarkets and provides the raw materials for meat products. The distribution network covers the entire territory of Albania and also owns several retail and wholesale stores.

The long experience, the consolidated logistics system and the efficiency of the qualified and motivated staff have given DEKON FRIGO the colors of a professional and reliable partner on the Albanian market.

COVID 19- ECONOMIC NEWS



PUBLIC TRANSPORT STARTS OPERATING AGAIN FROM JUNE 15

According to the Ministry's announcement, the capacity of vehicles should not be more than 70% full. All citizens who board public vehicles must wear masks.



"HELP INTERURBAN TRANSPORT" - OPERATORS, GOVERNMENT REQUEST: SAVE US FROM BANKRUPTCY

Interurban transport operators have called on the government to approve an economic package to escape bankruptcy. Through a manifestation held in front of the Ministry of Infrastructure and Energy, they have demanded the abolition of the oil excise tax, the reduction of VAT from 20 to 6% and the forgiveness of local taxes.

CRISIS FADES VAT REFUND, IN 4-MONTH ANNUAL DECLINE BY 11%

VAT refund rates decreased during the first four months of the year as a result of the multiple shocks that the pandemic caused. According to the data from the Ministry of Finance, during the four months, 4.6 billion ALL of VAT were reimbursed with a decrease of 11 percent from last year.



HOW WILL THE "WAR BONUS" BE DISTRIBUTED? - STEPS THAT INDIVIDUALS MUST FOLLOW IN ORDER NOT TO LOSE PAYMENT

Starting from Monday, the war bonus of 40 thousand ALL will be distributed to the beneficiary individuals who have not yet received it, despite the fact that their employers have not applied for them. According to official sources from the General Directorate of Taxes, for some of them for whom the administration has bank account data, payment will be made automatically.

EUROBOND, AMNESTY, FISCALIZATION, RAMA: MARKETS TRUSTED US, HERE'S WHAT WE WILL DO NEXT

The Albanian government has managed to issue a Eurobond worth 650 million euros in international markets, with a coupon of 3.65% for a 7-year term. The percentage is considered very favorable by experts, since Macedonia, which has a BB+ rating, got the highest interest two weeks ago.

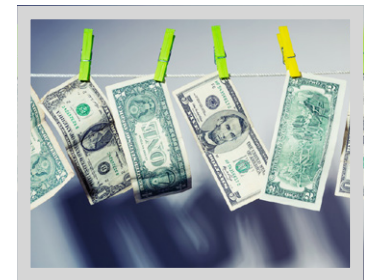


AS FOREIGN INVESTMENT FALL BY 20 PERCENT IN THE FIRST QUARTER, ALBANIAN BUSINESSES ARE INVESTING MONEY ABROAD

Albania will soon be faced with an emergency as foreign investment declines following the end of the TAP project and the COVID-19 crisis, at a time when Albanian entrepreneurs prefer to invest their free funds abroad. In the first three months of 2019, Albanian enterprises invested 12m euros abroad.

MONEY LAUNDERING, AFTER MONEYVAL'S RECOMMEN-

DATION, A REGISTER WILL



BE CREATED FOR NGOS, THE DRAFT LAW ALMOST READY

Albania will set up a register of non-profit organizations in order to comply with Moneyval's recommendations to minimize the risk of money laundering. The Ministry of Justice has already prepared the first draft of the law "On the registration of non-profit initiatives" which is in the consultation phase as it focuses on all the elements that will accompany this process.

LOAN ISSUES INCREASED EASILY IN APRIL, FOR THE SECOND MONTH CONSECUTIVELY

According to statistics released by the Bank of Albania, non-repayable loans to banks marked a slight increase in April for the second month consecutively. This indicator reached 8.28% in April, compared with 8.18% in February, when non-performing loans reached their lowest level in 11 years.