

NewsLetter



AMERICAN CHAMBER OF COMMERCE
DHOMA AMERIKANE E TREGTISË

THE OFFICIAL NEWSLETTER OF THE AMERICAN CHAMBER OF COMMERCE IN ALBANIA

AMCHAM NEWS

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AMCHAM AND THE TAX DIRECTORATE DISCUSS

FISCALIZATION

How to properly implement the **new tax reporting process**, fiscal innovations explained

The American Chamber of Commerce in Albania, in cooperation with the General Tax Directorate, organized an informative meeting for AmCham members to explain the fiscalization process and progress taking place in its implementation, which will involve all of Albania's businesses by the end of 2021.

The head of the tax administration, General Director Delina Ibrahimaj, spoke at the meeting, presenting through the online platform the progress of the process and the expectations of the tax administration.

The meeting was also attended by AmCham President Enio Jaco, who praised the cooperation so far and stressed the importance of dialogue on the process, which is very important for smooth business operations in Albania. Moreover, AmCham Tax and Customs Committee Chairwoman Alketa Urucci shared with the tax officials a list of issues encountered in the first months of implementation by AmCham member businesses.

In her remarks, Ms. Ibrahimaj explained to AmCham members the importance of fiscalization and what businesses should do to comply with its rules.

Fiscalization is the real-time reporting of tax information. Its main purpose is to monitor the turnover of all transactions, whether they use cash or not, everywhere across Albania. As a result, it is an obligation for all taxpayers who issue invoices in the country. Invoices issued for completed transactions are sent in real time to the tax



DEADLINES FOR FISCALIZATION

From Jan. 1, 2021, for CASHLESS transactions between taxpayers and public bodies, only by electronic invoice, B2G: Business to Government.

From July 1, 2021, for CASHLESS transactions between taxpayers. B2B: Business to Business

From Sept. 1, 2021, taxpayers' cash transactions. B2C: Business to Customer

administration's electronic register.

The tax administration has been optimistic since the start of the fiscalization process, making its expectations clear. The process reforms the way in which taxes are reported and is expected to bring more efficiency in the collection of tax revenues, especially in terms of VAT collection. Reducing informality, improving tax audits and having access to more effective analyses are among the expected positive outcomes of the implementation of fiscalization.

On the other hand, taxpayers will also benefit from the process. Expected benefits for taxpayers include less paperwork, less bureaucracy, better electronic transaction systems, modernization of the reporting format as well

as increased transparency of doing business.

During the meeting, AmCham member businesses currently involved in the implementation of the process also shared with other AmCham members information on the software and equipment needed for the fiscalization process. They shared their experience with other members on the innovations that this process brings and the most important elements to consider. From the discussion at the meeting came a list of necessary elements for fiscalization, including electronic equipment such as a PC, laptop, tablet, or smart telephone, certified software solutions, which issue and fiscalize electronic invoices, and a Self-Care Portal for entities that can issue invoices

PREREQUISITES FOR FISCALIZATION

Taxpayers who are to issue invoices should fill the following in the Self-Care Portal before they issue any invoices:

1. Provide information on the site of the business activity, which includes:
 - Data on activity of business unit;
 - Internet connection data;
 - Purpose of using the business unit;
 - Data on the ownership and area of the unit;
 - Obligation on whether to issue invoices
 - Order of invoice numbers
2. Provide information on operators who issue invoices via the Self-Care portal;
3. Provide information about the maintainer of the software solution in the Self-Care Portal;
4. Record electronic billing devices for issuing receipts for payments using cash, in the Self-Care Portal

according to the simplified fiscalization procedure. As a necessity in the implementation of the fiscalization process, experts demand that businesses also take measures to have maintenance services for the software, a simple printer that prints the QR code, uninterrupted internet connection and the right electronic certificate.

TRANSITIONAL PERIOD UNTIL AUG. 31, 2021

Taxpayers who carry out cashless transactions with public authorities may issue electronic invoices and fiscalize these transactions via the

Central Billing Platform until June 30, 2021.

The sales and purchase books will continue to be declared through e-file until Aug. 31, 2021 (so including the month of August 2021). Entities that issue invoices through certified software may continue to issue them, both for cash and cashless transactions, even if the buyer is not yet part of fiscalization. All taxpayers should try the Self-Care platform's test option. Taxpayers who will issue electronic invoices must apply for Electronic Certificates before June 30, 2021.



Albanian Securities Exchange, AMF, Grant Thornton and AmCham experts talk about the benefits brought by the capital market to investors

The capital market under a new regulatory system

Discussing the topic: “Capital market and listing on the Albanian Securities Exchange as a financial alternative for corporations” brought together representatives of the American Chamber of Commerce in Albania, the Albanian Securities Exchange (ALSE), the Albanian Financial Supervisory Authority (AFSA) and Grant Thornton. AmCham members attending the event were provided with information from experts on the capital market as an avenue for financing, the role of a financial intermediary, the criteria to be listed in the Albanian Securities Exchange and the transparency needed in financial reporting for publicly listed entities. AFSA General Director Ervin Mete stressed that there is now in place a sufficiently appropriate legal infrastructure for the functioning of transactions that need to be made in order



for a full capital market to exist. Along with the legal infrastructure, the aftertrade infrastructure has now also been regulated through the licensing of the Albanian Securities Register (ALREG), which has now taken over the functions of a central depository entity. The approval of two laws -- “On capital Markets” and “On the undertaking of collective investments”

-- created the necessary legal framework, which serves as a prerequisite for a capital market. The new laws diversify investment opportunities and interests in the capital market. Mark Crawford, whose company, Aksionieri, serves the needs of the capital market, spoke about the importance of the functioning of the local capital market in Albania in general and the exchange in

particular. ALSE’s Artan Gjergji presented on how the capital market works and explained listing on the Albanian Securities Exchange as a financial alternative for corporations. Mr. Gjergji explained how the Securities Exchange works as a market where the supply is offered by those that need funding of high value and for a long period, issuing securities to back the funding and on the other hand those who have available funds to buy or invest in these securities for a higher rate of return than the average offered by the financial market. During his presentation Mr. Gjergji explained the benefit and inclusion of securities in business as a way to get access to the necessary capital through their trade. The basic importance of listing on the exchange is to make a profit. This is a good way to get market value for a business and to convert that value to liquidity for the business shareholders. The inclusion in the exchange of the business helps the company to increase access to funds for investments that help increase the volume of activity of the entity. Listing on the ALSE Exchange and the issuance of shares also creates a positive social impact as through their purchase of shares, investors will essentially become co-owners of the business and its success.

AmCham addresses the topic of integrity at 3rd Business Ethics Conference

The American Chamber of Commerce in Albania has hosted the third Business Ethics Conference, **which dealt with the topic of integrity -- discussing a mosaic of elements that complement business ethics.**

The AmCham Ethics and Labor Committee, in cooperation with invited guests from Albania and the United States, addressed the topic, which is both general and delicate. Businesses should place integrity at the core of their activity and have it at the forefront of dealing with clients and employees, participants agreed.

AmCham President Enio Jaco spoke about the value of integrity and how AmCham helps promote it. "Fortunately, we have integrity and high standards within the organization, and it is our obligation to keep it at that same level," Mr. Jaco said in his remarks at the conference. At the meeting, the chairman of the AmCham Ethics and Labor Committee spoke to members about the work the chamber is doing through this particular event format to provide information to member businesses about the values that they should convey through their work. The event had two speakers from the United States -- Krish Dhanam of Krish Dhanam Training International, as well as Mike Chaney, former Vice President of Procter & Gamble -- who shared their experiences in business development that is based on integrity and on a way of doing business that is not solely focused on profit, but also on the creation of a sustainable social environment. Mr. Dhanam brought a personal experience from his short stay in Albania that emphasizes how people can act with integrity. The loss of a passport and the actions of two Albanian citizens to make sure it was found and handed back was, according to Mr. Dhanam, a strong example of integrity that people have and use in their lives and business. "You can not make good decisions with bad people," Mr. Dhanam said in his remarks, bringing the message that in business it is very important to have people's integrity at



Integrity as an ethical framework for businesses



the heart of how decisions are made. Along the same lines, Mr. Chaney, an experienced former executive at Procter & Gamble, explained that there are different values all over the world, but what separates companies with longevity in the market from those that exit quickly is the integrity with which they build their business and serve the customer. Making the right decision for the client, even when it is not in your best interest, requires integrity and this is a value that leadership must possess to inspire employees and increase the

effectiveness of their work. Both speakers addressed the topics of integrity and morality, noting these go beyond a cliché or myth and should be the focus of leadership. Only by building strong foundations can a business have sustainability, they noted. Arben Malaj, a former Albanian finance minister, spoke about the need to develop a business with integrity and the role played by the individual in doing so. Bringing his experience from the public sector and the way in which he led,

Mr. Malaj recommended not just using a code of ethics but, above all, having integrity in decision making. Advising young people to bring these values in their lives, Mr. Malaj mentioned the fact that it is up to the older generation to create a solid base of the right values to guide the younger generation in the proper direction. Today, every citizen should have a positive approach to their actions, but above all those who hold public responsibility in their decision-making should have integrity at the center of their focus, he noted.



The American Chamber of Commerce in Albania, in cooperation with NEWWAY Consulting and Strati & Kostopoulos Law, organized an information session on “**Intellectual property, fair competition and the approximation of activity in accordance with EU requirements.**”

At the meeting, AmCham members were provided with information on the topic by a NEWWAY Consulting representative, Evien Dako, who made a presentation on copyright for creators, producers and legal rights holders.

The presentation included information on the meaning of industrial property, the rights of the creators and holders of the rights as well as the elements that define unfair competition and available legal protections against it. NEWWAY Consulting’s representative explained in detail to the members of AmCham what copyright of work is, starting with the right to sell or authorize the use of the work -- on to the right of financial reward. The law recognizes the right of the author of the work to initiate criminal proceedings for violation of his/her copyright. Detailed explanations were also given to AmCham members regarding the execution of industrial rights, which in principle must be respected with the same elements as authors’ copyright.

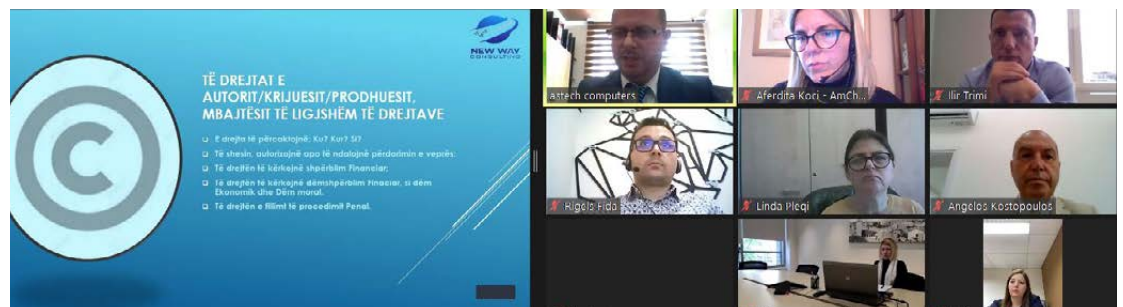
Copyright and the obligations deriving from it include broadcasting and retransmission rights for television stations and their owners. This relationship is well regulated by law and clearly defines the restrictions and rights of television station owners, starting from those of broadcasting the work -- on to non-television productions as well as drafting and enforcing contracts during the broadcasting of other works. Thus, provisions in Law 97/2013



AmCham Albania, NEWWAY Consulting and Strati & Kostopoulos Law explain to members:

Copyright

under the Albanian legal framework



and their application protect TV channels, as well as the legal holders of copyright and related rights, and impacts the identification of the right holders, giving them proper payment.

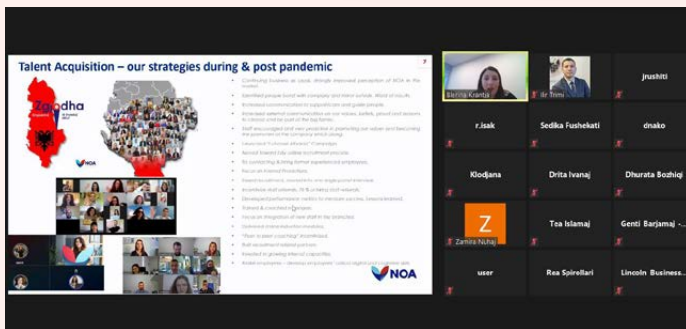
The expert clarified at the meeting that the Ministry of Cul-

ture and the Market Inspectorate should not accept authorizations, if the works or channels have not entered Albania legally.

The presentation was quite interesting in terms of penalties coming from unfair competition. The sanctions imposed by main

institutions, such as AMA and ISHMT, must also be forwarded to the Competition Authority.

Experts spoke about ways in which unfair competition works and its consequences -- seen in businesses that fail to develop, poor quality, stolen consumers, etc.



AmCham Albania and **NOA** at **HR Open Week's** first day

How to choose the right talent during the pandemic

HR departments have been given a great responsibility by their companies during the pandemic -- to be the filters and guides in finding and developing the right human capital.

AmCham Albania and Bleri-na Krantja, a NOA expert, spoke to AmCham members about the best strategies HR departments should implement to choose the right talent under the difficult conditions posed by the pandemic. A good recruitment strategy, led by qualified staff and monitoring processes are all part of the successful selection of new talent.

Ms. Krantja, who serves as HR director at NOA, explained in detail what her department has done to adapt to the current conditions of doing business to fulfill the company's needs to attract new talent. A strong company profile -- as well as constant communication with its audience to promote the company's values, beliefs and the

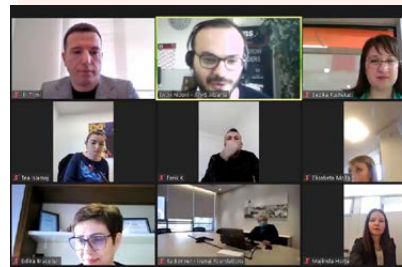
right reasons why professionals should join the company -- have helped NOA's HR department be successful in its recruiting efforts.

Ms. Krantja suggested to AmCham members that during this period they should be careful to build recruitment strategies that include their existing employees through incentives offered to them. Utilizing the most experienced staff members and encouraging them to talk about the company's values can bring together elements that not only increase the company's reputation but also help in attracting valuable human capital.

In the discussion with AmCham members following her presentation, Ms. Krantja provided some more tips to help properly guide HR department employees in conducting recruitment processes. Redefining job profiles for open positions, and an active communication and marketing strategy combined with technology, are important. HR managers conducting interviews should also pay close attention to the process. Creating an appropriate atmosphere, asking the right questions as well as providing a proper presentation of the company as a workplace -- all play a role in having a successful recruitment process.

Day Two at **HR Open Week: AIMS International** expert presents

The key role of new talent in company performance during the pandemic



HR resources has shown that sectors such as tourism and hospitality were hit hardest, but, at the same time, most businesses were standing on a secure foundation that allowed them to switch to a more digital way of doing business. HR departments had to take several actions to overcome

HR Open Week's second day focused on "Employment of recent graduates: How to attract and retain the new leadership class for a very uncertain future" as a topic.

AmCham members had the opportunity to exchange information with an expert from AIMS International, Endri Ndoni, on current and future challenges. Mr. Ndoni shared his experience on how businesses and organizations can rely on young talent who can become a factor in overcoming difficult situations. At the training session, the AIMS International expert spoke about the importance of advocating to allow for flexibility, but also accuracy, when preparing for the unique challenges ahead related to finding the right talent. The impact of Covid-19 was felt around the world. And businesses need to be reorganized to keep staff working in order to operate efficiently. A quick assessment of

the difficult situation created by the pandemic, including retraining the workforce, arming employees with new skills, as well as relying on expertise from outside the company -- and above all -- recruiting new staff members to adapt. The process has been handled with great care by HR experts with the aim of not only providing qualified new staff to companies but also to help promote each company's brand in the job market. Most companies developed in-house programs and relied on their own staff. The BPO portion relied on the recruitment of inexperienced staff, such as recent graduates. During the time of the pandemic, the recruitment process takes on a special value as the human factor is the most important in overcoming this situation. This creates strong pressure on HR departments who have to be very careful when conducting a recruitment process for the company needs. During the training, Mr. Ndoni explained to AmCham members that it is the duty of the human resources experts to carry out a fair process and select the best candidates, as this will affect not only the company's performance but also staff relations. Candidates should also be treated fairly and professionally as their opinion of the process will also affect the company's reputation in the market.



The virtual team: AmCham Albania and **Deloitte** discuss best practices for working from home

Coming together in a virtual environment: How companies benefit

The pandemic situation and the resulting increase in remote work has meant that the office can be anywhere. Staff members have discovered how to use remote work to communicate in real time and maintain a proper level of productivity.

Virtual teams and remote work have had some positive effects -- but there are problems too. Managing challenges and using best practices in remote work were issues discussed by Anisa Abazi and Roden Pajaj, experts with Deloitte.

"A group of people working from different geographical locations and who rely on technology to communicate and come together to achieve a common goal" -- that's how Mr. Pajaj defined the virtual team.

Speaking to AmCham members, Mr. Pajaj explained that there

are several critical factors in the success of a virtual team. Managers need to be careful in building a staff that has constant communication and builds consistent relationships based on predetermined rules. Managers must also be very careful to manage conflicts that arise during work in a timely manner.

Speaking about best practices in organizing work with virtual teams, Mr. Pajaj and Ms. Abazi explained that the basis of a stable relationship is the establishment of some basic rules. Among the many rules and protocols that can apply to remote work, experts mentioned setting clear work schedules, using the right technology, delegation of tasks, etc.

Having precise definitions on roles and responsibilities of each staff member is very important in the management of remote work. Managers need to be clear in defining the tasks of team members and monitor the work for follow-up.

To properly run a company, it is important that the leader communicates and gives confidence to the staff on the assigned tasks. To achieve that, managers need to cooperate with the team, encourage team members to take the necessary risks and allow for open communication to share information among team members, which helps in making quality decisions.

On fourth day of HR Open Week, **Kalo & Associates** explains how working from home is legally regulated

How remote work is regulated by law



HR Open Week's fourth day focused on "Legal Challenges of Telework" as a topic, with Shirli Gorenca, a legal expert with Kalo & Associates, explaining to AmCham members the most efficient ways of working remotely and how that particular working relationship is legally regulated.

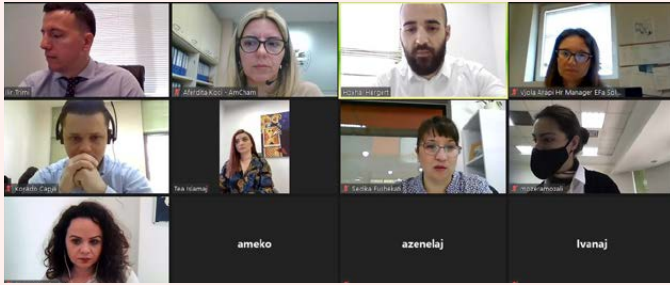
regulate every part of the remote employment relationship, starting from working hours and continuing with the obligations of the employer and the employee in this virtual workspace.

Ms. Gorenca provided AmCham members with information about the obligations the employer has in creating appropriate working conditions, providing working tools as well as having a clear definition of schedules and days off. The regulation of the virtual employment relationship also spells out employees' obligations and rights, which are set in the employment contract. These obligations obligate the employee to respect the schedules, agreements and other employment criteria set out in the contract.

Covid-19 and the challenges it brought led to a new normal in doing business and managing employment relationships. Working from home became an imperative of the time, and it seems that Albania's Labor Code already had provisions to deal with this alternative working arrangement.

Specifically, the Labor Code's Article 15 legally regulates a telework contract, thus recognizing the power of information technology and its impact on business development. The Labor Code also has special provisions that

The remote work relationship, or telework as it is also known, is also subject to regulations under Albania's personal data protection law. The Law on Personal Data Protection and related bylaws and guidelines on "processing of personal data during telework, in the framework of measures against Covid-19," adopted in February 2021, clearly define the practical measures that can be taken to keep personal data secure and confidential while work is taking place outside the office. These also define how information security management systems are certified in order to protect personal data.



HR Open Week's fifth day focused on "Talent Management Training"

Deloitte Albania discusses talent management on fifth day of HR Open Week

Developing human potential to increase company performance

AmCham members had the opportunity to share experiences with an expert from Deloitte Albania on how coaching and mentoring focus on identifying and increasing people's potential -- with human capital being the most important factor in the strength of a company. Hergert Hoxha of Deloitte explained to AmCham members the role a coach plays in developing the potential he or she sees in employees.

Excellent career trainers help develop company staff by giving them the help and guidance they need. They are the best coordinators to connect the right people with

the opportunities and experiences that support their career development. During the meeting, it was emphasized the fact that effective career training is essential for the sustainability and continuous growth of the company and business.

According to Mr. Hoxha, a trainer helps to identify and develop an individual's strengths, interprets performance trends based on experience and advises on professional career development. Identifying strengths is important because it helps professionals utilize them both in day-to-day work as well as in improving the company's performance.

The coach accomplishes this by interpreting and synthesizing the feedback received from employees on their work and incentives in combination with their education and experience, creating a link to long-term career goals.

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Welcomes

VAN BRANDS
BRANDS

D'Angelo
CHOCOLATE & COFFEE

VIAN BRANDS Sh.p.k.
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Anxhelo Hoxha, Managing Director
Address: Rr. Asim Zeneli, Nr. 23, Tiranë
Contacts: +355 (0) 692254060
info@dangelo.al / www.dangelo.al
Activity: Confectionery Production, Stores & Distribution.

Business Profile: A pioneer in the chocolate industry of Albania. Designed to bring incredible and delicious products, from their unique chocolate dishes to their savoury crêpes together with excellent service and atmosphere.

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Welcomes

EXBATT

EXBATT Sh.p.k.
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Contacts: +383 44182187
blerim@exbatt.com / www.exbatt.com
Activity: Industrial Batteries

Business Profile: Exbatt is the exclusive distributor for industrial batteries and Energy Systems. The company was established in 2000 in the city of Podujeva, in Kosovo and now it has been operating in Albania for 2 years. The number of clients in Kosovo is considerable and that's why they want to continue with these steps in Albania as well. Exbatt offers solutions for all types of energy, storage, technical assistance and ongoing training.

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Welcomes

MONTAL
Medical & Laboratory Solutions

MONTAL Sh.p.k.
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sales@montalshpk.com / www.montalshpk.com
Activity: Medical and Laboratory Equipment

Business Profile: MONTAL is a private company dealing with imports, sales and services of medical & laboratory products in Albania. The company was established in 1996 as a family-owned limited company. On January 12, 2021 MONTAL celebrated its 25th anniversary. Through more than 25 years of activity, the company has gradually grown up being now a leading company for sales and service of medical & laboratory devices in the Albanian market.

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Welcomes

ALISE
ALBANIAN SECURITIES EXCHANGE
BURSA SHQIPTARE E TITUJVE

Bursa Shqiptare e Titujve ALISE Sh.a.
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Activity: Financial Sector, Trading Services for Securities Bought-Sold by Portfolio Investors, Membership Services to Banks and Brokerage Firms, Listing Services for Government & Business Issuing Entities

Business Profile: Bursa Shqiptare e Titujve ALISE Sh.a., was launched in 2014 as an ambitious project with the support of Credins Bank, with the aim of creating a privately-owned electronic trading platform that would match the supply and demand for securities in Albania and fill the lack of a functional market (stock exchange), where domestic businesses can raise capital as an alternative capital to the banking sector.

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Welcomes

BAJRAMI-N

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info@bajrami-n.com / www.bajrami-n.com
Activity: Construction and Civil Engineering, Production and Sale of Construction Materials, Import-Export, Transport

Business Profile: BAJRAMI-N Sh.p.k., established in 1997, is a company with production activities in Elbasan and perform construction and civil engineering activities in Albania. The company owns a place for sale of construction materials, a site for production of construction materials of different nature, concrete production plant, asphalt plant, specific tools intended for civil works, various transport machines, etc. The company is highly profiled in the construction and civil engineering activity, with different volumes of work financed by public funds (through public procurement procedures), or private investors. Its portfolio includes the construction of residential buildings, construction & restructuring of roads, hospitals, and schools.

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Welcomes

ELLER
Corporate Finance • Private Equity • Mergers & Acquisitions

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Activity: Consulting, Transaction Advisory (Business Valuation, Financial Modelling and M&A Consulting), Investment Management Consulting, Cryptocurrency Advisory, Litigation/Arbitration Support.

Business Profile: Eller is a premier consulting firm serving U.S. and local clients with corporate finance, private equity, and transaction advisory services. Eller's professionals have advised on deals in aggregate of over \$50 billion, and have served as trusted partners to large multinational firms in the areas of business valuation, litigation support, and investments. At Eller, we share the values of Leadership, Excellence, and Client Focus. These values are our guiding principles and provide us with clear direction when making business decisions and serving our clients.