

## Paying Taxes Questionnaire - Albania

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Dear Respondent,

We would like to thank you for your participation in the *Doing Business* project. Your expertise in the area of taxation in Albania is essential to the success of the *Doing Business* report, one of the four flagship publications of the World Bank Group that benchmarks business regulations in 189 economies worldwide. The paying taxes indicator, which measures the taxes and mandatory contributions that a standardized case study firm pays in its second year of operation, is one of the 11 indicator sets published by the *Doing Business* report.

The report attracts much attention around the world. The latest edition, *Doing Business 2016: Measuring Regulatory Quality and Efficiency*, introduced improvements in 6 of 11 *Doing Business* indicator sets. It received over 7,000 media citations within just 3 weeks of its publication on October 27, 2015 and 31.4 million twitter accounts were reached with *Doing Business* mentions within that same time period. The coverage spanned major global, regional and local media outlets, from print and broadcast to the web. The *Doing Business* website had over 1 million page views and nearly 60,000 downloads within 3 weeks after the report's launch.

Governments worldwide read the report with interest every year, and your contribution makes it possible for the *Doing Business* project to disseminate the regulatory best practices that continue to inspire their regulatory reform efforts. Since 2005, 149 economies have implemented 396 reforms making it easier or less costly for firms to pay taxes. In 2014, 40 economies implemented such reforms. Most introduced or enhanced electronic systems for filing and paying taxes.

We are honored to be able to count on your expertise for *Doing Business 2017*. In addition to providing data for the year **January 1, 2015 to December 31, 2015**, we would be interested in understanding any reforms affecting paying taxes in your country in calendar year 2015.

### Important note to this year's questionnaire

As of last year, we have included in the questionnaire new questions on postfiling processes (tax audit, tax refund and tax appeals). In order to better understand the tax environment in your country, we urge you to provide us with answers to all the questions in this new section. The information provided will be analyzed by the team and scored in *Doing Business 2017* report.

Please do the following in completing the questionnaire:

- Review the assumptions of the case study before updating last year's information in the questionnaire.
- Describe in detail any reform that has affected the paying taxes process in calendar year 2015.
- Be sure to update your name and address, so we can mail you a complimentary copy of the report.
- Kindly return the questionnaire to Joanna Nasr, Nadia Novik or Jiyeon Chang **by the deadline indicated in e-mail**.

We thank you again for your invaluable contribution to the work of the World Bank Group.

Sincerely,



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## A. Case Study Assumptions

The paying taxes indicators record the taxes and mandatory contributions that a standardized case study firm (a medium-size company) must pay in a given year and also measure the administrative burden of paying taxes and contributions. There are 3 indicators: payments, time and total tax rate. The number of payments indicates the different types of taxes and contributions which the company has to file and pay, adjusted for the way in which those payments are made. The time indicator captures the number of hours it takes to prepare, file and pay 3 major types of taxes: profit taxes, consumption taxes, and labor taxes and mandatory contributions. The total tax rate measures the tax cost borne by the case study firm.

The standardized case study was developed to ensure comparability of responses across countries. Therefore, in completing the questionnaire, please keep in mind the following key assumptions about the standardized company, called "TaxpayerCo."

General Description of the Company	
1	<b>Start of operations:</b> The company (TaxpayerCo.) started operations 2 years ago, on January 1, 2014. On that date, the company bought all its assets and hired all its employees.
2	<b>Year of assessment:</b> January 1, 2015–December 31, 2015.
3	<b>Type and location:</b> TaxpayerCo. is a taxable corporation and operates in a typical manufacturing location in the largest business city in the country – in <b>Tirana</b> . The company is liable for taxes levied at the local, state/provincial and national levels. Please consider taxes at all levels when completing the questionnaire. TaxpayerCo. does not qualify for investment incentives or any special benefits apart from those related to the age or size of the company.
4	<b>Ownership:</b> The company is 100% domestically and privately owned; that is, it has no foreign or state ownership. The company has 5 owners, none of whom is a legal entity.
5	<b>Sales: ALL 448,786,378</b>
6	<b>Capital:</b> The company's capital has not changed since the company was created.
7	<b>Accounting rules:</b> Accounting is compliant with generally accepted accounting principles, or GAAP (local or international, depending on your national laws). This includes, for example, the International Financial Reporting Standards/International Accounting Standards (IAS/IFRS) regime, if applicable to your country.
8	<b>Type of operation:</b> TaxpayerCo. performs general manufacturing and commercial activities: it produces ceramic flowerpots and sells them at retail. All its transactions are purely domestic, and it does not handle any products subject to a special tax regime, such as liquor or tobacco.
Specific Assumptions and Definitions	
9	<b>Mandatory tax books and records:</b> In the course of the financial year, companies are required to maintain various books and records for accounting and audit purposes. These books are often also used for preparing tax computations and completing tax returns. In some cases, tax laws or tax authorities may also require companies to keep additional books and records specifically for tax purposes—books and records that are over and above those kept for the accounting and audit processes and that are not required for the financial reporting processes. The questionnaire's sections on compliance time include an entry under each of the 3 tax categories for time related to maintaining mandatory tax books and records. Please disregard in those entries any time spent on books and records that are also used for financial accounting or audit purposes. Please only include time associated with additional books and records specifically required for tax purposes.
10	<b>Employees:</b> The company has 60 employees: 4 managers, 8 assistants and 48 workers. All the employees were hired on the same day: January 1, 2014. No employee has left the company and no new employee has joined the company since January 1, 2014. One of the managers is also an owner. All employees at any given level earn the same wage as others at their level. All employees are nationals and male. Each employee is married with 2 pre-teen children and has no other significant source of income. Each is a single wage earner (spouse has no income).
11	<b>Social security contributions and payroll taxes:</b> Please include all social security contributions and payroll taxes paid by the employer for each category of employees on the wages and salaries paid by the company. These taxes may be referred to by different terms in different economies. These taxes and contributions should be split between those that are a cost to the employer and those that are withheld by the employer on behalf of the employee.
12	<b>Other labor taxes or mandatory contributions:</b> In this category include all other labor taxes and social contributions paid by the company, withheld by the company from employees' pay or paid directly by the employees. Please keep in mind that these can be collected by different levels of government. Please include all government-mandated contributions even if paid to nongovernment entities (e.g., compulsory

guarantees and insurance paid to third-party agencies).

**13 Land:** On January 1, 2014, the company began operations owning 2 plots of land, each with an area of 557.4 square meters (6,000 square feet). In early January 2015, plot number 2 was sold. Any property transfer tax due on the sale needs to be listed in Section C.1. If there is a stamp duty or any other taxes/fees payable on the sale contract, please include these taxes/fees as well.

**14 Building:** The building where production and storage take place, located on land plot 1, was originally 929 square meters (10,000 square feet). It was expanded in 2015 with half the proceeds from the sale of land plot 2.

**15 Truck:** The company owns a truck that is used to ship products to customers and is classified as a nonluxury, medium-size unit. This truck covers on average 80,000 km (50,000 miles) a year and weighs 15,300 kilos (34,000 pounds) when loaded. In addition to this, the company also leases one truck.

**16 Capital gains:** At the beginning of the second year of operation (2015), the company sells a plot of land (land plot 2) that it had owned for 12 months at a price 20% higher than the original cost of the land plot. Please indicate whether there is a capital gains tax separate from corporate income tax by including the tax in Section C.1. Please note that half of the proceeds from this sale are reinvested in assets (by expanding the existing building).

**17 Dividends:** In the second year of operation (2015), the company distributes 50% of its profits to its owners. The dividends are paid in cash. The other 50% of profits are kept as retained earnings. Please provide any dividend tax borne by the company in this transaction. If the company merely withholds tax on paying shareholders, EXCLUDE this withheld dividend tax.

**18 Fuel expenses:** TaxpayerCo. purchases vehicle fuel and therefore should pay fuel tax (if applicable). Fuel tax may be embedded in the price of fuel paid at the pump.

**19 Environmental duties:** TaxpayerCo. produces 2 tons of nontoxic waste a month and therefore must pay the tax or other duties (if any) associated with waste production.

**Would TaxpayerCo. be considered a micro, small, medium-size or large company in your country? Please specify the criteria for classification.**

## B. Reform Update

Please update us of any tax reforms that occurred in your country in calendar year 2015 or that are planned for this year. These could include new tax codes, a change in rates, a change in the frequency of payment of taxes, unification of tax agencies into one administration, elimination or merging of taxes, or introduction or improvement of online filing systems, among others.

**1. Between January 1, 2015 and December 31, 2015, were there any major changes to the tax laws, regulations or administration in your country?**

-Click to Select-

If yes, please explain.

**2. Between January 1, 2015 and December 31, 2015, were any new taxes introduced?**

-Click to Select-

If yes, please explain.

**2.1 Between January 1, 2015 and December 31, 2015, were any taxes eliminated or merged with other taxes?**

-Click to Select-

If yes, please explain.

**3. Between January 1, 2015 and December 31, 2015, did any of the following tax rates or tax bases change?**

a. Corporate income tax	-Click to Select-
b. Labor taxes and mandatory contributions	-Click to Select-
c. Sales tax, value added tax (VAT), goods and service tax (GST) or other consumption tax	-Click to Select-
d. Any other taxes	-Click to Select-

If yes, please explain the changes:

a. Corporate income tax

- b. Labor taxes and mandatory contributions
- c. Sales tax, VAT, GST or other consumption tax
- d. Any other taxes

4. Between January 1, 2015 and December 31, 2015, did the tax **payment or filing schedules change** for any of the following taxes?

a. Corporate income tax	-Click to Select-
b. Labor taxes and mandatory contributions	-Click to Select-
c. Sales tax, value added tax (VAT), goods and service tax (GST) or other consumption tax	-Click to Select-
d. Any other taxes	-Click to Select-

If yes, please explain the changes:

- a. Corporate income tax
- b. Labor taxes and mandatory contributions
- c. Sales tax, VAT, GST or other consumption tax
- d. Any other taxes

5. Between January 1, 2015, and December 31, 2015, were there **any legal or regulatory changes that increased or reduced the time** for preparing, filing or paying any of the following taxes?

a. Corporate income tax	-Click to Select-
b. Labor taxes and mandatory contributions	-Click to Select-
c. Sales tax, value added tax (VAT), goods and service tax (GST) or other consumption tax	-Click to Select-

If yes, please explain the changes:

- a. Corporate income tax
- b. Labor taxes and mandatory contributions
- c. Sales tax, VAT, GST or other consumption tax

6. Between January 1, 2015, and December 31, 2015, were there any **changes to the method** (e.g., electronic capabilities) of preparing, filing or paying any of the following taxes that **increased or reduced** the time required?

a. Corporate income tax	-Click to Select-
b. Labor taxes and mandatory contributions	-Click to Select-
c. Sales tax, value added tax (VAT), goods and service tax (GST) or other consumption tax	-Click to Select-

If yes, please explain the changes:

- a. Corporate income tax
- b. Labor taxes and mandatory contributions
- c. Sales tax, VAT, GST or other consumption tax

7. Have any changes to tax rates, associated rules or tax administration become effective or are expected to become effective **between January 1, 2016 and June 1, 2016**? Please note that these reforms will not affect the data in this year's report.

a. Corporate income tax	-Click to Select-
b. Labor taxes and mandatory contributions	-Click to Select-
c. Sales tax, value added tax (VAT), goods and service tax (GST) or other consumption tax	-Click to Select-
d. Any other taxes	-Click to Select-

If yes, please explain the changes:

- a. Corporate income tax
- b. Labor taxes and mandatory contributions
- c. Sales tax, VAT, GST or other consumption tax
- d. Any other taxes/any other area not related to a specific type of tax

8. How many clients did you or your company represent in the past year? -Click to Select-

8.1 Please provide an estimate of the number of clients.

## C. Data Update

In the following pages, please consider taxes paid to all levels of government by TaxpayerCo. during the calendar year ending December 31, 2015. For your convenience, parts of the questionnaire are already populated with the aggregate answers obtained last year for 2014. You only need to update those figures for 2015. Please keep in mind that last year's answers provided here represent a unified response based on all the answers we received from various contributors.

When answering the questions, always use the method for computing the taxes that is most favorable for the company in the second year of operation, i.e. minimize taxes within legal constraints and make reasonable assumptions where necessary. Please state any such assumptions clearly in the comments corresponding to the relevant data input cell. The information provided should be based on a typical or normal business in your country of a size similar to TaxpayerCo.

If you feel that a unified answer reported in the subsequent sections does not reflect the reality in your country, kindly provide your own answer and clearly indicate why you disagree.

### C.1 List of Taxes

In the table below please update the information for each tax, taking into account the detailed assumptions of the case study described in section A. If you make any changes to last year's data, please explain the change and advise why you think the data for this year should be different:

- **Correction** (our unified answer is wrong and does not reflect the current and previous reality in your country), OR
- **Reform** (the different answer resulted from a modification in practice or by law that occurred after January 1, 2015).

## Albania - Tirana

Number of taxes: 10

	Tax	Number of payments and filings required in one year (monthly = 12, quarterly = 4, annual = 1). Please include any final payments or filings that need to be made.		Can this tax be paid and filed online?		Can this tax be paid and filed jointly with another tax?		Statutory tax rate		Tax base		Explain any changes to the data and provide the legal basis when applicable. Indicate when the change took effect.
		Last year	Update	Last Year	Update	Last Year	Update	Last Year	Update	Last Year	Update	
1.	Value added tax (VAT)	12		no		no		20%		value added		
2.	Corporate income tax	5		no		no		15%		taxable profit		
3.	Municipal taxes	1		no		no		ALL 180,000		fixed fee varies by type of business		
4.	Property tax	1		no		no		ALL 280		area of building (land) in square meters		
5.	Property transfer tax	1		no		no		2%		sale price		
6.	Social security contributions	12		no		no		15%		gross wages, minimum salaries are imposed		
7.	Health insurance contribution	0		no		yes		1.7%		gross salaries		
8.	Tax on impact on infrastructure	1		no		no		2%		value of investment		
9.	Fuel tax	1		no		no				included into the fuel price		
10.	Employee paid - Labor tax	0		no		yes		11.2%		gross salaries		

If there are any taxes or contributions, which the case study company would be required to pay, and which are not listed in the table above, please list them in the table below:

Tax	Number of payments and filings required in one year (monthly = 12, quarterly = 4, annual = 1). Please include any final payments or filings that need to be made.	Can this tax be paid and filed online?	Can this tax be paid and filed jointly with another tax?	Statutory tax rate	Tax Base	Please provide details (respective law, any special rules, etc.)





## C.2 Deductions and Depreciation

### 2.1 Deduction of Taxes

In the table below please complete the information on deductibility of each tax when calculating corporate profit subject to tax, taking into account the detailed assumptions of the case study described in section A.

Note: use "N/A" for taxes that shall not be deductible by nature (e.g . corporate income tax, VAT, etc.).

	Tax	Deductible in 2015?	% deductible
1.	Value added tax (VAT)	-Click to Select-	
2.	Corporate income tax	-Click to Select-	
3.	Municipal taxes	-Click to Select-	
4.	Property tax	-Click to Select-	
5.	Property transfer tax	-Click to Select-	
6.	Social security contributions	-Click to Select-	
7.	Health insurance contribution	-Click to Select-	
8.	Tax on impact on infrastructure	-Click to Select-	
9.	Fuel tax	-Click to Select-	
10.	Employee paid - Labor tax	-Click to Select-	

### 2.2 Tax-Deductible Expenses

Please indicate if the following expenses are deductible in computing corporate income tax and note the total amount of deductions allowed per year.

Kindly provide information for calendar year 2015 based on the law in your country.

	Deductible in 2015?	% deductible
<b>Start-up expenses:</b> Official and attorney fees paid at the time of incorporation. If the company can deduct these expenses only in the first year of operation, then input zero as this year's deductible expense. If the tax law allows companies to assign these expenses to future years, please allow the maximum possible deduction this year (the second year of operation). Please note that these expenses are not capitalized and they are different from the business development expenses indicated in section 2.4.	-Click to Select-	
<b>Advertising expenses:</b> The company engages the services of an advertising company to promote its ceramic products at an annual cost of 1% of its sales revenue.	-Click to Select-	
<b>Leasing expenses:</b> The company leases a new truck for 3 years. This truck is used for business purposes, covers on average 80,000 km (50,000 miles) a year and weighs 15,300 kilos (34,000 pounds) when loaded.	-Click to Select-	
<b>Medical insurance premium for employees:</b> The company pays part of the medical insurance premium for its employees. This medical insurance is an extra benefit for the workers and goes beyond what may be mandated by law. It amounts to 1% of total salaries.	-Click to Select-	
<b>Building insurance premium:</b> The company insures the building against fire and theft at a cost of 1% of the building's value.	-Click to Select-	
<b>Business travel expenses:</b> The company managers travel for business purposes (e.g., to meet customers and suppliers).	-Click to Select-	
<b>Accountancy fees:</b> The company hires an accountancy firm to manage its books.	-Click to Select-	
<b>Legal fees:</b> The company hires a law firm for writing contracts with its suppliers and customers and for other legal services.	-Click to Select-	
<b>Machinery repair expenses:</b> The company has to repair some of its machinery. These repairs do not add value to the machinery. The cost of the repairs is NOT capitalized in the company's books.	-Click to Select-	
<b>Patent royalties:</b> The company pays royalties to another domestic company for a patented industrial process that the company uses in its operations.	-Click to Select-	
<b>Owner's expenses:</b> These are expenses made by the owner who is also a manager: 60% are expenses on business travel, 20% are expenses on entertaining customers (e.g., meal with customers) and 20% are purely private expenses.	-Click to Select-	
<b>Loss carry forward:</b> The company made tax losses in the first year of operations (2% of capital). If these tax losses can be brought forward to the year of assessment, please use the maximum losses that can be utilized in this financial year.	-Click to Select-	

### 2.3 General Provisions

Please indicate if the following general provisions are deductible in computing corporate income tax and note the total amount of deductions allowed per year.

Kindly provide information for calendar year 2015 based on the law in your country.

	Deductible in 2015?	% deductible
<b>Bad debt:</b> Assume that TaxPayerCo estimates 10% of its account receivables will not be collected. These 10% of account receivables are overdue for at least 6 months and are not guaranteed debt. The company knows the actual debtor accounts which will probably not be paid and sets aside this provision.	-Click to Select-	
<b>Pension contribution:</b> The company puts aside every year 1% of total paid wages in an internal pension fund for its employees. This is a provision, not an actual expense. No funds leave the company.	-Click to Select-	
<b>Machinery expenses:</b> The company puts aside every year 1% of the net value of machinery to pay for future machinery repairs. This is a provision, not an actual expense. No funds leave the company.	-Click to Select-	

### 2.4 Annual Depreciation of Fixed Assets

Please carefully read the assumptions indicated in the table below and provide the tax depreciation rate and method for calendar year 2015 for each type of asset.

	Tax depreciation rate in 2015	Depreciation method in 2015	Please specify if accelerated depreciation or any other special rules apply
<b>Land:</b> On January 1, 2014, the company began operations owning 2 plots of land. Each plot has an area of 557.4 square meters (6,000 square feet). In early January 2015, plot number 2 is sold.		-Click to Select-	
<b>Building:</b> The building where production and storage take place, located on land plot 1, was originally 929 square meters (10,000 square feet). In 2015 the building was expanded with half the proceeds from the sale of land plot 2.		-Click to Select-	
If the <b>building expansion</b> (the new part added to the building) would be depreciated at a different rate, please specify the rate.		-Click to Select-	
<b>Machinery:</b> Light machinery for tax purposes.		-Click to Select-	
<b>Truck:</b> The truck is used to ship products to customers and is classified as a nonluxury, medium-size unit. This truck covers on average 80,000 km (50,000 miles) a year and weighs 15,300 kilos (34,000 pounds) when loaded.		-Click to Select-	
<b>Computers:</b> The company has 10 computers.		-Click to Select-	
<b>Office equipment:</b> Includes standard office tables, chairs, one copier, one fax machine, one scanner and 10 phones.		-Click to Select-	
<b>Business development expenses:</b> These are expenses that the company incurred when starting operations and which were capitalized (e.g., research and development expenses). Please note that these are different from the start-up expenses indicated in section 2.2.		-Click to Select-	

### C.3 Labor Taxes and Mandatory Contributions

Please use the following assumptions when answering the questions below:

- The company has 60 employees: 4 managers, 8 assistants and 48 workers.
- All the employees were hired on the same day: January 1, 2014. No employee has left the company and no new employee has joined the company since January 1, 2014.
- All employees at the same level earn the same wage as others at their level.
- All employees are nationals, male and married with 2 pre-teen children and have no other significant source of income.

- Each employee is a single wage earner (spouse has no income).
- Please provide calculations per employee.
- For each category of employee, please include all mandatory contributions and taxes paid on the salaries, or on the number of employees. These taxes may be referred to by different terms in your country.
- Please differentiate between taxes that are a cost to the employer, those that are withheld by the employer on behalf of the employee and those paid directly by the employee.
- In the tax base column, please provide actual tax base used in calculations, considering minimum and maximum amount for the contribution, deductibles, etc. For example, if the gross salary is used as the tax base, insert the amount of gross salary. If the contribution is capped at the maximum amount as envisaged in legislation, please provide this ceiling as the tax base. If the fixed contribution is levied per employee, the tax base shall be 1 (as calculations are done per employee) and the tax rate shall be the amount of fixed fee.

**NEW Question:**

**3.1** Are mandatory labor contributions in your country different for male and female employees?

**NEW Question:**

**3.2** If yes to **3.1**, please list the differences (e.g. differences in the rates of the contributions or in the types of contributions).

**3.3 Manager**

Annual salary of each manager: **ALL 961,685.1**

Please note that one of the managers is also an owner. If different taxation applies, please clarify in comments.

<b>Labor tax or contribution</b>	<b>Tax base</b>	<b>Tax rate</b>	<b>Tax amount</b>
Social security contribution – paid by employer			
Social security contribution – withheld by employer			
Social security contribution – paid by employee directly			
Health care contribution – paid by employer			
Health care contribution – withheld by employer			
Health care contribution – paid by employee directly			
Unemployment insurance contribution – paid by employer			
Unemployment insurance contribution – withheld by employer			
Unemployment insurance contribution – paid by employee directly			
Payroll tax – paid by employer			
Payroll tax – withheld by employer			
Payroll tax – paid by employee directly			
Fringe benefit tax – paid by employer			
Fringe benefit tax – withheld by employer			
Fringe benefit tax – paid by employee directly			
Personal income tax – paid by employer			
Personal income tax – withheld by employer			
Personal income tax – paid by employee directly			

If there are any other labor taxes and/or contributions, please provide details below:

Name of tax or contribution	Tax base	Tax rate	Tax amount

Comments (if any):

**3.4 Assistant**

Annual salary of each assistant: **ALL 534,269.5**

Labor tax or contribution	Tax base	Tax rate	Tax amount
Social security contribution – paid by employer			
Social security contribution – withheld by employer			
Social security contribution – paid by employee directly			
Health care contribution – paid by employer			
Health care contribution – withheld by employer			
Health care contribution – paid by employee directly			
Unemployment insurance contribution – paid by employer			
Unemployment insurance contribution – withheld by employer			
Unemployment insurance contribution – paid by employee directly			
Payroll tax – paid by employer			
Payroll tax – withheld by employer			
Payroll tax – paid by employee directly			
Fringe benefit tax – paid by employer			
Fringe benefit tax – withheld by employer			
Fringe benefit tax – paid by employee directly			
Personal income tax – paid by employer			
Personal income tax – withheld by employer			
Personal income tax – paid by employee directly			

If there are any other labor taxes and/or contributions, please provide the details below:

Name of tax or contribution	Tax base	Tax rate	Tax amount

Comments (if any):

**3.5 Worker**

Annual salary of each worker: **ALL 427,415.6**

Labor tax or contribution	Tax base	Tax rate	Tax amount
Social security contribution – paid by employer			
Social security contribution – withheld by employer			
Social security contribution – paid by employee directly			
Health care contribution – paid by employer			
Health care contribution – withheld by employer			
Health care contribution – paid by employee directly			
Unemployment insurance contribution – paid by employer			
Unemployment insurance contribution – withheld by employer			
Unemployment insurance contribution – paid by employee directly			
Payroll tax – paid by employer			
Payroll tax – withheld by employer			
Payroll tax – paid by employee directly			
Fringe benefit tax – paid by employer			
Fringe benefit tax – withheld by employer			
Fringe benefit tax – paid by employee directly			
Personal income tax – paid by employer			
Personal income tax – withheld by employer			
Personal income tax – paid by employee directly			

If there are any other labor taxes and/or contributions, please provide the details below:

Name of tax or contribution	Tax base	Tax rate	Tax amount

Comments (if any):

**3.6** Please indicate which taxes or contributions paid by employer are filed and paid jointly with those withheld on behalf of employees:

**3.7** Please indicate if any taxes or contributions cannot be paid at the moment of filing (i.e. there is a mandatory waiting period between the moment of filing the return and paying the tax liability).

**C.4 Time to Prepare, File and Pay 3 Major Taxes**

**4.1** Was the total time required to prepare, file and pay profit tax, labor tax and mandatory contributions, or consumption taxes different 5 years ago?

-Click to Select-

If **yes**, was the process to comply with these 3 major taxes faster or slower? Please explain:

Please update the following sections for calendar year 2015 (January 1, 2015–December 31, 2015), taking into account the detailed case study assumptions about the company TaxpayerCo. (see section A). The information on compliance time should include all time spent calculating the tax liability for inclusion in the tax returns, except where accounting records are acceptable for tax purposes. However, if special or additional accounting records or books are maintained for tax purposes, the time required for this should be included.

The information you provide on compliance time will directly affect the time indicator. We would greatly appreciate if you would take the time to break down the compliance time among the different tax compliance activities in the cells below to assist our analysis.

## 4.2 Compliance Time for Profit Taxes

**4.2.1** Is last year's information provided in the tables below for preparation, filing and payment of profit taxes accurate and up to date for 2015?

- Yes.  
 No. If no, please update the tables below.  
 NA. Profit tax does not exist in my country.

### PREPARATION — Profit taxes

	Time last year: Hours per year (2014)	Updated time if applicable: Hours per year (2015)	Please briefly outline the main steps and tasks for each time entry.
1. Data gathering from internal sources (for example, accounting records)	5		
2. Additional analysis of accounting information to highlight tax-sensitive items	90		
3. Actual calculation of tax liability, including inputting of data into software/spreadsheets or hard-copy records	2		
4. Time spent maintaining/updating accounting systems for changes in tax rates and rules	0		
5. Preparation and maintenance of mandatory tax records if required (see section A for definition of mandatory tax records)	0		
6. Other activities undertaken for preparation of profit taxes in your country (please specify)	0		
<b>Total preparation time</b> for profit taxes	97		

### FILING — Profit taxes

	Time last year: Hours per year (2014)	Updated time if applicable: Hours per year (2015)	Please briefly outline the main steps and tasks for each time entry.
7. Completion of tax return forms	7		
8. Time spent submitting forms to tax authority, which may include time for electronic filing, waiting time at tax authority, etc.	9		
9. Other activities undertaken for filing of profit taxes in your country (please specify)	0		
<b>Total filing time</b> for profit taxes	16		

### PAYMENT — Profit taxes

	Time last year: Hours per year (2014)	Updated time if applicable: Hours per year (2015)	Please briefly outline the main steps and tasks for each time entry.
10. Calculations of tax payments required, including if necessary the extraction of data from accounting records	0		
11. Analysis of forecast data and	0		

associated calculations if advance payments are required (for example, quarterly installment payments based on estimates of expected tax liability)			
12. Time to make the necessary tax payments, either online or at the tax authority (including time for waiting in line and travel if necessary)	6		
13. Other activities undertaken for payment of profit taxes in your country (please specify)	0		
<b>Total payment time</b> for profit taxes	6		
<b>Total compliance time (preparation, filing and payment)</b> for profit taxes	119		

### 4.3 Compliance Time for Labor Taxes and Mandatory Contributions

Please note that according to the case study assumptions, TaxpayerCo. has 60 employees.

**4.3.1** Is last year's information provided in the tables below for preparation, filing and payment of labor taxes and mandatory contributions accurate and up to date for 2015?

- Yes.  
 No. If no, please update the tables below.  
 NA. Labor taxes or contributions do not exist in my country – please provide details.

#### PREPARATION — Labor taxes and mandatory contributions

	Time last year: Hours per year (2014)	Updated time if applicable: Hours per year (2015)	Please briefly outline the main steps and tasks for each time entry.
1. Data gathering from internal sources (for example, accounting records)	12		
2. Additional analysis of accounting information to highlight tax-sensitive items	12		
3. Actual calculation of tax liability, including inputting of data into software/spreadsheets or hard-copy records	22		
4. Time spent maintaining/updating accounting systems for changes in tax rates and rules	0		
5. Preparation and maintenance of mandatory tax records if required (see section A for definition of mandatory tax records)	12		
6. Other activities undertaken for preparation of labor taxes and mandatory contributions in your country (please specify)	0		
<b>Total preparation time</b> for labor taxes and mandatory contributions	58		

#### FILING — Labor taxes and mandatory contributions

	Time last year: Hours per year (2014)	Updated time if applicable: Hours per year (2015)	Please briefly outline the main steps and tasks for each time entry.
7. Completion of tax return forms	12		
8. Time spent submitting forms to tax authority, which may include time for electronic filing, waiting time at tax authority, etc.	18		
9. Other activities undertaken for filing of labor taxes and mandatory contributions in your country (please specify)	0		
<b>Total filing time</b> for labor taxes and mandatory contributions	30		

#### PAYMENT — Labor taxes and mandatory contributions

	Time last year: Hours per year (2014)	Updated time if applicable: Hours per year (2015)	Please briefly outline the main steps and tasks for each time entry.
10. Calculations of tax payments required, including if necessary the extraction of data from accounting records	0		
11. Analysis of forecast data and associated calculations if advance payments are required (for example, quarterly installment payments based on estimates of expected tax liability)	0		
12. Time to make the necessary tax payments, either online or at the tax authority (including time for waiting in line and travel if necessary)	6		
13. Other activities undertaken for payment of labor taxes and mandatory contributions in your country (please specify)	0		
<b>Total payment time</b> for labor taxes and mandatory contributions	6		
<b>Total compliance time (preparation, filing and payment)</b> for labor taxes and mandatory contributions	94		

#### 4.4 Compliance Time for Consumption Taxes

**4.4.1** Is last year's information provided in the tables below for preparation, filing and payment of VAT, sales tax and/or GST accurate and up to date for 2015, considering that TaxpayerCo. has annual turnover of **ALL 448,786,378**?

- Yes.  
 No. If no, please update the tables below.  
 NA. VAT/sales tax/GST do not exist in my country.

#### PREPARATION — VAT, sales tax and/or GST

	Time last year: Hours per year (2014)	Updated time if applicable: Hours per year (2015)	Please briefly outline the main steps and tasks for each time entry.
1. Data gathering from internal sources (for example, accounting records)	90		
2. Additional analysis of accounting information to highlight tax-sensitive items	36		
3. Actual calculation of tax liability, including inputting of data into software/spreadsheets or hard-copy records	0		
4. Time spent maintaining/updating accounting systems for changes in tax rates and rules	0		
5. Preparation and maintenance of mandatory tax records if required (see section A for definition of mandatory tax records)	0		
6. Other activities undertaken for preparation of VAT/sales tax/GST in your country (please specify)	0		
<b>Total preparation time</b> for VAT/sales tax/GST	126		

#### FILING — VAT, sales tax and/or GST

	Time last year: Hours per year (2014)	Updated time if applicable: Hours per year (2015)	Please briefly outline the main steps and tasks for each time entry.
7. Completion of tax return forms	6		
8. Time spent submitting forms to tax authority, which may include time for electronic filing, waiting time at tax	0		



authority, etc.			
9. Other activities undertaken for filing of VAT/sales tax/GST in your country (please specify)	6		
<b>Total filing time</b> for VAT/sales tax/GST	12		

#### **PAYMENT — VAT, sales tax and/or GST**

	<b>Time last year: Hours per year (2014)</b>	<b>Updated time if applicable: Hours per year (2015)</b>	<b>Please briefly outline the main steps and tasks for each time entry.</b>
10. Calculations of tax payments required, including if necessary the extraction of data from accounting records	0		
11. Analysis of forecast data and associated calculations if advance payments are required (for example, quarterly installment payments based on estimates of expected tax liability)	0		
12. Time to make the necessary tax payments, either online or at the tax authority office (including time for waiting in line and travel if necessary)	6		
13. Other activities undertaken for payment of VAT/sales tax/GST in your country (please specify)	0		
<b>Total payment time</b> for VAT/sales tax/GST	6		
<b>Total compliance time (preparation, filing and payment)</b> for VAT/sales tax/GST	144		

**4.4.2** Is TaxpayerCo. required to submit invoices or schedule of invoices to support the figures reported in the VAT/sales tax/GST returns?

-Click to Select-

**4.4.3** If yes, how much time (in hours) does it take TaxpayerCo. to collate and submit these invoices or schedule of invoices? Please also indicate UNDER WHICH STEPS in (1) preparation, (2) filing or (3) payment you have included any required time for collating and submitting these invoices/schedule of invoices.

### **Post-filing procedures**

*In this section, please consider the same case study company TaxpayerCo. as described in section A. "Case Study Assumptions". We present below some of the main assumptions again, as well as new specific assumptions that are important for answering the post-filing questions.*

#### **Main assumptions about the standardized case study company – TaxpayerCo.**

The company (TaxpayerCo.) **started operations** 2 years ago, on January 1, 2014.

TaxpayerCo. is in its 2<sup>nd</sup> year of operation. **All questions are addressed for calendar year January 1, 2015 – December 31, 2015.**

**Type and location:** TaxpayerCo. is a taxable corporation and operates in a typical manufacturing location in the largest business city in the country – in **Tirana**. The company is liable for taxes levied at the local, state/provincial and national level. TaxpayerCo. does not qualify for investment incentives or any special benefits unless related to the age and size of the company.

**Ownership:** The company is 100% domestically and privately owned; that is, it has no foreign or state ownership. The company has 5 owners, none of whom is a legal entity.

**Type of operation:** TaxpayerCo. performs general manufacturing and commercial activities: it produces ceramic flowerpots and sells them at retail. All its transactions are purely domestic (**it does not engage in any import/export activities**), and it does not handle any products subject to a special tax regime, such as liquor or tobacco.

TaxpayerCo. **does not engage in any fraudulent activities** and its owners and employees are fully up to date with the rules and regulations governing its operations.

TaxpayerCo. submits all of its tax returns and pays its tax liabilities **by the due deadlines.**

#### **I. A. VAT Tax Refund**

- Please consider the following scenario for a VAT tax refund: **In June 2015**, TaxpayerCo. makes a large capital purchase. TaxpayerCo. buys one additional machine for manufacturing pots. The value of the machine is: **ALL 27,782,013.88**.
- The additional capital purchase is **only** considered for the post-filing process.
- Assume management of TaxpayerCo. prefers to claim cash VAT refund instead of carrying forward excess input VAT if both options are available.
- Seller of the machinery is registered for VAT.
- If carried forward, excess input VAT incurred in June will be fully recovered after 4 consecutive months.

**Input VAT will exceed Output VAT in June 2015 as shown in the table below:**

	Output VAT	Input VAT
<b>Sales =</b> ALL 37,398,864.84	VAT rate * 37,398,864.84	
<b>Capital purchase =</b> ALL 27,782,013.88		VAT rate * 27,782,013.88
<b>Raw material expenses =</b> ALL 31,165,720.7		VAT rate * 31,165,720.7
<b>VAT refund</b>		VAT rate * ((27,782,013.88 + 31,165,720.7) - 37,398,864.84)

Please provide details of the VAT rate(s) you used for the table above (specify the rate and explain why you used that rate):

Please answer **1A.1 to 1A.15** based on the case study VAT refund scenario described above.

**1A.1** Please indicate if in your country any of the following applies:

- There is no VAT or General Sales Tax;
- Consumption taxes (e.g. Retail Sales Tax) are levied only at the point of final sale (i.e. tax is not levied on the purchase of the machine by TaxpayerCo, but is due on final sales by TaxpayerCo to its customers).

**1A.2** Are VAT refunds only allowed for exporters or other specific groups of taxpayers? Please state any restrictions as to the type of companies that can claim VAT refunds and/or carry forward excess VAT for credit in future periods.

**If there is no VAT or General Sales Tax in your country, please proceed to section I.B.**

**If VAT refunds are not applicable to the case study scenario described above, please proceed to questions 1A.27-1A.35.**

**For questions 1A.3-1A.15**, please first provide answers in respect of the calendar year 2015 (January 1, 2015 – December 31, 2015). If the answers would have been different for the calendar year 2014 (January 1, 2014 – December 31, 2014), please also provide answer for the calendar year 2014.

	Calendar year 2015 January 1, 2015 – December 31, 2015	Calendar year 2014 January 1, 2014 – December 31, 2014
<b>1A.3</b> Does the law in your country prescribe a time limit for the tax authority to <b>issue a final decision on a VAT refund claim</b> (rejecting or refunding the claim)? If yes, please provide the time limit and the legal basis (name of legislation and article).		
<b>1A.4</b> If yes to <b>1A.3</b> , please indicate to what extent the time limit is applied in practice?	-Click to Select-	-Click to Select-
<b>1A.5</b> Does the law in your country prescribe a time limit (from the moment of issuing final decision, or from the submission of refund claim) for the tax		

	Calendar year 2015 January 1, 2015 – December 31, 2015	Calendar year 2014 January 1, 2014 – December 31, 2014
authority to pay a VAT refund claim? If yes, please provide the time limit and the legal basis (name of legislation and article).		
<b>1A.6</b> If yes to <b>1A.5</b> , please indicate the extent to which the time limit is applied in practice.	-Click to Select-	-Click to Select-
<b>1A.7</b> If a cash VAT refund is approved but cannot be paid fully or is paid partially, does the tax authority allow the excess input VAT to be carried forward to offset future output VAT or corporate income tax liability in future periods?		
<b>1A.8</b> Is excess input VAT in your country only restricted to be offset against current tax liabilities? Please specify which taxes can be used to offset the excess input VAT.		
<b>1A.9</b> Does the tax authority in your country impose a minimum amount for a VAT refund claim in order for taxpayers to be eligible for a VAT refund? If yes, please specify the minimum amount needed for a claim to be made.		
<b>1A.10</b> Does the tax authority in your country impose a maximum amount for a VAT refund? (i.e. the tax authority would refund only up to a specific amount). If yes, please specify the maximum amount for a VAT refund claim.		
<b>1A.11</b> By law, does the tax authority pay interest on a VAT refund which is paid after the legal deadline (to offset the financial loss for the taxpayer resulting from delays in receiving funds)?		
<b>1A.12</b> If yes to <b>1A.11</b> , please indicate the <b>interest rate</b> that is applied by the tax authority and the <b>legal basis</b> .		
<b>1A.13</b> If yes to <b>1A.11</b> , please indicate the extent to which the payment of interest is <b>applied in practice</b> .	-Click to Select-	-Click to Select-
<b>1A.14</b> Assuming a VAT refund claim was approved, on average, what percentage of the claim amount originally requested is finally reimbursed <b>in cash</b> ?  If less than 100% of the claim is refunded in cash, please explain the reason for that.		
<b>1A.15</b> If in <b>1A.14</b> a VAT refund claim is not fully reimbursed in cash, please indicate if the remaining amount of the VAT refund is <b>carried forward</b> to be offset against future VAT liabilities?		

***For questions 1A.16-1A.26, you should only include time that is in addition to the time captured in the main questionnaire for preparing the standard VAT return. Please answer the questions 1A.16-1A.26 based on the case scenario described above.***

***If VAT refunds are not applicable to the case study scenario described above, please proceed to questions 1A.27-1A.35.***

First, provide answers in respect of the calendar year 2015 (January 1, 2015 – December 31, 2015). If the answers would have been different for the calendar year 2014 (January 1, 2014 – December 31, 2014), please also provide answer for the calendar year 2014.

	Calendar year 2015 January 1, 2015 – December 31, 2015	Calendar year 2014 January 1, 2014 – December 31, 2014

	Calendar year 2015 January 1, 2015 – December 31, 2015	Calendar year 2014 January 1, 2014 – December 31, 2014
<b>1A.16</b> Please explain in detail how TaxpayerCo. would request a VAT refund (e.g. submit a specific VAT refund form, complete part of the standard VAT return, etc.).		
<b>1A.17</b> Please estimate the time in <b>hours</b> spent by TaxpayerCo. on gathering VAT information from internal sources, including time spent on any additional analysis of accounting information and calculating the VAT refund amount.		
<b>1A.18</b> Please estimate the time in <b>hours</b> spent by TaxpayerCo. on preparing the VAT refund claim.		
<b>1A.19</b> List all documents that TaxpayerCo. would need to prepare and submit to the tax authority to substantiate the claim for a VAT refund.  Please include all documents that are routinely requested by the tax office after submission of the claim, but before audit, if any.		
<b>1A.20</b> Please estimate the time in <b>hours</b> spent on preparing these additional documents that are needed to substantiate the claim for the VAT refund.		
<b>1A.21</b> Please estimate the time ( <b>in hours</b> ) TaxpayerCo. would spend in submitting the VAT refund claim and the additional documents and explain how these documents are submitted (electronically, by mail, at the tax office). <b>If in person, please include waiting time to submit all necessary information.</b>	-Click to Select-	-Click to Select-
<b>1A.22</b> Would TaxpayerCo. be required to make representation in person at the tax office after submitting the claim? <b>If yes and this time estimate is not included in 1A.21, please estimate the time in hours spent at the tax office including waiting in line and travel if necessary.</b>		
<b>1A.23</b> Please describe any other mandatory activities/tasks associated with the VAT refund and provide an estimate of the number of <b>hours</b> spent on each of them (e.g. obtaining internal or external advice).		
<b>1A.24</b> Please indicate the time ( <b>in days or weeks</b> ) it takes to receive the VAT refund from the moment of <b>submitting</b> the claim for a VAT refund and all necessary documents to the tax authority.		
<b>1A.25</b> Please indicate the time ( <b>in days or weeks</b> ) it takes to receive the VAT refund from the moment the claim for a VAT refund has been <b>approved</b> .		
<b>1A.26</b> How are the majority of VAT refunds paid (online, at a bank, by mail, at the tax office, other)?		

Please provide answers to the questions below **if TaxpayerCo.**, based on the case scenario stated above, **is not eligible for a VAT refund or if there is no VAT refund mechanism in place** in your country– and TaxpayerCo. would instead request the excess input VAT to be carried forward.

First, provide answers in respect of the calendar year 2015 (January 1, 2015 – December 31, 2015). If the answers would have been different for the calendar year 2014 (January 1, 2014 – December 31, 2014), please also provide answers for the calendar year 2014.

	Calendar year 2015 January 1, 2015 – December 31, 2015	Calendar year 2014 January 1, 2014 – December 31, 2014
<b>1A.27</b> Please explain in detail how TaxpayerCo. would request the excess input VAT to be carried forward to offset future VAT liabilities (e.g. submit a specific form, complete part of the standard VAT return, etc.).		
<b>1A.28</b> Please estimate the time in <b>hours</b> spent by TaxpayerCo. on gathering VAT information from internal sources, including time spent on additional analysis of accounting information to calculate the excess input VAT.		
<b>1A.29</b> Please estimate time in <b>hours</b> spent by TaxpayerCo. on preparing the request to carry forward the excess input VAT.		
<b>1A.30</b> List all documents that TaxpayerCo. would need to prepare and submit to the tax authority to substantiate the claim for the excess input VAT (e.g. original invoices, tax certificates).  Please include all documents that are routinely requested by the tax office after submission of the claim, but before audit, if any.		
<b>1A.31</b> Please estimate the time in <b>hours</b> spent on preparing these additional documents that are needed to substantiate the claim for carrying forward the excess input VAT.		
<b>1A.32</b> Please estimate the time ( <b>in hours</b> ) TaxpayerCo. would spend in submitting the request to carry forward the excess input VAT and the additional documents and explain how these documents are submitted (electronically, by mail, at the tax office). <b>If in person, please include waiting time to submit all necessary information.</b>	-Click to Select-	-Click to Select-
<b>1A.33</b> Would TaxpayerCo. be required to make representation in person at the tax office after submitting the claim, if this time estimate is not included in 1A.32? <b>If yes, please estimate time in hours spent at the tax office including waiting in line and travel if necessary.</b>		
<b>1A.34</b> Please describe any other mandatory activities/tasks and provide an estimate of the number of <b>hours</b> spent on each of them (e.g. obtaining internal or external advice).		
<b>1A.35</b> Please indicate the time ( <b>in days or weeks</b> ) it takes to receive the approval to carry forward the excess input VAT from the moment of <b>submitting</b> the request and all necessary documents to the tax authority.		

#### I. B. Corporate income tax (CIT) underpayment:

- *Please consider the following scenario for corporate income tax: an error in the calculation of the income tax liability (e.g. use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and consequently an underpayment of corporate*

income tax.

- Please consider that TaxpayerCo. itself discovered the error and **voluntarily notified** the tax authority of the error in the corporate income tax return (if it is possible in your country to notify the authorities).
- Please consider that the value of the underpaid income tax liability is 5% of the corporate income tax liability due.
- Please consider that TaxpayerCo. submits the corrected information after the deadline for submitting the annual tax return, but within the tax assessment period, if applicable.

**Please answer 1B.1 to 1B.4 based on the CIT error and underpayment scenario described above.**

**1B.1** Can TaxpayerCo. notify the tax authorities of an unintentional CIT error of the type described in the assumptions above? If yes, please explain how TaxpayerCo. would notify the tax authorities (by email; by mail; in person)?

**1B.2** If yes to question **1B.1**; please list the documents TaxpayerCo. has to provide to the tax authorities to substantiate and correct the error in the income tax return.

**1B.3** If yes to question **1B.1**; please estimate the time (**in hours**) TaxpayerCo. would spend gathering information and preparing the additional documents required to notify the tax authorities.

**1B.4** Please estimate the time (**in hours**) TaxpayerCo. would spend in submitting the documents and explain how these documents are submitted (electronically, by mail, at the tax office).

**1B.5** If yes to question **1B.1**; please estimate the time (**in hours**) TaxpayerCo. would spend in making the additional tax payment and explain how that payment is processed (electronically, through a bank, at the tax office).

**1B.6** Please indicate if TaxpayerCo. is not allowed at that stage to make additional payments.

**1B.7** By law, would TaxpayerCo. have to pay interest on the additional tax payment? **If yes, please provide the legal basis (name of legislation and article) and indicate the applicable interest rate.**

**1B.8** By law, would TaxpayerCo. have to pay additional penalty fees to compensate for the error in the income tax return? **If yes, please provide the legal basis (name of legislation and article) and indicate the applicable penalty fee.**

**1B.9** If your answer to any of the questions above would have been **different for calendar year 2014**, please explain.

## II. Tax Audits

**Unless otherwise indicated, please answer as applicable to the assumptions of the case study scenarios for TaxpayerCo. as described below.** Please only consider audits which require interactions between the TaxpayerCo. and the Tax Authority.

**Value Added Tax (VAT) Audit:** Please consider the case study scenario described in section I.A.

**Corporate Income Tax (CIT) Audit:** please consider the scenario mentioned in section I.B where there is an error in the calculation of the income tax liability leading to an incorrect income tax return and consequently an underpayment of income tax.

	VAT Audit	CIT Audit
<b>2.1</b> How likely is it for the described scenarios to trigger an audit?	-Click to Select-	-Click to Select-
<b>2.2</b> If you have answered "likely" or "highly likely" to question 2.1, based on your	-Click to Select-	-Click to Select-

	VAT Audit	CIT Audit
experience, what is the most common type of audit that the scenarios described above would trigger?  Notes/other answer:		
<b>2.3</b> If you have answered “likely” or “highly likely” to question 2.1 and based on the scenarios described above, how would the most common type of audit indicated in 2.2 be conducted in your country?	-Click to Select-	-Click to Select-
<b>2.4</b> According to the <b>laws and practice</b> in your country, is there a threshold for a VAT refund claim or a CIT error which, if exceeded, would trigger an audit? If yes, please specify the threshold.		
<b>2.5</b> Does the law require the auditor to give advance notice of an intention to start an audit to verify the information on the tax return? If yes to the above, please provide <b>the legal basis (name of legislation and article) and state how much notice would be given in the case study scenarios?</b>		
<b>2.6</b> Does the law require the auditor to issue a final decision irrespective of the outcome of the audit? <b>If yes; please provide the corresponding legal basis (name of legislation and article).</b>		
<b>2.7</b> Does the law prescribe a statutory time limit to send the final decision on the audit? <b>If yes; please specify the time limit for the case study scenarios and provide the corresponding legal basis (name of legislation and article).</b>		
<b>2.8</b> If yes to 2.7, please explain the extent to which the time limit is applied in practice?	-Click to Select-	-Click to Select-
<b>2.9</b> Does the commonly used accounting software for the case study scenarios in your country generate tax reports or other documents that can be provided to the tax auditor (e.g., incorporation into the company’s accounting software of the standard audit file SAF-T that auditors typically use, including facility for audit trail, etc.)?		
<b>2.10</b> <b>In general</b> , what are the most common ways in which the tax authority selects companies for audits in your country?  Notes/other answer:	-Click to Select-	-Click to Select-
<b>2.11</b> <b>In general</b> , by law how long is the statute of limitations on auditing returns that were filed on time? Please provide the legal basis (name of legislation and article).		
<b>2.12</b> <b>In general</b> , does the law limit the cumulative duration of all audits of a taxpayer in one calendar year? <b>If yes, please provide the legal basis (name of legislation and article) and include details.</b>		

*Based on the type of audit and process selected in questions 2.2 and 2.3, please provide answers for questions 2.13- 2.18. If you have selected “highly unlikely” for question 2.1, please proceed to section III.*

	VAT Audit	CIT Audit
<b>2.13</b> Please specify in <b>hours</b> the time spent on gathering information and preparing any additional documentation (information such as receipts, financial statements, pay stubs) as required by the tax auditor. If various rounds of interactions occur between TaxpayerCo. and the auditor, please estimate the total time for all these interactions.		
<b>2.14</b> Please list the documents TaxpayerCo. would most typically have to prepare for an auditor.		
<b>2.15</b> Please estimate the time ( <b>in hours</b> ) TaxpayerCo. would spend in submitting the documents requested by the auditor and explain how these documents are submitted (electronically, by mail, at the tax office). <b>If in person and at the tax office</b> , please estimate time in hours spent at the tax office including waiting time.  <b>If in person and at the taxpayer's premises</b> , please put zero.		
<b>2.16</b> Please estimate in <b>days</b> the total time from the moment an audit starts until there are no further interactions between TaxpayerCo. and the auditor (this estimate would include the various rounds of interactions between TaxpayerCo. and the auditor).		
<b>2.17</b> Please specify in <b>weeks</b> the time it takes for TaxpayerCo. to receive the final letter from the auditor from the moment TaxpayerCo. has submitted all relevant information and documents, and there are no further interactions between TaxpayerCo. and auditor.		
<b>2.18</b> Please specify in <b>hours</b> the time spent in making additional tax payments if an additional tax demand is raised. Please identify how these payments are made (electronically, visit a tax office, at a bank).		

**2.19** If your answer to any of the questions above would have been **different for calendar year 2014**, please explain.

### III. Administrative Tax Appeals

*The questions listed below do not relate to the case study scenarios. These are general questions to better understand how a first level administrative appeal process works in your country. **Please keep in mind we are NOT looking into court procedures.***

*Please consider a **first level administrative appeal process** following a corporate income tax audit where a taxpayer disagreed with the tax authority's final conclusion of the audit.*

**3.1** What is the name of the authority that a taxpayer would appeal to as a first level administrative authority?

**3.2** Would that authority be independent from the auditor?

-Click to Select-

**3.3** Are the guidelines on the process of the administrative tax appeal (e.g. who to appeal to, how to submit an appeal, the timeframe of an appeal process) available to the public?



**3.4** If yes to **3.3**, how do taxpayers have access to this information? Please select all that apply:

- online
- in a printed publication
- in person at the tax office
- other (please describe)

**3.5** Does the law in your country specify a time limit for the authority specified in **3.1** above to put in effect a decision on the tax appeal? **If yes, specify the time limit and provide the legal basis (name of legislation and article).**

**3.6** If yes to **3.5**, please indicate the extent to which the time limit is applied in practice. If it is not applied in practice, how much time does it takes in practice to effect a decision on the tax appeal?

-Click to Select-

**3.7** In your country, is a taxpayer required to pay the disputed amount in full or partially so an appeal process can be initiated? **If yes and partially, please indicate how much of the disputed amount must be paid in advance.**

**3.8** Please indicate if the taxpayer can, by law or in practice, postpone the payment of the disputed amount until after the dispute is resolved.

**3.9** If a taxpayer's request to postpone the payment of the disputed amount was approved and assuming that the appeal ruled against the taxpayer, would the taxpayer by law be accruing interest on the amount put on hold? **If yes, please provide the legal basis (name of legislation and article) and indicate the applicable interest rate.**

**3.10** If a taxpayer must pay in full or partially the disputed tax amount in advance so an appeal process can be initiated and assuming that the final tax assessment is in favor of the taxpayer, would the tax authority by law be required to pay interest on the amount paid in advance? **If yes, please provide the legal basis (name of legislation and article) and indicate the applicable interest rate.**

**3.11** If yes to **3.10**, please indicate if this is applied in practice.

### **Referrals**

Please help us expand our list of contributors by referring us to other experts in the private and public sector (accountants, tax lawyers, public officials or any expert in this field).

First Name

Last name

Firm name

Position

Phone

Email

Profession -Click to Select-

Topic of Interest -Click to Select-