

EDITORIAL

The newly proposed tax & criminal amnesty in Albania – A bumpy and dangerous ride!

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Last year, the Albanian Government revisited the idea of undertaking and implemented a tax amnesty, following the previous partial amnesties, conducted during the last decade, but with a significant difference: this time the proposed amnesty is projected to be a comprehensive one, that is a tax & criminal amnesty. This is the first time, since Albania joined the market economy, that such type of amnesty is being proposed and aimed for implementation within the national economy.

Notwithstanding the comprehensive nature, the newly proposed amnesty seems to have positioned the government in front of a solid wall of opposition and disapproval from all other stakeholders, from business community, civil society and international and supranational institutions, like IMF, World Bank and EU delegation. Such disapproval is not accidental, and there is no coordination among “opponents” in this regard. The opposition is built around the most debated issue: the risk of implementing an institutionalized and comprehensive money laundering scheme.

Basically, the newly proposed amnesty is shaped as a very complex and strange undertaking and rather poorly designed in legal terms, and in this way, it will be practically impossible to reach a broad consensus for approval from the entire political spectrum, which would make it even more serious, reliable and easily applicable.

The most awkward point is surely the vast conflict it is positioned with basic organic laws, like: Criminal Code and Civil Code, and also the respective legal

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framework, regulating the prevention and money laundering and the financing of terrorism. On the other hand, it seems that the proposed draft law on the amnesty does not comply with the constitutional principles and concepts of guaranteeing the rule of law and fair competition, along with being a serious moral hazard for the entire fiscal discipline.

Conclusively, it should be emphasized that the undertaking of a tax and criminal amnesty should not be considered a taboo in itself, but it must be drafted in full compliance with the existing legal and regulatory framework, and also designed as a powerful mechanism that supports the long-term economic development, along with its traditional short-term objective of increasing tax income for the government.

The government must always keep in mind the fact that fiscal amnesty is not evil – to be successful, it must be reasonable (Deak 2009)²!

² Deak, D. (2009). Hungary's Halfway Tax Amnesty, Tax Notes International, Vol.53, No.7.

