

BI-ANNUAL TAXATION COMMITTEE PROGRAMME FOR THE PERIOD 2020-2022

1. Continue advocacy against unpredictable and non-transparent changes of tax legislation
2. Uniform and consistent application of tax regulation
3. Follow up on key initiatives from 2020
4. Expert workgroups
5. Technical workshops with the Authorities
6. VAT Law
7. CIT Law
8. PIT Law
9. Parafiscal charges

Topic n°1: Continue advocacy against unpredictable and non-transparent changes of tax legislation

Goal: Predictable business environment facilitated by transparent tax policy and commitment of the Ministry of Finance to make draft tax legislation available for public discussion and to consider feedback from the business community before it is submitted to the Government and Parliament for adoption. Insist on sufficient time for review and feedback.

Activity: Communication with Ministry of Finance and non-governmental stakeholders

Main partners: Ministry of Finance, IMF, World Bank, EU Delegation, AmCham

Topic n°2: Uniform and consistent application of tax regulation

Goal: Better coordination between different tax offices and between Tax Authorities and the Ministry of Finance which should increase stability and predictability of business environment.

Activity: Regular meetings with the Ministry of Finance and the Tax Authorities (quarterly or bi-annual), organization of round tables on certain issues etc.

Main partners: Ministry of Finance, Tax Authorities, IMF, World Bank, EU Delegation, AmCham

Topic n°3: Follow up on key initiatives from 2020

Goal: Resolution of key tax issues communicated to the Ministry of Finance in 2019 and 2020 through PPs (PIT – travel costs, tax criminal offences, VAT rulebook).

Activity: Letter to the Ministry of Finance, meetings

Main partners: Ministry of Finance, IMF, World Bank, EU Delegation, AmCham

Topic n°4: Expert workgroups

Goal: Continue the practice of forming expert workgroups within the Tax Committee for defining specific legislative proposals for addressing the tax issues and improving tax legislation. Key workgroups: CIT, VAT, PIT, customs.

Activity: Regular quarterly meetings of workgroups, define 1/2 key topics, prepare and submit PPs and proposals to MoF

Main partners: FIC Tax Committee members

Topic n°5: FIC-Government Task Force and technical workshops with the Authorities

Goal: Continue work of the FIC WB Task Force for Taxes with the Government. Taxes should remain as one of top priority areas of the Task Force. The goal is to establish expert sub-group on taxation with representatives of the

Ministry of Finance and the Tax Authorities, which will focus on key tax issues identified in the WB and propose solutions. List of key tax issues to be updated based on recent tax law changes and practice.

Activity: Propose priority topics for the FIC-Gov Task Force tax expert sub-group, organise and participate in the technical workshops and meetings with the MoF and TA

Main partners: MoF, TA

Topic n°6: VAT Law and by-laws

Goal: Changes of the VAT regulation, with focus on the main WB 2020 recommendations.

Activity: PP, communication with MoF

Main partners: MoF, IMF, World Bank, EU Delegation

Topic n°7: CIT Law

Goal: Further improvement of the CIT Law: Remaining issues with the new tax depreciation, tax incentive to companies which invest in fixed assets, fair value measurement, deductibility of accrued taxes, clarifying of non-business driven costs, withholding tax on services.

Activity: PP, communication with MoF

Main partners: MoF, IMF, World Bank, EU Delegation

Topic n°8: PIT Law

Goal: Changes of the PIT Law: Costs of transport from/to work, further improvement of rules on taxation of benefits in kind, overall reform of the PIT Law.

Activity: PP, communication with MoF

Main partners: MoF, IMF, World Bank, EU Delegation

Topic n°9: Local taxes and parafiscal levies

Goals: Improvement in the methodology for valuation of real estate for property tax purposes. Improvement of the methodology for assessment of environmental charge (protection and improvement of environment), promote further reforms with respect to parafiscal levies.

Activity: PP, communication with MoF and non-governmental stakeholders

Main partners: MoF, IMF, World Bank, EU Delegation