WHITE BOOK

Recommendations for improvement of the business climate in Albania

2025-2029

FIAA

FOREIGN INVESTORS ASSOCIATION OF ALBANIA

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WHITE BOOK

Albania 2025-2029

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Disclaimer

FIAA is aware that Albania has formally opened all six negotiating clusters, completing the opening phase of accession negotiations Chapters with the EU. Thus, our communication in this publication is without prejudice to these negotiations, and we invite the government to take our recommendations and potentially use them to the benefit of these negotiations.

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Purpose Of The White Book

The White Book is the flagship policy document of the Foreign Investors Association of Albania (FIAA), traditionally published at the beginning of each governing mandate. Its purpose is to identify and address the most recurrent issues raised by FIAA members, as well as the key challenges faced by foreign investors and the wider business community in Albania. It provides the Government of Albania and its institutions with a structured, evidence-based overview of these challenges, translated into concrete legal, fiscal, and regulatory recommendations aimed at strengthening the investment climate, sustaining economic growth, and supporting the retention and expansion of foreign direct investment.

Grounded in the practical experience of companies operating across a broad range of sectors, the White Book serves as a roadmap for policy improvement. Its recommendations support Albania's strategic priorities, particularly in the context of the country's advancing European Union accession process. As reform efforts intensify and accession negotiations progress, the White Book contributes to aligning the business environment with EU standards, while promoting transparency, competitiveness, and regulatory predictability.

Beyond its policy function, the White Book also acts as a constructive platform for dialogue between the business community and the Government. Through this process, FIAA promotes cooperation between public administration and the private sector, including the establishment of ad hoc working groups, with the objective of developing workable solutions and supportin effective implementation.

While progress has been achieved in recent years, important challenges remain. Strengthening the business climate, deepening reforms in key sectors, and reinforcing institutional capacity, particularly within the judiciary, continue to be essential. In this context, FIAA has remained actively engaged with Albanian institutions, including the Council of Ministers and line ministries, providing opinions, technical input, and policy recommendations.

With a refreshed Government and the establishment of new pro-business platforms, FIAA looks forward to a renewed phase of cooperation. Through sustained dialogue and the combined expertise of the public and private sectors, meaningful progress can be achieved on the issues identified in this White Book, contributing to a more competitive, transparent, and investor-friendly environment.

FIAA extends its sincere gratitude to all experts, partners, and members who contributed to the preparation of the FIAA White Book 2025–2029. Their commitment and insight remain vital to improving the investment climate and supporting Albania's economic development and European Union integration.

Balazs Revesz
President
Foreign Investors Association of Albania

Foreword by the Ambassador of the EU Delegation to Albania

Dear reader,

The EU Delegation has a long-standing partnership with FIAA as one of the first business associations representing foreign investors in Albania. I have followed with interest FIAA's increased role in promoting a level playing field for business and its constructive role as a bridge between the private sector and public institutions.

Foreign investment in a country is not only about the availability of capital, and infrastructure or skilled labour. It is about confidence in a country's institutions, governance and the rule of law, in a country's stability and its future prosperity.

As Albania moves forward in its aspiration to become an EU Member State, it is ever more important to adopt and to implement reforms that bring tangible results in strengthening a rule-based, transparent and predictable business environment.

The 2025 European Commission Annual Report on Albania notes the high level of ambition to advance in the accession negotiations but also stresses the need for a steady pace in undertaking the necessary EU-related reforms. We have now entered a decisive phase – one where Albania's willingness and ability to align itself with EU standards and the *acquis* is being tested.

In order for Albania to achieve sustainable economic growth and competitiveness, create jobs and boost innovation it requires strong institutions, a robust rule of law and policies that encourage domestic and foreign investment. It also requires ensuring a level playing field where free and fair competition is guaranteed, corruptive practices are not used to favour certain businesses; contracts are enforced properly and property ownership rules are clear.

The EU remains Albania's main trade partner and dominates the country's Foreign Direct Investment stock but more can be done. The road to EU membership is not easy but Albania needs to stay the course and work towards achieving the goal of EU membership. There is no doubt that the EU will continue to support Albania in strengthening the rule of law and the continued implementation of the justice reform, fighting corruption, modernising the public administration, addressing the uncertainty regarding property rights and in boosting economic growth and competitiveness.

Many of the issues that the FIAA analyses in this White Book are addressed through EU-supported reforms. I particularly welcome the White Book's strong focus on implementation, consultation and alignment with European standards.

The Economic Reform Programme 2025-2027, the Growth Plan Reform Agenda and the related Reform and Growth Facility provide both guidance and tools to help the Albanian economy be EU accession-ready. The EU-Western Balkans Investment Forum held for the first time in Tirana in last October, provided yet another excellent opportunity for Albania and its economic operators.

The EU continues to support Albania's efforts through extensive technical and financial cooperation. These include the innovation ecosystem, individual start-ups, the green economy and recycling business initiatives as well as funding opportunities for SMEs through several EU Programmes.

I encourage all relevant stakeholders and institutions to consider carefully the findings and recommendations put forward in this White Book and to continue to engage in an open and structured dialogue with the business community. Through cooperation, mutual trust and a shared commitment to reform, Albania can further enhance its attractiveness as an investment destination and prepare for joining the EU Single Market.

Silvio Gonzato
EU Ambassador to Albania

Foreword By The MInister of Economy and Innovation

Dear Reader,

Since 2021, when I first had the opportunity to contribute to the FIAA White Book, Albania has undergone significant economic and institutional transformation. Over the past years, the country has faced major external challenges, while continuing to advance reforms aimed at strengthening economic resilience, modernizing public administration, and improving the overall business environment.

This edition of the White Book is published at a particularly decisive moment. With all European Union accession chapters now opened, Albania is moving into a new phase in which reform success will increasingly be measured not by policy commitments alone, but by effective implementation, institutional performance, and concrete results for businesses and investors.

Throughout this period, the Foreign Investors Association of Albania (FIAA) has remained a consistent and constructive partner, providing a structured platform for dialogue between the business community and public institutions. Grounded in the practical experience of companies operating across a wide range of sectors, the White Book offers an evidence-based assessment of recurring challenges in the business environment and translates them into concrete legal, fiscal, and regulatory recommendations.

The Government of Albania remains firmly committed to strengthening the investment climate and fostering sustainable economic growth. Since 2021, important progress has been achieved in areas such as transparency, digitalization of public services, tax administration relations, licensing procedures, public procurement, and law enforcement. These reforms have contributed to improving institutional efficiency and aligning Albania's economic framework more closely with European standards.

At the same time, we recognize that important challenges persist from informality to property rights continue to affect business operations and investor confidence. Addressing these challenges requires a sustained focus not only on legislative alignment, but also on consistent implementation, regulatory predictability, and institutional accountability.

In this context, the White Book serves as a practical roadmap for policy improvement. Its recommendations support the Government's reform priorities, particularly in the framework of the EU accession process, and contribute to strengthening transparency, competitiveness, and legal certainty. Structured and meaningful consultation with the private sector remains essential to ensure that reforms are workable and effective in practice.

The Ministry of Economy and Innovation is actively working to strengthen cooperation between public institutions and the business community through strategic frameworks, action plans, and inclusive consultation mechanisms. Improving coordination among institutions, enhancing administrative capacity, and ensuring clearer procedures and timelines are central to our efforts to translate policy objectives into measurable outcomes.

As in previous editions, the FIAA White Book will remain an integral part of our institutional agenda. We welcome the professional and analytical work of FIAA experts and reaffirm our commitment to engaging constructively with business representatives and public administration specialists to identify solutions and support their effective implementation.

Sustainable economic growth, increased competitiveness, and successful European integration can only be achieved through strong and lasting partnerships between the public and private sectors. The Government of Albania remains committed to fostering an open, transparent, and results-oriented dialogue with investors, with the shared objective of building a competitive, predictable, and investor-friendly economy.

Delina Ibrahimaj

Minister of Economy and Innovation

About Fiaa

The Foreign Investors Association of Albania (FIAA) is the country's first and only organization representing foreign investors, with more than 25 years of continuous engagement in Albania. Since its establishment, FIAA has served as a platform bringing together companies and stakeholders committed to improving Albania's business environment and contributing to the country's broader economic development.

FIAA is an independent, non-profit organization, committed to transparency, integrity, and good governance. It is governed by a Board of seven Directors, each representing a distinguished company operating in Albania. With approximately 100 active members and a strong domestic and international reputation, FIAA represents a substantial share of foreign direct investment across sectors such as banking and finance, insurance, manufacturing, energy, mining, oil and gas, tourism and real estate, consulting, telecommunications, and technology. Its members originate from a wide range of countries, including Italy, Greece, Austria, Turkiye, Germany, France, the Netherlands, Norway, the United Kingdom, the United States, Switzerland, and others.

At the core of FIAA's mission is the promotion of open, constructive, and continuous dialogue with the Government of Albania and other public institutions. Through this engagement, FIAA advocates for policies that foster a stable, transparent, and predictable business environment.

Over the years, FIAA has also strengthened its cooperation with the EU Delegation to Albania, contributing to policy dialogue and initiatives aimed at aligning Albania's business environment with European standards and supporting sustainable economic development. Through regular exchanges, joint events, and technical discussions, FIAA and the EU Delegation work together to promote transparency, competitiveness, and sustainable economic development further reinforcing the organization's mission to advocate for a modern and investor-friendly Albania.

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Overview of Albania's Business Environment and Investment Climate

Albania's business environment in 2025 reflects a dynamic and gradually evolving landscape, shaped by sustained economic growth, infrastructure development, and a clear orientation towards European Union integration. Over the past decade, particularly during the 2021–2025 period, the country has demonstrated resilience in the face of significant external shocks, while continuing to attract foreign investment and modernize its economy.

The economic outlook remains broadly positive, with GDP growth projected at around 3.5% in 2026, driven mainly by private consumption, tourism, and construction. Infrastructure investments in transport connectivity, energy interconnections, tourism, and digital services are improving Albania's regional positioning and creating new opportunities for private-sector engagement.

At the same time, the country's business climate continues to face persistent challenges such as informality, governance inefficiencies, weak enforcement of contracts, and uneven institutional capacity, which continue to affect business operations and investor confidence. Despite significant progress in some reforms, legislative gaps and inconsistent implementation remain evident in areas such as taxation, inspections, bankruptcy, and fiscalization. Addressing these issues requires stronger institutional coordination and systematic consultation with stakeholders. Combined efforts are necessary to enable EU integration progress, structured reforms, improved productivity, and enhanced competitiveness, so as to foster significant positive strides for the country's economic outlook and its appeal as an investment destination.

Despite the forementioned challenges, the business community remains cautiously optimistic. Albania offers investment opportunities across sectors including energy, tourism, agriculture, ICT, health, cybersecurity, and innovation. Sustained progress in EU integration, combined with effective reforms, will be key to strengthen competitiveness and attract sustainable foreign investment. Overall perceptions of the business climate in 2025, recently identified by FIAA in its annual survey, show a slight improvement compared to 2024, reflecting resilience and continued interest in Albania's medium-to long-term potential.

FIAA'S Cooperation with the Government

FIAA maintains an ongoing exchange of feedback and recommendations with government institutions through surveys, white papers, consultations, and structured engagement with its members. These insights are translated into actionable proposals through meetings, roundtables, and policy dialogue. FIAA engages two industry councils and four sectoral committees covering areas such as the Digital Economy, Energy, Mining, Oil & Gas, Tax and Law, European Integration, and Human Capital and Skills, providing platforms for sector-specific analysis and cooperation with public authorities.

FIAA recognizes the progress by the Government in recent years and supports strategic policy frameworks aimed at long-term growth. At the same time, FIAA stresses that the effective and timely consultation and implementation of laws, remains essential for improving the business environment and sustaining investor confidence.

Following the previous White Book edition, there has been some cooperation with the Ministry of Economy on addressing the provided recommendations and finding solutions. Ad hoc working groups with experts from both public administration and FIAA were created and part of the legislation was treated by taking in consideration some of the recommendations provided in the last edition of the White Book. However, a big part of these recommendations has not yet been addressed and remain concerning for the business community.

In addition of the remaining concerns and recommendations, through this new edition, FIAA is aiming to provide a new set of recommendations, which are related to the newest legislation in force in Albania. Furthermore, with the historic momentum of joining the EU through the open negotiations now in place, FIAA believes that the White Book could bring an added value by providing specific feedback Chapter by Chapter for all those relevant laws related to the business climate. As such, FIAA is availing itself to be active player with the Government Negotiators' Team, in order to assure a continued cooperation in the consultation process which would support a rigorous implementation of the reforms.

FIAA'S Reflections on the EU Integration Framework

From FIAA's perspective, the EU Reform Agenda, the EU Growth Plan, and the 2025 EU Report on Albania, together, provide a coherent framework linking reform commitments with tangible improvements in the business environment. These instruments reinforce the importance of rule of law, regulatory predictability, institutional effectiveness, and economic governance, which are areas that closely reflect the challenges faced by FIAA members and the entire business community in Albania. In this regard, FIAA considers the EU engagement as a key driver for reform implementation and uses these frameworks as benchmarks for policy dialogue with the Government.

By aligning its White Book recommendations with EU priorities, FIAA seeks to support reforms that both advance Albania's EU accession path and deliver a more predictable, transparent, and competitive environment for foreign investors. In this context, FIAA recognizes a structured and continuous cooperation with the EU Delegation to Albania as essential to ensure that the perspectives and experiences of foreign investors are effectively reflected in the reform process. As a key interlocutor between the business community and public institutions, FIAA can contribute with evidencebased input, and feedback on reform implementation, complementing the EU Delegation's role in monitoring progress and supporting alignment with EU standards. Strengthening this partnership would enhance the quality of policy dialogue, support more effective reform outcomes, and ultimately contribute to a more resilient, investor-friendly environment aligned with Albania's European integration objectives.

Key Findings and Policy Implications from FIAA's Business Environment Survey 2025

Overall Business Climate and Macroeconomic Trends

The findings of the FIAA Business Environment Survey 2025 indicate a slight deterioration in overall business climate perception compared to the previous year, while expectations for the future remain cautiously optimistic. Foreign investors assessed the current business climate in Albania at 45 out of 100 points, representing a decline of 4 points compared to 2024 (49 points). Expectations for the business climate in the coming year were rated at 50 points, down from 52 points in 2024.

From a macroeconomic perspective, respondents continue to highlight the depreciation of the euro and persistently high inflation as the most severe factors affecting their operations. Although these issues remain critical, their perceived impact has slightly decreased compared to the 2024 survey. Global geopolitical tensions and supply chain risks continue to influence business planning and investment decisions. In this context, foreign investors emphasize the need for greater economic predictability, clearer communication, and more consistent policy frameworks from public authorities.

Despite these challenges, expectations regarding overall economic performance remain relatively stable. Foreign investors do not expect major changes in the Albanian economy in the coming year, scoring 56 points on a scale where 0 represents significant weakening and 100 significant improvements. Expectations regarding business turnover show moderate optimism, with an average score of 60 points, indicating a tendency toward gradual growth rather than sharp expansion.

Governance, Rule of Law, and Institutional Performance

Governance-related challenges continue to rank among the most significant concerns for foreign investors. Corruption remains a major obstacle, with its perceived impact increasing by 6 points compared to 2024, reaching 57 out of 100 points. Although the level of informality faced by businesses declined by 5 points, it remains high at 61 points, continuing to undermine fair competition and legal certainty.

Encouragingly, the dimension of order and security shows the most substantial improvement in this category, increasing by 25 points to reach 36 points. Persistent challenges related to property registration, judicial delays, and limited institutional accountability continue to affect investor confidence.

The political climate is perceived as slightly improved, scoring 43 points, an improvement of 6 points compared to 2024. The judiciary, however, continues to be evaluated cautiously, with a score of 56 points, showing only a marginal improvement of one point. These findings underscore the need for continued efforts to strengthen the rule of law, enhance judicial efficiency, and ensure consistent enforcement of legal decisions.

Taxation and Regulatory Framework

The tax and regulatory framework remain one of the most problematic areas for foreign investors. Frequent changes to tax legislation and inconsistent interpretation of fiscal rules continue to generate uncertainty and compliance risks. While only two out of nine assessed tax-related dimensions score below the midline, these dimensions are among the most critical for business operations.

In particular, the calculation of tax liabilities and related penalties and their impact on tax appeal procedures scored 38 points, while the VAT reimbursement process, as applied during 2024 and the first half of 2025, scored 44 points. Five additional dimensions stand at the midline, indicating structural weaknesses rather than isolated issues.

The most problematic aspects of the tax system include the frequency of changes in tax legislation and practice, which scored 60 points, and the clarity and relevance of tax rulings and interpretations issued by the tax authorities, scoring 57 points. These findings highlight the need for greater fiscal stability, improved coordination between government platforms, clearer guidance, and more effective dispute resolution mechanisms.

Energy Supply and Infrastructure

The energy supply dimension shows an overall improvement compared to 2024, with positive developments observed across all assessed indicators. However, none of these dimensions surpass the midline of the evaluation scale, suggesting that while progress has been made, further investments and regulatory improvements remain necessary to ensure reliability, predictability, and cost efficiency for businesses.

Relations with Public Institutions

Relations between businesses and Albanian public institutions show mixed results. Only two out of five assessed dimensions exceed the midline: the capacity and expertise of public officials, scoring 56 points, and the public procurement system and procedures, scoring 52 points. Despite these results, an overall decline in performance is observed across most institutional dimensions, indicating ongoing challenges in administrative efficiency, coordination, and responsiveness.

Labor Market Competitiveness

The labor market continues to be among the least-performing areas assessed by foreign investors, although it is perceived as slightly less problematic than in 2024. The impact of rising salaries decreased by 3 points, compared to a score of 65 in 2024. Access to local skilled and qualified labor also declined slightly, scoring 2 points lower than the previous year's assessment of 74 points.

Severe shortages of skilled labor, driven largely by emigration and skills mismatches, continue to place pressure on businesses and constrain growth potential. These findings reinforce the importance of strengthening vocational education, aligning skills development with labor market needs, and implementing effective talent retention strategies.

Access to Finance

Access to finance remains generally stable, though the cost of finance continues to be a concern for businesses. Foreign investors emphasize the importance of continued cooperation with the banking sector and the further development of diversified financial instruments to support investment, innovation, and long-term growth.

EU Integration, Growth Plan Awareness, and the Role of FIAA

A new section of the 2025 Survey reveals a high level of awareness and interest among foreign investors regarding Albania's EU integration process. Nearly 79% of respondents are familiar with the government's reform agenda linked to the EU negotiation chapters, while 77% are aware of the EU Growth Plan for the Western Balkans. An overwhelming 98% expressed strong interest in gaining deeper insight into how these initiatives could benefit their businesses.

The role of the EU Delegation in Albania is viewed positively by most respondents, with approximately two-thirds rating its impact as "positive" or "very positive" .

FIAA continues to be regarded as a trusted and credible partner, with businesses expressing strong willingness to engage further in advocacy efforts. For more than 15 years, FIAA has consistently monitored key elements of Albania's business climate and has emphasized the importance of sustained cooperation among businesses and, critically, continuous consultation with government institutions. These findings reaffirm FIAA's role as a central platform for dialogue, evidence-based advocacy, and policy engagement.

FIAA's Role Forward

In this edition, FIAA's White Book addresses issues faced in the most relevant laws which impact the current business climate and also gives recommendations on how these laws should be improved so as to better support future inflows of investments. The issues presented in this document are addressed by our members and reflect the experience of investors and entrepreneurs doing business in Albania.

Before going into details, it is appropriate to point out that some of the problems that have hindered the activity of foreign companies have sometimes been caused by the following problems:

- the decentralized manner in which laws might be administered causing ambiguity and therefore possible misinterpretation;
- the refusal to recognize some laws by some of the State authorities;
- the incorrect application of certain laws and guidance notes which sometime exceed the original intent of the law;
- attempts to administer new provisions which have not yet been passed into law.

More specifically, the issues we have been working on in this edition of the White Book concern the following laws:

- Tax Law in Albania and Value Added Tax
- Corporate Income Tax
- Local Taxes - Temporary Taxes
- Business Registration Law
- Banking Regulatory Framework
- Law on Immovable Properties (Cadaster System)
- Corporate Law
- Concessions and PPPs Law
- Renewables Energy Law
- Mining Law
- Bankruptcy Law
- Hydrocarbons Law and New DCM
- Fiscal Regime on Hydrocarbons in Albania
- Law on Invoice and Turnover Monitoring System (Fiscalisation Law)
- Employment Law
- Pension Fund in Albania
- Residence and Work Permit Law
- Cement Industry in Albania (Main Challenges and Concerns)
- Trademarks Protection
- Data Protection Law
- Competition Law
- Electronic Communication Law No.54/2024
- Law No. 66/2020 "On Financial Markets Based on Distributed Ledger Technology" -Fintoken Act

Each section will provide: (i) Introduction of the Selected Laws; (ii) Summary of the Key Issues; (iii) Summary of the Major Proposals and Recommendations.

FIAA is ready to cooperate with the relevant entities to implement these recommendations.

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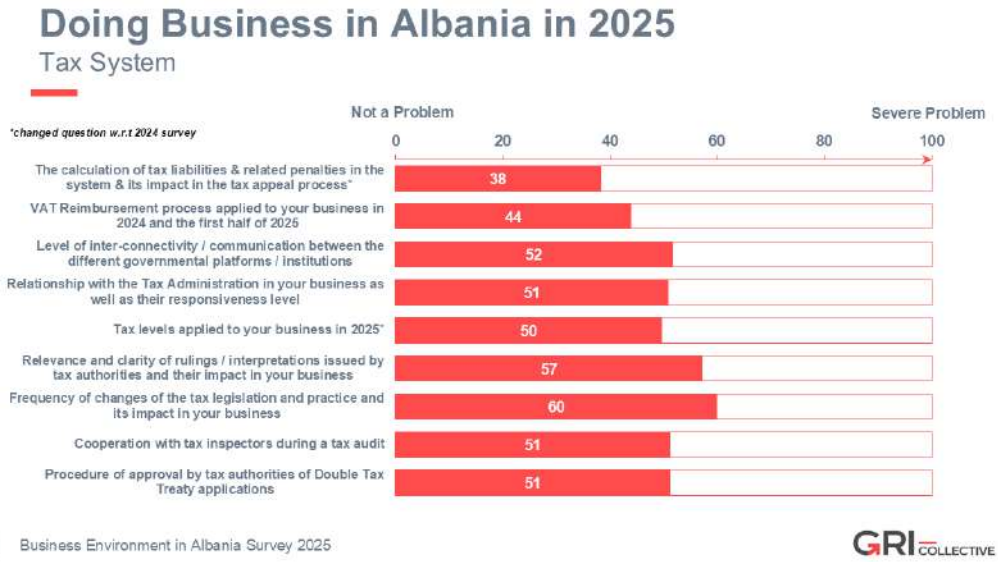
Tax Law In Albania

In order to modernize and further improve the national Tax System, the Government of Albania in the last two years prepared a comprehensive new Income Tax Law (Law No. 29/2023), approved by the Albanian Parliament on 30 March 2023. The most significant development in Albania in the period 2021-2025 has been the modernization of its income tax framework through Law No. 29/2023 (effective 1 January 2024). The Law introduces clearer and broader definitions of taxable income categorizations (employment, business, and investment), and revised tax rates and thresholds intended to improve fairness, neutrality, and alignment with international tax principles.

This law represents a major shift in Albanian tax policy and is seen as a foundational step toward modernizing the system, enhancing transparency, and encouraging economic activity, though its implementation guidance continues to evolve.

While these reforms are welcome, business continues to face frequent and sometimes inconsistent fiscal changes adopted with limited consultation, leading to a complex and uncertain framework and additional costs for taxpayers. This issue continues to be raised in all the progress reports issued by the European Commission and various international organizations, which point out also the high level of tax framework complexity in Albania. The most recent FIAA's Business Environment Survey has identified some of the key concerns in the Albanian Tax System, reflected in the following table:



Some of the issues faced in the current tax framework that impact business and our respective recommendations for finding solutions are listed below:

Value Added Tax - Procedures for Refund and Credit

SPECIFIC ISSUE	RECOMMENDATIONS
(1) The tax authorities have failed to refund in due time the creditable VAT to taxpayers. Many entities especially those that are under the investment phases or those that perform export of goods have significant creditable VAT that is due for refund, but the tax authorities have not been able to perform these refunds on a timely manner or at all. In many cases, these delays are due to obstacles in the online procedure for filing a VAT refund claim. The risk related to the refund of VAT is considered a major challenge for any project. Delay or partial VAT refund from Albanian tax authorities, represents a significant cash flow implication for the investors. The possibility to enter into an agreement with the tax administration for the refund of the VAT credit balance in installments has provided some comfort to investors. However, the condition that taxpayers should waive their right to default interest to enter into such an agreement is in contradiction with taxpayers' rights. In the opposite case, where taxpayers enter into agreement for the settlement of their tax liabilities in installments, they are obliged to pay default interest even during the agreement term.	(1) We would recommend that the condition for taxpayers to waive their right to default interest is removed. Also, the online procedure for filing a VAT refund claim should be improved to allow taxpayers to file a request without introducing further requirements beyond those provided by the VAT legislation.
(2) Under the Tax Procedures Law, Articles 75 and 76, the VAT refund should take place within 60 days after submission of the request for refund, and 30 days for exporters. This means that both the tax audit for the verification of the amount of the VAT refund and the refund should take place within 30 days. This deadline is rarely met by the tax authorities.	(2) The Instruction of the Minister of Finance on Tax Procedures to be amended by stating explicitly that if within 60 days for taxpayers/30 days for exporters upon submission of request for refund, the tax authorities have not performed the refund, the taxpayer may stop paying other taxes. Otherwise, the taxpayer will be eligible to payment of interest from the tax authorities.

Furthermore, under the Tax Procedures Law, if the taxpayer has no outstanding tax obligations and the tax authorities have not refunded in cash the requested amount, when the conditions for refund have been met, the taxpayer is entitled not to pay the other tax obligations due, up to the amount of the VAT credit (object of the request for refund). Although the law provisions are clear regarding the 30 days term for refund, and therefore if no refund has taken place within the legally established deadline, the taxpayer may omit to pay other taxes that are due, the Instruction of the Minister of Finance states that only when there is an approval from tax authorities on the VAT to be refunded, the taxpayer may stop payment of other taxes. By using this interpretation, the tax authorities delay the tax audit regarding the VAT refund and therefore prohibit the taxpayer to use its right of tax offsetting. As a consequence, the right of the taxpayer not to pay other taxes when a refund of VAT is due, does not benefit to the taxpayer and remains applicable only de jure. In addition, the tax audit following a refund request often includes periods which have been previously subject to a prior tax audit and therefore should be considered as closed for the sake of providing taxpayers with certainty. Deadlines to object against preliminary reports and appeal against the final tax assessments resulting from an audit following a VAT refund request are reduced to 5 calendar days. In certain cases, this can be an impediment for the taxpayers to protect their rights (e.g. instances where internal approval procedures need to be followed, calendar days falling on weekends, etc).	In addition, it is suggested that the Instruction states that the tax audit should not extend to periods which have already undergone a prior tax audit and are therefore closed. It is obvious that if tax authorities would conduct an audit within the 60/30 days period and issue a tax assessment, this would be subject to appeal procedures and only the approved VAT credit shall be refunded. Also, the reduction of the period for filing objections to the preliminary tax audit report and appealing the final tax audit report to 5 days from 15 and 30 respectively, puts the taxpayer under a high pressure and results particularly difficult for foreign investors, where decisions to appeal are taken on a regional or global level, making thus impossible to respect these tight deadlines and losing the right to object or appeal.

(3) Pursuant to the VAT Law, Article 99, para. 4, the taxable person carrying out a supply of services is obliged to issue an invoice for that supply at the moment the services are rendered. In the last years, the tax authorities have heavily abused of this provision. They have, on several occasions, disallowed the right to credit in input VAT for transport services rendered on a frequent or repetitive basis during a month, arguing that the services have been incorrectly invoiced on a monthly basis, and that they should be invoiced separately for each transport. This, in practice increases significantly the number of invoices to be processed for businesses heavily dependent on transport (of materials, stock, etc.), very often leading to a situation where in practice it makes it very difficult and burdensome for the taxpayer to process all invoices and therefore to deduct the VAT.	(3) We would recommend introducing the option to issue summary invoices, to allow for the issuance of a single invoice for supplies of services done on frequent or repetitive basis during a month. The EU Recast VAT Directive, Article 223, provides that […] a summary invoice may be drawn up for several separate supplies of goods or services.
(4) According to the VAT Law, Article 99, para. 5, the invoice may be issued periodically the same month the services are rendered. Nonetheless, the Instruction of the Minister of Finance requires monthly issuance of invoices for periodical services performed continuously. Also, many civil works contracts with public authorities stipulate that invoicing shall be done on milestone basis. This contravenes with the VAT Law requirement that invoices for construction services should be issued monthly. Moreover, the tax authorities treat a wide range of civil works as construction services and require the issuance of monthly invoices for them, as provided by VAT Law.	(4) With respect to periodical services, taxpayers should be allowed to issue invoices at intervals corresponding to the contractual arrangements between parties, following milestones, business cycles, etc, for example, for tax services invoices could be issued every three months, and their issuance should not be limited to a monthly basis.
(5) The VAT Law, as well as the Instruction do not limit the right of crediting VAT for businesses that are in the process of liquidation, or in investment stage and do not have sales.	(5) The Ministry of Finance should stipulate in the VAT Instruction the right of taxpayer to credit input VAT to the extent their business activity is taxable, providing detailed and specific guid-

Pursuant to the dispositions of the Law, the right of crediting of input VAT is not conditional on having output VAT, but on conducting a taxable business activity, in line with the principle of VAT neutrality, i.e. VAT should not become a cost for the taxpayer. However, in practice tax inspectors deny the right of crediting VAT in case when taxpayers do not have sales for a certain period. Also, the tax authorities do not process refund claims for taxpayers which are deregistered, or in process of deregistration. On the other hand, the tax authorities continue to issue tax assessments for deregistered taxpayers, even several months after their deregistration despite the Tax Procedure Law defining strict deadlines for such assessments.	ance in line with VAT Directives Commentaries and ECJ cases on this matter. Tax authorities should process VAT refund requests for taxpayers in the process of deregistration or after their deregistration when the request has been filed before the deregistration as the taxpayer right to credit input VAT should not be forfeited by bureaucracies. Moreover, tax authorities should respect the timelines defined by the Tax Procedures Code for the conducting of tax audits and issuance of tax assessments for taxpayers under liquidation procedures, in order to neither delay the liquidation process, nor issue tax assessments after the business is liquidated/deregistered.
(6) The VAT Law and the respective Instruction do not provide for a reference selling price which can be used by a company for determining the VAT basis, and neither liaise such price with the production/buying costs or the requirement for profit to be generated. On the contrary, the VAT law is explicit on the cases where reference should be made on the market value or cost of the product, for purposes of determining the VAT due i.e. such as the case of transactions between related parties. However, in practice tax inspectors impose VAT and related penalties on sales performed under cost following abusive practices, which were established based on the wrong interpretation of the old VAT Law, Article 18.	(6) The Ministry of Finance should clarify through the VAT Instruction that there is no requirement on taxpayers to be selling at a profit, or that their sale price must cover the costs of production/acquisition, in order to avoid an incorrect application of the VAT Law in practice, as well as to numerous court cases by taxpayers contradicting VAT liabilities and fines assessed not based on legislation.
(7) The VAT Law has been amended several times since its entry into force in 2015, despite being aligned with the EU Directive since its drafting. In particular, changes introducing exemptions or reduced rates for specific goods or services, or specific schemes tailored for particular projects	(7) To avoid distortion of the VAT rules, the amendments of the VAT Law should be rather limited. Also, they should undergo proper public consultation, meaning that the stakeholders should be consulted in due time and their concerns and suggestions should be taken into consideration.

distort the application of VAT and favor specific businesses or sectors, in contradiction with the VAT principles as laid down in the EU VAT Directive, as well as, state aid principles.	
(8) The composite supply in the VAT Law and the respective instruction outline that the main part of the supply, i.e. if it is a composite supply of goods or of services is not defined according to which item has the greatest value, but in principle which is the main activity. However, this leaves way to interpretation and possible misinterpretation of the logic of the Law. In particular, the tax authorities have taken the position that repair services offered under warranty to foreign automakers/ distributors should be considered as supply of goods and thus, as having the place of supply in Albania. This position contradicts with the VAT instruction which explicitly provides that repair services should be considered as a supply of service.	(8) The Instruction should clarify the specific treatments for most common scenarios. The tax authorities should align their positions to the VAT legislation and refer to EU case law and doctrine, including ECJ cases, when applying or interpreting the VAT legislation.
(9) As per the VAT provisions, petroleum operators holding a petroleum agreement are granted with an exemption for certain supplies of goods and services during exploration phase based on prior approval from the regulatory authority. This approval should be received within 30 calendar days from the issuance of the invoice. This provision was introduced to protect taxpayers from not receiving an answer from the regulatory authority. However, it often happens that formal approvals by the regulatory authority are issued few days after the deadline (e.g. last day falls on a weekend or public holiday, request of additional documentation or clarifications from the regulatory authority, etc). In these instances, it also often happens that tax authorities challenge the exemption	(9) A combined interpretation of the Joint Instruction along with other provisions already included in the Albanian legislation would help in protecting taxpayers' rights from not receiving a response in due course without posing an additional risk to legitimate VAT exemptions. It would be advisable that VAT provisions clearly state that the late issuance of the approval should not be used by the tax authorities as a valid reason to disallow the VAT exemption. In line with this, Article 56.4 of the Law No. 44/2015 "Code of Administrative Procedures of the Republic of Albania": "when the last day of the deadline falls on a Saturday, Sunday or bank holiday, the deadline ends on the following working day".

granted by the regulatory authority besides being a legitimate exemption (listed in the VAT Joint Instruction) issued few days after the deadline for valid reasons.	Additionally, by virtue of the article 91.3 of the Code of Administrative Procedures", it is provided that "if the law provides the obligation of the party to submit documents or proofs, as part or together with the request to start the procedure, the deadlines of this article start from their full submission". Finally, Article 92 of the Code of Administrative Procedures provides that "Except when explicitly prohibited by the law, in justified cases, because of the complexity of the issue, the public administration can extend once the deadline provided in article 91. The extension of the deadline is done for as long as needed for the end of the procedure, in proportion with the complexity of the case in point, but no longer than the initial deadline. The extension of the deadline and the end date of the extended deadline is notified to the party within the period of the initial deadline. Such notice shall provide the reason of the extension".

II

Corporate Income Tax

After 25 years from the first income tax law, Albania adopted a new Tax Law in 2024 with the goal of modernizing the fiscal system and expanding the tax base**.** The intention was to create a fairer, more efficient, and more sustainable framework for public revenue. However, limited consultation with stakeholders, unclear implementation rules, and a broad expansion of what is considered taxable have instead created widespread uncertainty and confusion. These issues increase administrative burdens for businesses and may discourage both foreign and domestic investment.

Some of the issues faced in the current law on Income Tax that impact business and our respective recommendations for finding solutions are listed below:

SPECIFIC ISSUE	RECOMMENDATIONS
(1) During the period the old law was developed and changed, local experts played an important role in balancing legal principles with the practical realities of Albanian businesses. In the 2024 new law process, however, many of these knowledgeable voices had fewer opportunities to contribute. As a result, some of the valuable institutional experience built over the past 25 years was not fully reflected in the new framework. Their on-the-ground insights could have helped anticipate challenges and strengthen the final product. Greater engagement at this stage would have reinforced confidence that the new law fully understands the day-to-day realities companies face.	(1) To ensure the new Income Tax Law functions effectively and supports Albania's development goals, it should be revisited and adjusted to better reflect the structure and realities of the Albanian economy. A focused review—carried out with genuine engagement from local tax experts, business associations, and practitioners—would help clarify key provisions, reduce administrative burdens, and ensure that taxable items are defined in a way that is both fair and practical. Aligning the Income Tax Law more closely with how Albanian businesses actually operate would improve compliance, reduce disputes, and foster a more predictable investment environment. By grounding the law in real-world economic conditions and administrative capacity, policymakers can create an income-tax framework that is transparent, enforceable, and supportive of sustainable economic growth.
(2) Following the adoption of the new Income Tax Law, many stakeholders hoped the implementing instruction would clarify grey areas and provide practical guidance. Instead, it introduced provisions that, in some cases, appear to conflict with the law itself or leave essential terms undefined. Even tax administration will struggle to interpret and apply consistently.	(2) To ensure the Income Tax Law can be applied consistently and fairly, the implementing instruction should be improved. A thorough redrafting of certain provisions—conducted with technical experts, practitioners, and business representatives—would help eliminate contradictions, clarify key terms, and ensure the guidance aligns fully with the statute. An updated instruction that is clear, coherent, and practical would greatly reduce compliance uncertainty, support tax inspectors in applying

	the law correctly, and allow businesses to operate with greater confidence and predictability.
(3) The new Income Tax Law introduces several requirements related to Permanent Establishment (PE), but a number of practical and interpretative challenges remain. These issues create uncertainty for both foreign companies operating in Albania and the Albanian businesses that engage with them. Under the new rules, once a foreign entity is considered to have created a PE in Albania, it must register a branch and pay tax through that branch. This approach may impose a high administrative and operational burden on foreign companies. Alternative mechanisms—such as withholding tax, non-resident returns, or authorized tax representatives—could have been considered to facilitate tax collection in a more flexible and business-friendly manner. Such treatment also create confusion for the Albanian customer if a foreign service provider creates a PE but does not register a branch. This lack of clarity can create compliance uncertainty for Albanian businesses, which may be unsure of their responsibilities in such situations. The restriction on deducting allocated head-office or general administrative expenses (as stated in Instruction 5.4.1) appears inconsistent with basic PE taxation principles. Where a treaty applies, the limitation may conflict with the authorized OECD approach. Where no treaty exists, the rule risks creating an excessive tax burden and placing foreign branches at a disadvantage.	(3) To ensure that Albania remains an attractive and predictable environment for cross-border business activity, the Permanent Establishment (PE) provisions should be reviewed and refined. A targeted revision—developed in consultation with tax professionals, industry groups, and legal experts—would significantly improve clarity, reduce administrative burdens, and bring the framework closer to international good practice. The requirement for immediate branch registration upon PE creation may be overly burdensome. Allowing alternative compliance mechanisms—such as; – non-resident tax returns, – withholding tax regimes, or – authorized tax representatives— would make compliance more feasible while still protecting revenue interests. In addition, definition of obligations and responsibilities for Albanian service recipients is very important. Clear rules should specify what, if any, compliance exposure an Albanian company faces if a foreign supplier is deemed to have a PE but has not yet registered a branch. This would provide legal certainty and reduce the risk of unintended liabilities. Provide guidance for cases where a PE is identified retroactively. Rules should outline how to treat invoicing, tax adjustments, and reporting for previous periods when a PE is determined at a later stage.

	Transparent and practical procedures would prevent disputes and ensure fair treatment for both Albanian and foreign businesses.
(4) Tax authorities disregard OECD guidance on the attribution of profits to permanent establishments or transfer price adjustments during tax audits. This results in tax litigations for foreign investors in Albania and in many cases in double taxation.	(4) We would recommend further training to Tax authorities on transfer pricing rules, the creation of a dedicated unit within the tax administration specialized on transfer pricing and the issuance of transfer pricing audit manuals.
(5) The new Income Tax Law introduced for the first time withholding tax (WHT) on domestic transactions. This measure creates a considerable burden for taxpayers, without having any impact on tax revenues. In particular, the measure has become null with regards to WHT on interest payments from banks, because of the magnitude of data required to be reported. Also, in some case, payments for use of software have led to disputes among taxpayers, since such payments may be in some instances wrongly treated by the tax authorities as royalties.	(5) The tax system should not impose administrative burdens that do not have a positive impact on the generation of tax revenues. We suggest removing the WHT on domestic transactions, to relieve taxpayers from this unnecessary burden and potential business disputes.
(6) Withholding tax on business income for foreign entities (15%) should not match the income tax rate on net profit because the two taxes apply to fundamentally different bases. Withholding tax is levied on the gross payment, without recognizing the expenses a foreign company incurs to deliver a service, meaning that a rate equal to the income tax rate can result in an effective tax burden far above what an Albanian company would pay on its actual profit. Equating the two rates would therefore produce unfair and distortionary outcomes, discourage cross-border business, increase costs for Albanian clients, indulge the taxpayers to treaty shopping and generate avoidable disputes and administrative burdens for both taxpayers and the tax administration.	(6) To ensure fair and economically balanced taxation of cross-border activities, the withholding tax rate applied to business income earned by foreign entities should be set at a level distinctly lower than the corporate income tax rate on net profit (5% to 8% of gross payment). This adjustment would help maintain Albania's competitiveness, reduce compliance disputes, and support smoother cross-border business operations while still protecting the country's fiscal interests.

(7) The provisions on reorganization limit the tax neutral treatment to domestic reorganizations only. This constitutes a discriminatory treatment for multinational companies having operations in Albania, or Albanian groups having foreign operations. Such limitations may result in some cases even under treaty protection in taxation of mere business reorganizations. This creates an undue tax burden and a barrier for foreign investments and expansion of domestic groups.	(7) We recommend removing such limitations and expanding the tax neutral treatment also to reorganizations among foreign entities.
(8) The reorganization of businesses has been a grey area in our taxation system, due to lack of clear provisions, despite many business reorganizations taking place in the last years. The administrative guideline on business reorganizations, making the application of these new rules difficult in practice and uncertain.	(8) We would suggest elaborating further the administrative guidelines on the provisions on the reorganization of business to provide further clarity on the adequate tax treatment for the benefit of both the taxpayers and the tax authorities, including examples from practice.

III

Local taxes - Temporary Taxes

SPECIFIC ISSUE	RECOMMENDATIONS
The Law on Local Taxes (Article 33) provides that the Municipality Council, when deemed necessary, can impose temporary taxes in the general interest of the community within the territory of its jurisdiction. However, no further specification is given in the law with regard to the limits of such authority, the necessary reasoning that should support the decision of imposing such taxes as well as the definition of what for the purposes of imposing such taxes would be as necessary for the community. This leaves the Municipality Council with an authority that overpasses the law itself and creates uncertainty for the future.	In order to ensure compliance with the constitutional principles on imposition of Taxes, but also to avoid unpredictability and unjustified financial exposure of the business operators, the Law should define clearly and have the Municipality Councils to clearly define and provide in their decisions, while imposing such temporary taxes, sufficient reasoning on: a) the respective needs of the communities to the benefit of which such taxes are being imposed; b) the terms and criteria for the calculation and implementation of such taxes. Additionally, such taxes should not: (i) apply for more than 2 years in a row and not repeated within the 5-year period starting from the last year of implementation of such taxes; (ii) exceed on annual basis 50% of the total yearly local taxes.
Some municipal tax authorities make the assessment of the local taxes in delay and not notifying the taxpayer on the obligation they have for payment of the local taxes. In some cases, there is evidence also the application of penalties for non-registration with the municipal local tax authorities, which are not stipulated in the Law on the Tax Procedures.	The municipal local tax authorities should make public the deadlines for tax payments as well as the time available to the newly registered taxpayers for registration with the municipal authorities. Application of the penalties by the municipalities for the late registration or late payment of the local taxes should be aligned with the provisions of the Law on Tax Procedures.

IV

Business Registration Law

The establishment of the National Business Centre back in 2007 as One Stop Shop public institution aimed for business registration procedures to be: Simpler, Cheaper, and Easier. Once the application has been approved by NBC, the new legal entity will be registered automatically at the Municipality, Tax Directorate, Social Security Institution, Health Insurance and Labor Inspectorate.

Nevertheless, despite the fact that the Business registration process has become fairly short and simple with the establishment of the NBC, in the past year it has resulted that deregistration remains a burdensome process, time-consuming and rather unpredictable. The main problems stem from the interaction between the NBC and the tax authorities.

Although the tax procedure legislation provides strict timelines for the tax authorities to complete the process, they systematically delay it through unnecessary and lengthy tax audits, conducted without any risk analysis and even for historically dormant entities. As a result, the taxpayers appear as active even though a deregistration certificate is issued by the NBC.

In this updated edition, new problems faced by the business were addressed, which have to be considered in order for relevant actions to be taken by authorities to provide clearer, simpler and less time-consuming procedures.

SPECIFIC ISSUE	RECOMMENDATIONS
(1) The Law "On Entrepreneurs and Commercial Companies" allows creditors of a commercial company under liquidation to file their claims in the NCB with certain legal deadlines. Instead, the official website of NCB does not reflect a list of companies under liquidation process.	(1) The National Registration Centre must publish and update constantly in its online database the list of companies under liquidation process. This will allow the creditors to raise their claims within legal deadlines.
(2) The Entity deregistration remains a burdensome process, time consuming and rather unpredictable. The main problems stem from the interaction between the NBC and the tax authorities. Although the tax procedure legislation provides for strict timelines for the tax authorities to complete the process, they systematically delay it through unnecessary and lengthy tax audits, conducted without any risk analysis and even for historically dormant entities.	(2) It is very important that NCB and Tax Authorities give solution to this burdensome process which more and more is becoming a serious issue to business. Furthermore, Tax Authorities should put in place procedures and timelines for deregistration of taxpayers from the tax system once the deregistration certificate is issued by NCB.
(3) Rejection of applications for mandatory registrations in the cases of non-submission of the financial statements.	(3) The daily business operation cannot be affected by non-submission of financial statements on time, which might be caused due to objective reasons. In any case the delay or non-submission of financial statement should be subject to a financial penalty.

(4) Carrying out specific procedures, such as restructuring of entities which are part of international transactions or cross-border mergers, when foreign company is the acquiring entity, is quite challenging due to the lack of support from the NBC officials.	(4) Regardless, the lack of specific provisions in the commercial legislation, the NBC officials should be more supportive to the business for specific registrations as long as these cases do not conflict with the Albanian current provisions.
(5) The application for the registration of an entity for the first time is done simultaneously with the registration of the Ultimate Beneficiary Owner (UBO). It is understandable that this procedure was established to facilitate the applicants by submitting only one application for both procedures. However, in practice, if the UBO Registry suspends the application for UBO registration, the Commercial Registry also suspends the application for the company registration even though the documentation for company registration is in due form and in full compliance with the legal requirements. Therefore, the applicants are unfairly penalized as regards the registration of the company within 24 hours from the application. The registration of the ultimate beneficial owner (UBO) is often time-consuming and requires extensive documentation to be reviewed and submitted. Thus, it is unreasonable to keep a company registration on hold solely on the basis of UBO-related requirements.	(5) Given the different complexity and purpose of each process, the NBC should treat the procedures differently.
(6 The UBO Registry applies inconsistent interpretations to identical cases and frequently changes its requirements for completing applications. Inconsistent approaches create uncertainty and confusion for applicants.	(6) The UBO Registry should harmonize its practices and establish clear standards, grounded in legal provisions, for identification and registration of ultimate beneficial owners.

V

Banking Regulatory Framework

The banking legal and regulatory framework and banking safety net structure continued to introduce startling changes, in the context of both improving or reflecting the concerns of the banking industry to provide a safe and sound financial and banking environment, and of a rapid approach with the best international standards and Directives of the European Union (EU), given the country's expected accession into the EU.

A part of banking regulatory issues described in the previous edition of White Book 2021-2025 have been already addressed and the necessary actions are made by the competent institutions.

Meanwhile, some important existing issues need to be examined and properly addressed by the Albanian authorities. Also, new proposals are made by the banking industry aiming safe, fair, constructive, and trustworthy banking environment to increase the lending activities and the role of the banking sector in the real economy of the country. Therefore, the need for constructive communication and consultation process between the decision-making authorities and banks is apparent and important.

The remaining issues required to be addressed from a regulatory, as well as administrative point of view, are summarized in the following table.

INCREASE LENDING AND DECREASE NPLS	RECOMMENDATIONS AND EXPLANATIONS
(1) Drafting and approving the new Law "On Credit Bureaus".	(1) The draft law "On Credit Bureaus" aims to create a clear, supervised and harmonized legal framework with international best practices for the functioning of credit bureaus in Albania. This institution will play a key role in the collection, processing and dissemination of credit information, directly influencing the improvement of financial transparency, increasing access to financing and strengthening the economic stability of the country.
(2) Important changes in the law "On the Central Register of Bank Accounts".	(2) The proposed changes aim the alignment of this law with some of the best practices in EU countries. In such case, the administration on the Register should be made from the Bank of Albania and in the register must include accounts balances, thereby, authorized institutions having the legal right and obligation to directly access and interact with the Register and account information.
(3) Amendments to law no. 10192, dated 3.12.2009 "On the prevention and fight against organized crime, trafficking, corruption and other crimes through preventive measures against assets" amended, and to the law no. 34/2019 "On the administration of sequestrated and confiscated assets".	(3) Such amendments must be focused/consist on the procedure provided in this law and the effects produced by taking/imposing preventive measures on sequestration/confiscation of assets of persons who are subject to anti-mafia law, against third parties who have real guarantees over these assets. The legal situation

	which banks are currently facing due to the object of their commercial activity, is that, based on anti-mafia law, it is decided to seize the assets over which banks enjoy the real right of mortgage (which precedes the imposition of this precautionary measure), to guarantee the repayment of the loan, which banks have disbursed in favor of the borrower, which later in time has been subject to anti-mafia law. The law presents some vague, obscure, contradictory provisions against the principles of law as a whole and presents contradictions and inconsistencies in relation to criminal legislation and, in particular, to civil law. In these cases, banks should be part of the litigation, the opposite would have irreparable consequences in the future, for banks legal and economic security.
(4) Amendments to the law No.111 / 2018 "On the Cadaster".	(4) Such amendments consist on increasing the opportunities for collateral coverage. Specifically, the Article 50 of the law must be reviewed, foreseeing the possibility for the banks to create and register in this special mortgage register (construction permit register) real rights over the item/property under construction, the ownership of which will be acquired in the future. Other amendments must be done: (i) to foresee the mandatory registration of the entrepreneurship contract, otherwise, it has no legal validity, as well as the obligation of notaries to notarize and register this contract; (ii) to enable the registration of the future mortgage contract at the construction stage (after the construction permit has been registered), as today in practice this registration cannot be done with the reasoning that "the item does not exist yet".
(5) Allowing the access of banks with "selected users" to the electronic real estate register.	(5) Such request must be taken into consideration considering banks as creditors who have real rights on the immovable properties. Such access would facilitate the process of mortgaging and verifying the legal status of collateral throughout the life of the loan.

(6) Changes in Decision of the Council of Ministers no. 782, dated 07.10.2020 "On the approval of models of cadastral acts and data in the content of the cadastral map".	(6) Specific changes must be done to this decision aiming to be in compliance with the Civil Code and specific law. The changes/amendments must issue those documents issued by Cadaster must provide/create legal certainty for stakeholders and parties involved. The Cadaster must also ensure by internal guideline the unified and accurate implementation of this important Decision of Council of Ministers, from all its Regional Offices.
(7) Providing electronic access of banks to e-Albania platform.	(7) Such access of banks in compliance with the existing legal framework, will improve the service of the banking sector to its customers, will increase the accuracy of data and will ensure a secure lending to the economy and increase lending by banks.
(8) The reduction of cash, in order to combat informality.	(8) Policy makers must intervene and regulate the payment activity. Among the measures that can be discussed to fight physical money in circulation and also to fight informality, we would highlight: - Reducing the ceiling of permission to business to make cash payment; - Setting the limit for cash transactions from individual; - Limiting the use of the euro in the economy as a payment currency. Following the measures taken by the Bank of Albania regarding the de-euroization, an initiative that came as a result of the Memorandum of Cooperation between the Ministry of Finance, the Bank of Albania and the Financial Supervisory Authority, it is time for this agreement to be followed by concrete actions, especially by the Ministry of Finance and Economy, in identifying the necessary actions towards more general economic de-euroization.

ADMINISTRATIVE ISSUES	RECOMMENDATIONS AND EXPLANATIONS
(1) Drafting and approving a Decision of Council of Ministers associated with specific procedures and time limits for the Local Offices of Registration of Real-estate for the processing of orders and bailiff decisions.	(1) Determining with bylaw, obligatorily applicable to all network of local offices of registration of real estate and contractors or subcontractors of their service, the procedures and deadlines for the specified processing/registration of enforcement acts and definition of strict deadlines for their response/or putting in disposal the documents, as well as accompanied by administrative measures by the employer (Central Office of Registration of Immovable Properties) in case of their violation.
(2) Increasing the number of judges in the Administrative Appeal Court.	(2) The number of judges of the Administrative Appeal Court is insufficient to cope with the influx of court files that goes in this court. In these conditions parties are damaged by the failure of a decision given within the legal deadlines, which basically are considered as a violation of human rights by the Constitutional Court and that of Strasbourg. According to the law, the practice must be reviewed by the appeal within 30 days, while they are taken into consideration only after 2 years (over 600 days of delay).

VI

Law on Immovable Properties (Cadaster System)

The Albanian legal framework generally guarantees the fundamental right to property. This protection is clearly provided by the Constitution of the Republic of Albania, in accordance with the ECHR and its Protocols.

Nevertheless, despite the legal protection afforded to this right, the safeguard of property has been one of the most problematic areas of law, throughout the entire period of democratic transition in Albania.

In addition to issues related to the division and recognition of property titles, one of the most acute challenges has been the formal registration of immovable properties with state institutions, a process frequently impeded by overlapping property titles, the coexistence of multiple ownership claims over the same asset, as well as bureaucratic obstacles and administrative delays.

In this context, the protection of property rights and the finalization of their registration remain a significant challenge, one that relates not only to the guarantee of citizens' rights, but also to the creation of a more secure climate for investment. In recent years, a unified approach has been pursued by the legislator to overcome institutional fragmentation as a means to ensure the protection of property rights, which is essential for economic development and constitutes a prerequisite for attracting new investments.

In this context, the Law No. 111/2018 "*On Cadaster*" (hereinafter "***Law No. 111/2018***") has been adopted.

The Law No. 111/2018, has entered into force in 2019, and has replaced the Law No. 33/2012 *"On the Registration of Immovable Property."* This law laid the groundwork for the establishment of a digital cadaster system and the provision of online cadaster services, under the one-stop shop principle. The Law No. 111/2018, has also created a single, unified institution, called the State Cadaster Agency (SCA), arising from the merger and consolidation of three different bodies: i) the Immovable Property Registration Office; ii) the Agency for the Legalization, Urbanization and Integration of Informal Areas/Constructions (ALUIZNI); and iii) the Agency for the Inventory and Transfer of Public Properties (AITPP).

As a result, the Law No. 111/2018 contains a range of provisions concerning the establishment, organization, and functioning of this new institution. Furthermore, it includes additional provisions aimed at organizing the national cadaster system, the registration of private, state-owned and public immovable properties and other real rights related to them, as well as the improvement and updating of the immovable property registry, by providing for the correction of inaccuracies and material errors carried forward over the last three decades.

In general, the Law No. 111/2018 is viewed as a positive step toward reforming the property and cadaster system in Albania. Nevertheless, at first glance, the law appears to focus more on the administration of cadastral services than on ensuring the provision of fast and high-quality registration services.

Moreover, an examination of the Law No. 111/2018 reveals certain conceptual ambiguities, particularly in relation to the provisions of the Civil Code and established judicial practice, which in some cases may create confusion. These ambiguities are reflected especially in the overlap or collision of several provisions relating to the assessment of the formal registration of property, namely, the determination of the moment at which the right of ownership is finally deemed to be recognized.

As with any comparable reform, however, the success of the new model depends significantly on practical implementation, institutional capacities, transparency, and the resources available.

Against this background, it is important to emphasize that, notwithstanding the shortcomings or ambiguities of the Law No. 111/2018 itself, a considerable portion of the difficulties faced by owners during the registration process do not arise directly from the substantive legal norms, but rather from the manner in

which they are applied. In practice, the administrative-legal will and the individual attitudes of civil servants toward their legal obligations often determine the real effectiveness of the law. Consequently, even the best-designed legal norm remains conditioned by its proper, objective, and impartial application.

In addition to Law No. 111/2018, the legal framework governing the registration of immovable property has also been supplemented by Law No. 20/2020 *"On the Finalization of Transitional Property Processes in the Republic of Albania," as amended* (hereinafter "***Law No. 20/2020***"), which, unlike Law No. 111/2018, has a temporary character until the achievement of its purpose. This law establishes the rules, criteria, and conditions for completing administrative processes, issuing ownership titles, and finalizing their registration with respect to state-owned or privately-owned immovable property, with the aim of concluding a long transitional period in resolving property-related issues.

Nevertheless, although Law No. 20/2020 provides that the transitional processes will be completed by 31 December 2028, the current pace of implementation, administrative delays, and inherited backlogs in the formal registration of property increase the likelihood that these processes will not be completed within the prescribed deadline. This poses a significant obstacle to the transfer of immovable property, as such transfer cannot be effectuated without the prior completion of the issuance and registration of ownership titles. As a result, the effectiveness of the reform introduced by Law No. 111/2018 may also be compromised.

Below are some of the key issues which we consider problematic in Law No. 111/2018, together with our respective recommendations for addressing them.

SPECIFIC ISSUE	RECOMMENDATIONS
(1) Articles 6 and 8 of the Law provide that damages suffered by individuals as a result of cadastral activities shall be compensated through the establishment of a reserve fund. The Law does not provide any further specifications regarding the nature of the damage or its compensation, in contrast to the repealed Law No. 33/2012 *"On the Registration of Immovable Property", as amended,* which contained more detailed provisions concerning the compensation of damages caused by the activities of the immovable property registration office. Although individuals who suffer damage from cadastral activities may rely on the principle of legal certainty guaranteed under Article 5/b of Law No. 111/2018, referring to the general provisions of the Civil Code and to the special law No. 8510, dated 15.07.1999, *"On Non-Contractual Liability of State Administration Bodies", as amended,* we consider that a more concrete provision should be included in Law No. 111/2018 regarding damages caused by cadastral activities and the procedures for their compensation.	(1) We would recommend that a more specific and detailed provision be included in Law No. 111/2018 regarding the determination of damages suffered by individuals as a result of cadastral activities and their compensation.

(2) According to Article 29 of Law No. 111/2018, any request for cadastral services must be processed within 15 days, and in any case no later than 21 calendar days. Article 64 provides that a delay in response constitutes an administrative violation, and the responsible employee may be fined. However, although the Law No. 111/2018 provides for sanctions against the employee in case of delay, it does not establish, nor is there a practical mechanism, to ensure that the service is actually delivered within the maximum 21-day period, nor does it specify how the requesting party may, in practice, expedite the service in the event of such delays.	(2) We would suggest that the Law provides for the establishment of a Monitoring Committee to oversee requests and ensure compliance with the response deadlines, as well as the creation of an interactive platform within the SCA administration to manage all complaints from applicants, since, in practice, such mechanisms are currently not available to requesting parties.
(3) Article 56 of Law No. 111/2018 regulates the registration of the mortgage rights over the immovable property, providing that such mortgage shall be registered as a lean for any owner. This provision is in line with the nature of the mortgage as one of the *in-rem* means for securing an obligation, and which is connected to the immovable property regardless of the owner. This leaves open the possibility to transfer the ownership of the immovable property, together with the mortgage right exiting. However, this impression is contradicted by the provision of paragraph 4, of Article 56, Law No. 111/2018, which provides that, "*during the term of the mortgage, no contract for the transfer of ownership to third parties shall be registered*". This provision unreasonably restricts the right of the owner to transfer the immovable property with a mortgage registered over it, hence, impeding the possibility for such immovable property to enter the civil circulation in the economy. Furthermore, this provision is in contradiction with the legal nature of the mortgage provided in the Civil Code as a means for securing an obligation, which is registered over the immovable property and follows it, regardless of the changing of ownership, but does not limit the right of the owner to transfer the ownership of the immovable property.	(3) We would recommend removing the provision of Article 56, paragraph 4, of the Law No. 111/2018, in order for the registration of the mortgage to not interfere with the transfer of ownership of the immovable property, as provided in the Civil Code.

VII

Corporate Law

The current Corporate Law governing business organizations in Albania (i.e. Law no. 9901 "On Entrepreneurs and Commercial Companies") entered into force on 21.05.2008. This law remains the principal piece of legislation regulating the status of traders and commercial companies, including the establishment, governance, rights and obligations of founders/partners/shareholders, reorganization and liquidation of companies.

It is modelled on commercial legislation found in Germany, Italy and Great Britain. It constitutes the main body of legislation for business organizations aiming to approximate the Albanian legislation with the legislation of other European countries and the acquis Communautaire.

Since its entry into force, Law No. 9901/2008 has been amended several times to update its provisions and align certain aspects with European Union standards and business practice. The most significant amendments to date were introduced through:

- Law No. 10475 (27 October 2011), which revised certain provisions of the law; and
- Law No. 129/2014 (2 October 2014), which introduced wider amendments to align with EU directives and improve regulatory clarity.

Despite its earlier revisions, Law No. 9901 has not been comprehensively overhauled since 2014, and it continues to serve as the core governance framework for corporate entities in Albania.

In 2025, the Albanian authorities have actively pursued further reform of the corporate legal framework. A draft law on amendments and additions to Law No. 9901 was prepared and consulted publicly during 2025, aiming to modernize company law including provisions related to online registration procedures, enhanced controls on administrators, and protections for creditors and capital though at the time of writing these changes are still under parliamentary consideration and have not yet been adopted into force. While Law No. 9901 introduced a more flexible and regulated structure for business entities and brought significant improvements compared to the prior legal regime, its practical implementation and coherence with evolving corporate needs continues to drive calls for further regulatory development and modernization.

Some aspects, which inter alia would be recommended for further amendments and improvements to bring the Corporate Law closer to European standards are mirrored below. In addition to the issues addressed in the previous editions, which have not been given solutions so far, we have included one more recommendation.

SPECIFIC ISSUE	RECOMMENDATIONS
(1) Article 14, paragraph 2. Article 14 states general principles of the Corporate Law. Paragraph 2 of this article sets out the principle of equal treatment of shareholders of the company. Taking into consideration the case of joint-stock companies, where the shares may be either preferred shares or ordinary shares, shareholders may belong to different categories. Therefore, shareholders of different categories shall be treated differently, and shareholders of the same category shall be treated equally in compliance with the EU definition on equal treatment.	(1) We suggest amending this provision, by better elaborating the principle of equal treatment with regard to different categories of shareholders.
(2) Article 92, paragraph 2, article 124, article 195 etc. These and other provisions of the Corporate Law set time limits expressed in days. However, they do not specify whether the days should be counted as calendar days or business days, leading to confusions and /or delays in meeting important deadlines that may cause the loss of rights, such as: notification of the minority shareholders on the decision of the General Assembly (GA) about initiation of a claim to the court against the decision(s) of the administrator(s), otherwise minority shareholders shall proceed to raise the claim themselves; payment of contributions to the share capital of the company, otherwise shareholders lose the right to participate in the GA; making present the claims of creditors of the company to the liquidator of a company in liquidation process within the time limit, otherwise creditors lose their rights.	(2) We suggest filling the loopholes by defining if the time limits are expressed in calendar or business days, in order to avoid any potential inconvenience.
(3) Article 95, paragraph 2; Article 156, paragraph 2; Article 158, paragraph 2; Article 167, paragraph 3. In such provisions are set out restrictions to the appointment of administrators, members of the board of directors and members of the supervisory board. The restriction contained in letter (a) of article 156, paragraph 2, expressly	(3) We suggest to explicitly state in the law if such restrictions apply to companies, regardless of their place of registration.

refers to companies registered in the Republic of Albania, whilst restrictions under letter (b) and (c) of the mentioned article, as well as those indicated under article 95, paragraph 2, paragraph 2 of article 158 and paragraph 3 of article 167, do not provide for such reference. This might lead to the conclusion that such restrictions apply to companies or group of companies worldwide (regardless the place of registration).	
(4) Article 118, paragraph 2 and article 119, paragraph 5. According to article 118, paragraph 2 "in case private or public offering, the issuing of shares should follow the procedures set out in the law on securities". According to article 119, paragraph 5, provisions of the Corporate Law on the share ledger kept by the joint stock companies do not exclude obligation of the latter to register the shares in accordance with the provisions of the law on securities. In our opinion, application of the procedure for the issuance and registration of securities as per the provisions of law no. 9879, dated 21.02.2008 "On Securities", also in case of private offering turns to be an administrative and/or economic burden for the companies and results in a prolonged procedure of issuance and registration of shares, regardless of their number or purpose (private or public offering). To be noted that Law on Securities regulates transactions of dematerialized securities, whilst the shares issued as per provisions of the Corporate Law are classified as materialized (this is confirmed also by article 150 of the Law on Securities).	(4) We suggest application of provisions of Law on Securities to joint-stock companies with public offering and non-applicability of such provisions to the ones with private offering.
(5) Article 194. Article 194 requires registration with the National Business Centre (NBC) of the information about the liquidator of the company. In practice, this registration is carried out as an application, which as required by the Law on NRC is confirmed by a written confirmation. On the other hand, article 195 of the Corporate	(5) We suggest the amendment of the NCB Law to grant uniformity, practicality and certainty to the subjects that shall carry out a registration and/or publication by providing a written confirmation not only for applications, but for any document that is required to be deposited and/or published.

Law provides that the liquidator shall, inter alia, publish to the website of the NBC two consequent notifications for the creditors on the fact that the company is undergoing the liquidation process. What seems impractical is the publication process. The current procedure requires the liquidator to physically submit to the counter of the NBC the notification documents, without taking any written confirmation of performing the filing. Instead, the liquidator must check online on the NCB's website if the publication has been made. Even though the data of the liquidator are registered, and the notification is published, both these processes consist in submitting documents to the NBC and in both cases, should be given a written confirmation in order to guarantee the liquidator that the filing has been properly performed and to ensure consistency among the legal provisions.	
(6) TITLE V (i.e. Articles et seq.) of the Law, provides a detailed description of all cases and the procedures for the capital increase for Joint Stock Companies. Unfortunately, there are no specific detailed provisions provided for limited liability companies, regarding the capital increase.	(6) We suggest adding a chapter with provisions for capital increase specifically for Limited Liability Companies, same as it has been done for the Joint Stock Companies.
(7) There is a gap in law regarding branches of foreign companies and how their legal representative is held responsible in Albania. The only relevant provision remains article 9 of the Corporate Law, under which, branches are considered places of business and have the same legal personality as the company. Without a clear definition of the branch's legal representative responsibility under Albanian law and no case law, the latter is often vested with responsibilities of an administrator of an Albanian company.	(7) We suggest adding a section on the treatment of branches of foreign offices, with clear definition on the responsibilities under Albanian law of the legal representative of a branch of a foreign company.
(8) Article 207 of the Law on Entrepreneurs and Companies establishes two key concepts: the control group and the equity group. Under paragraph (1) of Article 207, a control group is identified when a company consistently	(8) There are two principal ways available to address and resolve the identified inconsistency within the current legal framework.

acts in accordance with the directions and instructions of another company. Paragraph (2) of Article 207 defines an equity group as existing when, based on its capital interest or an agreement, a company has the authority to appoint at least 30% of the members of the board of administration, supervisory board, or administrators of another company, or possesses at least 30% of the voting rights at the general meeting. In such cases, the first company is considered the parent, and the latter its subsidiary. Articles 208 and 209 enumerate the respective legal implications for control groups and equity groups, which are distinct from one another. The definition of a control group provided in paragraph (1) of Article 207 lacks specificity. It does not clarify which directions and instructions, when regularly followed by a company, are sufficient to establish the existence of a control group. This ambiguity raises concerns that mere ownership of all or a majority of shares or stock in a limited liability or joint-stock company might be interpreted as creating a control group. The rationale is that majority shareholders can appoint management and supervisory bodies, leading these entities to act under their instructions. Such an interpretation—possible due to the vague wording of paragraph (1), Article 207—may result in the application of the legal consequences set forth in Article 208, intended only for control groups. Notably, these include obligations to cover financial losses of the controlled entity (Art. 208.1) and to provide guarantees for its creditors (Art. 208.3). This outcome undermines the application of Articles 68 and 105, which establish the principle of limited liability for shareholders and stockholders in limited liability and joint-stock companies. Limited liability is fundamental to these corporate forms and may be disregarded only in circumstances specified by Article 16, reflecting the established doctrine of "piercing the corporate veil.	*(a)* The first approach entails the complete repeal of paragraph (1) of article 207, which is the primary source of the present ambiguity. Should paragraph (1) of article 207 be repealed, article 208 would consequently become redundant and obsolete, thereby necessitating its removal from the law as well. This solution would eliminate the source of confusion by eliminating the problematic provisions in their entirety, thus restoring clarity to the legal text. *(b)* Alternatively, the second solution involves undertaking targeted amendments to both paragraph (1) of article 207 and article 208. Such amendments would be designed to clarify the intended scope and application of these provisions, thereby resolving the current uncertainty without resorting to outright repeal. In this context, the proposed amendments draw inspiration from analogous sections of the German Stock Corporation Act (Aktiengesetz), which have addressed similar issues with precision and clarity. By adopting comparable legislative language and structure, the amended provisions would ensure greater legal certainty and coherence, aligning domestic law with established best practices in corporate governance.

VIII

Concessions and PPPs Law

Concessions and Public-Private Partnerships (PPPs) in Albania are currently governed by Law no. 125/2013, dated 25.04.2013, "On Concessions and Public Private Partnership", as amended (the "Concessions & PPPs Law"), most recently amended by Law no. 28/2024, dated 04.04.2024. The legal framework is complemented by Decision of the Council of Ministers no. 575, dated 10.07.2013, "On Approval of Rules and Evaluation of the Granting of Concessions/Public-Private Partnerships", as amended (the "DCM 575").

This law replaced Law no. 9663/2006 and has evolved through several amendments (2014, 2015, 2019, and 2024) to expand its scope, reinforce fiscal and procedural safeguards, and clarify institutional roles.

In December 2025, the Albanian Parliament approved Law no. 88/2025, dated 12.12.2025, "On Concessions and Public-Private Partnerships" (the "New Concessions & PPPs Law"), which has been partially aligned with Directive 2014/23/EU on the award of concession contracts.

The New Concessions & PPPs Law will enter into force nine (9) months after its publication in the Official Journal; however, the provision enabling the adoption of implementing by-laws (Article 77(1)) will enter into force 15 days after publication, allowing the Council of Ministers to start issuing the necessary secondary legislation during the transition period.

Upon its entry into force, the New Concessions & PPPs Law will repeal the currently in force Concessions and PPP Law, while existing secondary acts will remain applicable until replaced by new implementing acts. Some of the key provisions of the New Concessions and PPP Law are listed in the following paragraphs.

The law provides for a broader scope for concessions/PPPs, expressly including, inter alia, science and education, prisons and judicial infrastructure, industrial parks, and IT and database infrastructure.

The Ministry responsible for finance gains an enhanced gatekeeping role, including ex ante review/approval of feasibility studies (and subsequent changes/transfers) based on budgetary and public-debt implications, and prior review of concession/PPP contracts before signature. Feasibility studies must also reflect key evaluation elements, explicitly including value-for-money indicators.

The law also codifies EU acquis concepts on operational risk, requiring the contracting authority to structure the concession so the concessionaire bears genuine operational risk, including demand and/or supply risk, rather than merely receiving a guaranteed return.

The law establishes a dedicated budget-funded institution under the minister responsible for the economy to oversee and regulate concessions/PPPs (currently ATRAKO), including standard-setting and supervision aligned with European standards.

It also establishes an electronic concessions/PPP registry covering all concession/PPP contracts, created and maintained by the responsible institution, with detailed rules to be approved by the Council of Ministers.

The law restricts certain confidentiality claims by economic operators and explicitly prohibits classifying the offer price/price list and certain other core elements as confidential.

The law requires a permanent Contract Implementation Unit within the contracting authority to manage and supervise contract performance throughout the contract lifecycle, including performance monitoring and risk management.

Economic operators may challenge unlawful decisions before the Public Procurement Commission, with subsequent judicial review.

Similarly to the current framework, the law introduces detailed rules on allowed contract amendments (including a quantitative ceiling for certain change scenarios) and provides for control over transfers and SPV ownership/management changes, including prior approval involving the Ministry responsible for finance.

The law includes transitional rules under which: (i) procedures initiated before the law's entry into force remain outside its scope, (ii) pre-existing concession contracts generally remain governed by the prior regime, subject to specific exceptions (including the registry and contract-follow-up/monitoring provisions), and (iii) amendments to contracts signed before entry into force are subject to the New Concessions & PPPs Law provisions.

In light of the above, several recommendations from the White Book 2017–2021 and the 2021–2025 editions remain relevant, particularly those linked to the quality and enforceability of implementing acts, transparency in practice, and the effectiveness of monitoring and remedies. The following table presents a consolidated overview of identified issues and legal recommendations for improving the PPP and concession framework in Albania.

SPECIFIC ISSUE	RECOMMENDATIONS
(1) Change of ownership of SPV Article 32, point 3 of the Concessions & PPPs Lawprovides that changes in the ownership or the management of the Special Purpose Vehicle (SPV) are subject to the approval of the contracting authority and the Ministry of Finance, unless such changes are due to trading of shares in a regulated capital market. Such provision is vague and fails to specifically address the procedure that shall be followed in this case, as well as the criteria that will be applied by the contracting authorities in granting the approval for the change of ownership/management of the SPV. It may be interpreted that article 32, point 3, provides for a formal approval from the contracting authority, where the latter will not make any detailed evaluation of the capacities of the new (private) shareholders of the SPV, taking into consideration that the concession contract was awarded after evaluating the technical and economic criteria of the initial shareholders. In practice, the transfer of shares of SPV(s) has resulted in the involvement of new	(1) The New Concessions and PPPs Law addresses this issue primarily through Article 57. Article 57(1) allows transfer of the concession/PPP contract only with prior written consent of the contracting authority and only where the transferee meets the qualification criteria set out in the tender documents (subject to a narrow exception where such criteria are no longer necessary because the relevant contractual obligations have already been performed). Article 57(2) further requires that the transfer does not compromise the quality or continuity of contract implementation and, where the concessionaire/private partner is an SPV, subjects any change of ownership or management resulting from capital/share transfers to prior approval by both the contracting authority and the Ministry responsible for finance (except for regular trading of shares on a regulated capital market). In addition, Article 57(3), read together with Article 11(2), strengthens the Ministry of Finance's fiscal gatekeeping role for transfers. These improvements should be complemented by sub-legal acts that specify the approval procedures, review timelines, required documentation (including beneficial ownership and capacity evidence),

shareholders, the capacities of which may not always be sufficient to implement the concession contract, albeit the duty and obligations primarily rely on the SPV itself. The above-mentioned issue is not addressed by Decision of the Council of Ministers no. 575, dated 10.07.2013 "On the approval of the rules for the evaluation and granting of concessions/ public private partnerships", as amended.	and the criteria/methodology to be applied by the contracting authority and the Ministry responsible for finance.
(2) Symbolic price (EUR 1) concessions Under article 4, point 3 of the Concessions & PPPs Law, it is provided that in special cases the Council of Ministers may offer concessions to economic operators, local or international, against the symbolic price of EUR 1.	(2) Symbolic price (EUR 1) concessions The New Concessions & PPPs Law does not retain an equivalent provision to Article 4(3) of the current law. This may be considered as a positive step toward EU acquis alignment and legal certainty.
(3) Usage of public assets Under article 27, point 6 of the Concessions/ PPPs Law, the Concession/PPP agreement shall also regulate, in accordance with the tender documentation, the award decision and the selected bid, all matters that are related to ownership of immovable property and other property that is subject of the concession/ PPP agreement, and ownership of immovable property and other property that emerges based on the concession/PPP agreement, for its duration as well as after its termination. As a matter of other relevant laws such as Law no. 8743, dated 22.02.2001 "On immovable state properties" as amended, and Law no. 8744, dated 22.02.2001 "On the transfer of state public properties to local government authorities", it may be that the administration rights over the state-owned property planned to be granted under a concession/PPP, are not clearly established and transferred to the relevant contracting authority before the concession agreement is entered into (often they are under the administration of another central or local agency). In many cases, the legal status and administration rights of state-owned properties are not easily and	(3) Usage of public assets The New Concessions & PPPs Law strengthens the framework on the use of assets by: (i) requiring the resolution of any "property relations" affecting third-party assets, state-owned immovable property or public goods, so that such issues do not hinder project implementation during the contracted period (Article 61); and (ii) clarifying the default ownership regime for assets constructed under a concession/PPP, which vests ownership in the contracting authority unless the contract provides otherwise, while obliging the contracting authority to set out the applicable ownership conditions in the tender documents (Article 62). The law also requires the concessionaire/private partner, upon termination, to hand over the constructed assets under the contract's terms (Article 62/3), and to address ownership conditions and required quality standards as part of the feasibility study analysis and tender documentation (Article 62/4). Notwithstanding these improvements, secondary acts and standard tender documentation remain necessary to properly implement these rules, including on timing, documentation requirements, and the treatment of complex property arrangements.

fully addressed even after the concession agreement is signed, i.e. even where the state-owned property matters are set to be completed as a condition precedent under the concession agreement. This creates substantial ambiguity for the investors and could hinder any financing as well.	
(4) Stabilization clause (Article 41) Article 41 aims at giving some space to investors to mitigate the financial burden encountered in case of adverse legal changes. Often in contractual arrangements the scope of the stabilization clause is limited to changes of law that are discriminatory to the specific investor or otherwise go beyond those changes that are necessary in light of Albania's EU commitments.	(4) The New Concessions & PPPs Law retains the stabilization clause, but it also introduces additional safeguards by: (i) limiting the clause to cases where the financial consequences are clearly and precisely described; (ii) requiring that the stabilization commitment expires with the concession/PPP contract; (iii) requiring that the nature of the relevant legislation is described; and (iv) making the stabilization commitment subject to prior approval by a Council of Ministers' decision, with the types and nature of such commitments to be further specified by a Council of Ministers' decision (Article 65). In light of these safeguards, it is recommended that the secondary legislation and standard tender documentation further elaborate the eligible legislative changes covered by stabilization, in order to ensure predictability and a level playing field.
(5) Governing law of the concession contract [Article 27 (1) and (2)] The current Law imposes Albanian law as the law governing the concession contract. Often foreign investors are not comfortable with Albanian law governing the contract, because compared to other laws such as English law, Swiss Law etc., it is not fully elaborate on certain contractual matters, and often suffers lack of proper/uniform jurisprudence.	(5) The New Concessions & PPPs Law maintains Albanian law as the governing law of the concession/PPP contract (Article 75/1). However, (i) it expressly allows the concessionaire/private partner, its shareholders and other business partners to choose the governing law for their business relationships (e.g., shareholders' agreements, JV arrangements, financing documentation) (Article 75/2); and (ii) it permits the parties to agree dispute resolution mechanisms including international arbitration for disputes between the contracting authority and the concessionaire/private partner (Article 75/3). In light of this approach, the recommendation is to ensure, through secondary acts and/

	or standard contract documentation—that (a) concession/PPP contracts with foreign investors systematically include a clear and bankable dispute resolution framework (including international arbitration where appropriate), and (b) the tender documentation explicitly recognizes and facilitates the use of foreign governing law for project-finance instruments and corporate arrangements surrounding the SPV (within the boundaries of mandatory Albanian public law).
(6) Step in rights and direct agreements The current Law on Concessions/PPPs, differently from the old regime, does not clearly address the step-in rights in the context of direct agreements. It generally provides for the possibility that the contracting authority, along with the contract, concludes additional and/or tie-in contracts and/or agreements, in which case the contracting authority shall notify beforehand the MFE. Additional and/or tie-in contracts and/or agreements are particularly those concluded to secure the financing required for the contract performance [Art. 27(4)]. In Article 40, it also provides for the assignment of rights under the agreement by way of security subject to the prior approval of the contracting authority. This, in our view does not mean that step-in rights and direct agreements are not allowed under Albanian law. However, it means that the contracting authority has the right, but not the obligation to commit to such clauses, when so required by the private investor. In practice and in the course of negotiations of specific contracts we have encountered the reluctance of the contracting authority to commit under a step-in right clause, whilst we believe this should not be the case at least for major projects that depend on financing from IFIs. The contracting authority should accept such a clause if proposed by the investor.	(6)The New Concessions & PPPs Law preserves the general ability to conclude ancillary/ connected agreements supporting contract performance and financing, and it continues to allow the creation of security over contractual rights subject to the contracting authority's prior approval. However, it still does not expressly codify a lender "step-in" regime (i.e., a statutory right for financiers to cure defaults and/or substitute the operator through a direct agreement). Accordingly, to promote legal certainty and align the framework with international project-finance practice, it is recommended that the implementing legislation and standard tender/contract documentation introduce an explicit and bankable direct agreement/step-in framework, including a clear obligation for the contracting authority to enter into direct agreements where reasonably required by financiers.

IX

Renewable Energy Law

The Albanian energy market has undergone a deep transformation. The institutional and regulatory framework for energy and in general the energy market in Albania are reflective of the policy progress achieved over the last decades. Albania is part of the Athens Memorandum and the Energy Community Treaty ("**EnC Treaty**") and strives to comply with the targets to join Pan-European Energy Market set there in order to establish a liquid spot power market, enhancing the utilization of public and private resources based on best international practices, where the foreign investors can rely upon. The market has undergone considerable liberalization and indeed the re-structuring of the State-owned electricity enterprises has enhanced its technical, economic and corporate performance and allowed further opening of the market.

Albania's regulatory framework for renewable energy has undergone significant reform especially with the entry into force of the New RES Law, which replaces the previous 2017 law. The New RES Law aligns with Directive (EU) 2018/2001 (RED II) and introduces a comprehensive, EU-consistent framework for the promotion, integration, and monitoring of renewable energy in Albania.

This legislation provides the legal foundation for the development of a diverse mix of renewable energy sources, including wind, solar, biomass, and geothermal, moving beyond Albania's historical reliance on hydropower. It sets out procedures for the licensing, construction, and operation of renewable energy generation capacities. It also mandates a gradual shift toward competitive procedures in the allocation of state support.

The Law No. 43/2015 "On Power Sector", as amended (Power Sector Law) establishes the legal basis for renewable energy producers to participate in the market, guaranteeing priority access, while also imposing balancing responsibility, as a core principle enshrined in the Power Sector Law. These provisions are aligned with EU acquis and are further detailed in secondary legislation and regulatory acts issued by ERE.

In 2024, Albania made notable progress in electricity market liberalization. Following the operationalization of the day-ahead market in April 2023 and its market coupling with Kosovo in January 2024, the intra-day market officially became operational on 12 December 2024, as indicated in the ERE's Board Decision No. 266 dated 10.12.2024.

As previously mentioned, despite these advancements, full transposition of the Electricity Integration Package (EIP) remains pending. The Energy Community Secretariat, in its latest implementation report (2024) has emphasized that these gaps must be addressed urgently to ensure compliance and investment attractiveness.

ERE continues to modernize its regulatory instruments, with priorities outlined in its Strategic Objectives 2024–2026, which include enhancing consumer participation, strengthening oversight of grid operators, and adapting regulatory frameworks to support decentralized and flexible energy systems. However, challenges persist with regard to permitting and grid connection processes for renewable energy projects.

Recently, the Ministry of Infrastructure and Energy has published for consultation a new draft law "On some amendments to the Power Sector Law". The draft law introduces significant amendments to Law no. 43/2015 "On the Power Sector" with the primary aim of aligning Albania's energy legislation with the EU Clean Energy Package (CEP). This alignment is part of Albania's commitments under the Energy Community Treaty and the Stabilization and Association Agreement. The changes are designed to support the integration of renewable energy sources, promote market competition, and ensure system flexibility and security of supply.

A key area addressed by the draft law is energy storage, which is formally recognized as a distinct activity within the power sector. The proposed amendments introduce a specific licensing regime for the operation of energy storage facilities and define related terms, rights, and obligations. Energy storage is framed as a necessary component to manage the growing share of variable renewable generation (such as solar and wind), by enabling load shifting, frequency regulation, and reserve capacity.

Furthermore, the amendments include provisions for developing detailed secondary legislation to regulate storage operation, access, and market participation, including its role in balancing services and capacity mechanisms.

Overall, the draft law treats energy storage as a strategic enabler of system flexibility rather than merely a technical add-on, setting the groundwork for its integration into Albania's future electricity market. The public consultation process on the draft has been concluded on 29.07.2025. The draft law is now being discussed between the Ministry and relevant stakeholders, however, no official/final version of the draft has been published as of November 2025.

SPECIFIC ISSUES	RECOMMENDATIONS
(1) **Support schemes** Albania has been transitioning from a feed-in tariff (FiT) support model to competitive mechanisms since the adoption of the 2017 Law on Renewable Energy. This shift was further consolidated and formalized under Law no. 24/2023, which fully establishes the use of Contracts for Difference (CfD) as the primary support scheme for new renewable energy projects. Under this model, producers selected through competitive auctions receive a variable premium equal to the difference between a guaranteed strike price and the market reference price. The necessary implementing acts, including DCM no. 695/2024 (governing auctions and support measures) and DCM no. 696/2024 (establishing the Renewable Energy Operator) have been adopted. However, the CfD scheme is not yet fully operational, limiting investor ability to assess the commercial implications of the scheme and delays market uptake.	(1) With the legal framework in place and the Albanian Power Exchange (ALPEX) now operating both day-ahead and intra-day markets, the government should focus on the practical implementation of the competitive support mechanisms envisaged by Law no. 24/2023, including Contracts for Difference (CfD) and Contracts for Premium (CfP). Given the scale and long-term nature of renewable energy investments, it is critical that MIE, ERE, and other stakeholders maintain structured dialogue with investors and sector representatives during this phase, ensuring that the transition to market-based support is predictable and transparent.
(2) AKBN tariffs and competencies DCM no. 506, dated 01.08.2024 (DCM no.506/2024), introduces mandatory	(2) The imposition of monitoring and approval fees by AKBN under DCM no. 506/2024, particularly for concession projects that already comply with regular reporting obligations to the

monitoring and approval fees imposed by the National Agency of Natural Resources (AKBN), including for long-standing renewable energy producers operating under concession contracts who already fulfil periodic reporting obligations to the Ministry of Infrastructure and Energy. The scope of these new charges, such as the introduction of an "annual monitoring certificate", imposes costs on producers for services they have neither requested nor contractually agreed to. This raises concerns about the legal basis and proportionality of such fees, particularly in the absence of clearly defined services or added value.

In addition, there is a lack of legal and administrative clarity regarding the scope and legal effect of AKBN's technical appraisals (oponenca teknike). While DCM no. 822/2015 identifies AKBN's appraisal as a prerequisite for project approval by the Ministry and the Council of Ministers, there is no indication, either in legislation or administrative practice to date, that this appraisal can substitute the civil engineering technical assessment required by the territorial planning and development legislation. The existence of two parallel procedures, governed by separate legal regimes, creates a risk of overlapping and regulatory uncertainty.

Moreover, although DCM no. 506/2024 defines AKBN's mandate in the fields of mining, hydrocarbons, and energy, it remains ambiguous whether this mandate extends to the review of project designs from a civil and structural engineering perspective, which is a mandatory element of the construction permitting process under Albania's territorial planning legislation. The absence of legal clarification or established inter-institutional coordination mechanisms has led to inconsistencies in practice and the potential for delays and duplicative procedures in project development.

Ministry of Infrastructure and Energy, has raised serious concerns among investors, producers and representatives of the sector regarding contractual freedom, proportionality, and legal certainty. Monitoring obligations that arise from concession contracts or sector-specific legislation should not give rise to additional financial burdens unless such services are expressly requested by producers, contractually foreseen, or grounded in a clear legal mandate. It is therefore recommended that DCM no. 506/2024 be revised to eliminate charges for services not explicitly requested or contractually owed, and to ensure that any fee corresponds to a defined, identifiable service aligned with the legal framework on tariffs and public fees.

Furthermore, clarification should be made on the legal status and scope of the technical appraisal (oponenca teknike) issued by AKBN.

This legal and institutional ambiguity is further compounded by the fact that CMD no. 506/2024 defines AKBN's expertise in terms of mining, hydrocarbon, and energy project oversight, without clarifying whether this extends to the structural and design review competencies required for issuing a construction permit.

As a result, renewable energy developers face a material risk of duplication, delay, or contradiction in permitting procedures. To prevent such outcomes, it is essential that the roles and responsibilities of AKBN be clearly delineated and harmonized within a unified permitting framework that ensures procedural clarity and legal coherence across the energy and territorial planning legislation.

(3) Governing law of the project development agreement The current law does not regulate the matter of the law governing the project development agreement. Often foreign investors are not comfortable with Albanian law governing the contract, because compared to other laws such as English law, Swiss Law etc., it is not fully elaborate on certain contractual matters, and it often suffers lack of proper/uniform jurisprudence.	(3) It is recommended that at least where foreign investors are involved, there should be sufficient room for the parties to negotiate and choose a governing law that is different from Albanian law. This is without prejudice to the law applicable to the administrative matters such as tax, issuance of licenses and permits or other mandatory provisions of Albanian law which apply in any case.
(4) Documentation regarding long-term relation on the property used for the construction of the generating capacity The DCM no. 695/2024 provides in Chapter IV, paragraph 6.ç.ii) that *"the offerors must present at the moment of application the legal documentation, compliant with the provisions of the Civil Code, that proves the long-term relation on land/property that will be used for the construction and the operation of the generating source".*	(4) We suggest to adjust this obligation of the bidding phase considering the liabilities it can cause to the potential investors in case of non-success of the bid.

X

Mining Law

The current Mining Law governing the mining sector in Albania, Law No. 10 304 "On the Mining Sector in the Republic of Albania", entered into force on 15 July 2010. This law was designed to regulate mining activities within the country and draws inspiration from the mining legislation of European countries. Its primary objective is to ensure sustainable mining practices while promoting economic development in the mining sector.

While the law establishes a comprehensive framework for mining operations—covering aspects such as licensing, environmental protection, development, and resource management—its implementation has revealed several challenges that require attention. Despite improvements in the legal framework, challenges remain in ensuring transparency in the utilization of financial guarantees, addressing environmental concerns, and fostering effective communication between regulatory authorities, local communities, and permit holders.

In terms of the administration of the law, the current framework has clearly defined violations and penalties. However, there is a need to strengthen the law in terms of accountability, transparency, and the responsibilities of competent authorities. Additionally, the separation of responsibilities between setting up the regulatory/legal framework and its implementation is crucial, as it eliminates any potential conflict of interest that may arise if the same institution both drafts and enforces legislation.

The issues that need to be addressed from both a regulatory and administrative standpoint are as below:

SPECIFIC ISSUE	RECOMMENDATIONS
(1) Article 8, paragraph 4, deals with the action program for the implementation of the mining strategy. According to this article, this program is drafted by the ministry after consultation with the ministries responsible and is approved by the Council of Ministers upon the proposal of the minister.	(1) Given that the responsible structures propose the mining areas for the action program, we recommend substituting the word "ministry" with "responsible structures".
(2) The term "qualified technical personnel" is used in Article 13, point 14; Article 18, point 1 (f); Article 20, point 1 (dh); and Article 25, point f of the Law, yet it remains undefined.	(2) To avoid any ambiguity, we recommend providing a clear definition for the term "qualified technical personnel".
(3) Article 17/1 in paragraph 3 stipulates that the mining permit holder and the subcontractor are jointly responsible for implementing the conditions and technical security rules for the mining area. These responsibilities are to be defined in the agreement between the parties. However, the law does not specify how this	(3) We recommend that the law explicitly delineates which violations are the responsibility of the mining permit holder and which falls under the responsibility of the subcontractor. This would ensure greater clarity and accountability in the event of non-compliance.

responsibility is to be allocated between the permit holder and subcontractor. While the agreement may outline the parties' respective duties, the law does not address how to proceed if a violation occurs and responsibility is not clearly assigned in the contract. In such cases, the question arises as to which party will be held accountable before the responsible authorities.	
(4) The assessment of the financial guarantee value for environmental rehabilitation, as outlined in Article 31, is conducted at the time of permit issuance and paid annually. Over the course of the mining operations, both the environmental impact and the associated rehabilitation costs increase. Consequently, at the conclusion of the mining permit, the actual cost of rehabilitation is likely to exceed the initial estimate made at the time of permit issuance.	(4) To prevent this situation, we recommend that the law stipulate that the assessment of the financial guarantee for environmental rehabilitation be reviewed at the expiration of the permit. At that time, a final assessment of the environmental impact should be conducted. If the rehabilitation costs are found to be higher than initially estimated, the mining permit holder should be required to pay the additional amount to the responsible authority.
(5) The holder of a mining permit is entitled to a legal mining easement over the property within the permitted mining area. Upon the permit holder's request, the parties are required to enter into a contract within 30 days to regulate their relationship. Should the parties fail to conclude this agreement within the specified timeframe, Article 34, paragraph 4, mandates that the dispute be resolved through the courts.	(5) Initiating legal proceedings in Albanian courts would likely result in a protracted process. Given the nature of mining activities, where permits have defined validity periods and require renewal, this provision poses practical challenges. Therefore, we recommend revising this approach to introduce more efficient mechanisms for dispute resolution prior to resorting to litigation. One potential solution could be the establishment of a dedicated commission to address and negotiate issues of this nature.
(6) According to Article 36, point 21, the holder of a mining permit is required to cease mining activities upon the discovery of any cultural, monetary, historical, or natural heritage within the permitted area. However, the law does not clarify the consequences for the mining permit when such a discovery is closely linked to the permit area. Specifically, if the permit is revoked,	(6) The absence of such a provision creates uncertainty for the holder of the mining permit. We recommend that the law explicitly outlines the procedure in such cases, including the consequences for the validity of the permit, compensation in the event of revocation, and the treatment of any payments already made.

the law does not address the disposition of the financial guarantees already paid by the permit holder.	
(7) Article 46 of the law addresses the suspension of the mining permit but does not specify the duration of the suspension period. Paragraph 2 stipulates that the suspension is accompanied by a cessation of duties to rectify the identified violations, provided these violations are verified by the responsible authorities within 10 days from the correction deadline. If this deadline is not met, the violations are deemed corrected, allowing the entity to resume operations. However, given the potential environmental impact of violations in mining activities, this provision is insufficient. The mining permit holder must be obligated to fully address and correct any violations identified.	(7) For the provision to be effective, the suspension of the permit must be subject to a specific time limit, with a minimum duration of 6 months. The responsible authorities should assess the necessary suspension period based on the nature of the violation, but it should not be shorter than 6 months. We propose removing the sentence, "*When this deadline is not respected, the violations are considered corrected, and the entity may resume work*" as compliance with deadlines by the responsible authorities should not be optional but mandatory. Given the high environmental impact of mining activities, ensuring timely corrective actions is critical to protecting the environment.
(8) The Mining Law lacks clear provisions regarding the prior consultation and informed consent of local communities before the issuance of mining permits. While environmental impact assessments may involve some level of public participation, the law does not establish an independent or structured process for meaningful community engagement.	(8) The Mining Law should be amended to mandate a formal, transparent, and well-documented consultation process with affected communities prior to the issuance of exploration or exploitation permits. This would align with principles of good governance and contribute to the prevention of future social conflicts.
(9) Despite the existing legal framework, illegal mining continues to be a significant issue in Albania. While the inspection and monitoring process by the responsible authorities is crucial, numerous challenges persist in practice, as entities holding mining permits frequently exceed the scope of their rights.	(9) Strengthen enforcement measures by equipping the relevant authorities with additional resources, specialized training, and enhanced authority to take prompt and effective action against illegal mining activities.

XI

Bankruptcy Law

The Bankruptcy Law no.110/2016 has brought some novel concepts, but, above all, it has enabled the inclusion into a single law of several new provisions and also of some interpretations, the latter based on and created by the to date court practice related to the previous bankruptcy law.

Among the most important concepts of the Bankruptcy Law, to be mentioned are the provisions related to extra-judicial agreements for the restructuring of debt for commercial entities, dedicated provisions for administrative violations, making reorganization of some public entities or local government units possible subject to the bankruptcy law, the involvement of the prosecutor in the insolvency process.

Among some of the interpretations and practices created by the court practice related to the previous bankruptcy law, it is worthy to mention the followings: the use of court experts before the opening of the insolvency proceeding, provisions relating to the National Insolvency Agency, clarification of the possibility for the bankruptcy of a natural person (individual) and of some other subjects, clarification for secured creditors regarding the enforcement of security out of insolvency proceedings, insolvency proceedings over hereditary property and joint marriage property.

Regarding the legal provisions that still have the potential to create problems in the daily practice, there are to be mentioned the issues related to availability of funds to support the cases where the debtor does not have sufficient assets to cover the costs of the insolvency proceeding and indefinite suspension of the process until the funds are made available, the protection over the insolvency estate until the opening of the insolvency proceedings if these are not opened within the legal timeframes, securing of the shareholders' personal property until it is confirmed that there were no misconduct, abuse, etc., which led to the state of insolvency, the priority ranking of bankruptcy claims provided in the Bankruptcy Law in comparison to the ranking provided in the Civil Code and according to some conventions to which Albania is a party to, the lack of expressed alternative for the sale of the debtor, the unclear role of the National Insolvency Agency in court insolvency proceedings, some unconstrained decision-making rights of the administrator which can apply without having the confirmation of the creditors meeting, the simultaneous repayment of the creditors belonging to the same ranking of preference, etc.

Additionally, the Bankruptcy Law itself and the procedures therein are affected by other pieces of legislation, which in this edition of the White Book are presented in the below table. Such laws contain requirements which might create burdens for the operation of bankruptcy proceedings. For instance, the general bankruptcy rules envisaged by the Bankruptcy law and their interrelation with main pieces of legislation such as the Companies Law, Civil Code, Civil Procedures Code, Tax legislation, Securing Charges law etc., should be given further attention. On the other hand, laws that constitute exceptions from the general bankruptcy regime, must be also harmonized with the bankruptcy law. Usually, such exceptions apply to entities of the banking industry and the non-banking financial markets.

SPECIFIC ISSUE	RECOMMENDATIONS
(1) Regarding the legal provisions that have the potential to create problems in the daily practice, may include the issues related to the need for availability of funds to support the cases where the debtor does not have sufficient assets to cover the costs of the insolvency proceeding and indefinite suspension of the process until the funds are made available, the protection over the insolvency estate until the opening of the insolvency proceedings, if these are not opened within the legal timeframes, securing of the shareholders' personal property until it is confirmed that there were no misconduct, abuse, etc., which led to the state of insolvency, the priority ranking of bankruptcy claims provided in the new Bankruptcy Law if compared to the relevant ranking provided in Civil Code and according to some conventions to which Albania is a party to, the lack of expressed alternative for the sale of the debtor, the unclear role of the National Insolvency Agency in court insolvency proceedings, some unconstrained decision-making rights of the administrator which can apply without having the confirmation of the creditors meeting, the simultaneous repayment of the creditors belonging to the same ranking of preference, etc.	(1) Some of these problems can and will be tested by the relevant court practice, which should aim to create good and sustainable court precedents to bring effective benefits to the interested subjects. Alternatively, Bankruptcy Law could be amended in order to address such issues.
Practical Aspects	**Practical Aspects**
(1) Number of bankruptcy court cases is very limited.	(1) Increase business awareness on benefits from the bankruptcy proceedings, and increase awareness of creditors on their relevant rights.
(2) There is only a limited number of bankruptcy administrators who are licensed to act as such.	(2) Increase number of bankruptcy administrators, strengthening of their professional capacities through the organization of continuous training and workshops for the licensed bankruptcy administrators.

Harmonization of Bankruptcy Law with other laws	**Necessary Legal interventions**
There is a gap between the law on payment systems and the Bankruptcy Law, precisely concerning the involvement or not of financial collateral in the bankruptcy mass. As indicated by articles 26, letter "a" and Article 28, paragraph 1 of the payment systems law, financial collateral agreements constitute an exemption from the normal bankruptcy procedures in terms of enforcement and execution of the collateral. However, such exemption is not explicitly foreseen by the LoB, by thus creating a legal inconsistency between two very important pieces of legislation.	Further alignment is needed between the Bankruptcy law and the law on payment systems to ensure the applicability of the exceptions of financial collateral agreements (close-out netting provisions) from the bankruptcy procedures. In such a context an additional article can be added to the Bankruptcy law, potentially article 74/1 that states: *Notwithstanding the opening of insolvency proceeding, Close-out" netting provisions contained in financial collateral agreements and/or pledged financial collateral shall be valid and enforceable, and shall take immediate effect, without prior notice or approval of any court, or action from any other public entity or officer, in accordance with provisions of the legislation in force on payment systems.*
Whilst it is clear that the spirit of the Bankruptcy law is to allow also the bankruptcy of individuals, the clerical error with the dual usage of two different terms (individuals and natural persons, if read in Albanian language), for the natural persons in the LoB seems to put some unnecessary doubts if not read in harmony with subsequent articles of the LoB, since individuals according to the LoB can be indeed declared bankrupt.	To accommodate a more comprehensive wording that would clarify the distinction among the concepts of individuals and natural persons, Paragraph 6 of article 3 of the Bankruptcy law can be amended to include also the word individual, so that uniform reading of the same term is made through the law. As already mentioned, we do not believe that is necessary, but anyways suggested it to avoid any possible wrongful interpretation.
There is a literal error, in point 4 of article 7 of the Albanian version of the Bankruptcy law which stipulates that, bankruptcy perdures of the exempted institutions are regulated in a specific law. This cannot be the case as different areas of law and activities are carried out by the exempted institutions.	We suggest that the first sentence of point 4 of article 7 must read as follows: *This law does not apply to insurance companies, banks, pension funds, investment funds securities and other institutions that collect deposits from the public or other institutions financial, for which the bankruptcy procedure is regulated in their special laws.*
An intervention in the definitions of the Bankruptcy Law is also necessary to define some terms that are used throughout the law, but do not have an appropriate meaning in the definition. For instance, article 125 uses the term "extraordinary administration" without properly explaining what this means.	The definitions article must be updated to include undefined terms throughout the law.

XII

Hydrocarbons Law and New Dcm

As stated in the previous edition of the White Book, Law No. 7746 dated 28.07.1993 "On Hydrocarbons (Research and Production) (hereinafter referred to as "Hydrocarbon Law") has been amended in 2017. Below are mentioned some areas for improvement.

SPECIFIC ISSUES	RECOMMENDATIONS
(1) There is a lack of transparency in the application procedures for licenses/acquiring PSAs in the oil sector. There is a lack of clear qualification criteria, details and timings on the application procedures resulting in a certain lack of legal certainty especially where there is more than one applicant for the same block.	(1) Licensing regulations should be re-drafted to offer much more detailed and transparent qualifications criteria. Even if not introducing competitive tender procedures, applicants should know what their position is where there is more than one applicant for the same block.
(2) The applicability and subsequent enforceability of hydrocarbon agreements have proven to be a contentious matter in practice. While acknowledging their widespread practical application, the Hydrocarbon Law creates ambiguity at establishing the priority of application for hydrocarbon agreements, when the latter are assessed in light of, or interact with, other laws such as the PFL. This is also a consequence of the interpretative leeway provided by the wording of some provisions in such laws. While stability clauses are recognized, the uncertainty surrounding the applicability of hydrocarbon agreements where such clauses are contained, in light of the latter's potential interaction with other laws predominantly pertaining to taxation, constitutes a barrier to incentivization of investors and thus defeats the purpose of having a hydrocarbon agreement in the first place. In other words, agreements lose their practical, and thus economical, value if their enforcement is not only unwarranted, but could potentially be, wholly or partially, up for interpretation.	(2) In order to address the identified issues pertaining to the enforceability of hydrocarbon agreements, and consequently of the stability clauses pertained therein, the formulation of a new provision within Article 5 of the Hydrocarbon Law is recommended. As such, the provision could read as follows: *"A legally and duly enacted hydrocarbon agreement and amendments thereto must be adhered to and applied in its entirety, irrespective of the date of its entry into force.".*
(3) The article 13/1 of the Law provides in paragraph 2 that the *"Scientific Institute of Hydrocarbons is an advisory body as regards all scientific issues in the petroleum area, being in charge of performing researches, analysis, consultancies and opponency, monitoring, on behalf of state bodies and institutions, throughout the execution of petroleum operations of exploration and production in the territory of Albania, and to the sectors of processing, transport, storage and trading of petroleum products".*	(3) We suggest the opponency role of the Institute not to be used during the application of the Petroleum Agreements, such as to challenge the right of the Contractor to perform the petroleum operations in line with the Good International Petroleum Industry Practices.

(4) The article 13/2 of the Law provides for the role of the State Agency responsible for Petroleum (currently AKBN). In paragraph 2 it is provided that the *"Agency shall cooperate with the Scientific Institute of Hydrocarbons as regards all the scientific issues in the petroleum area, and in respect of studies, opponency, consultancy and technical assistance".*	(4) We suggest giving to the determinations of this Agency while monitoring the application of the Petroleum Agreements a binding effect towards other Governmental Agencies such as Tax Authorities etc. For the paragraph 2 we suggest that the opponency role of the Scientific Institute and State Agency to be considered during the negotiation phase of the Petroleum Agreements and not during their application.
(5) The article 13/4 of the Law provides that the *"Activity of exploration and production of petroleum shall be carried out by experts holding professional license for research/design and implementation activities for the exploration and production of oil and gas. This provision shall not apply to foreign experts, exercising activities for a period not exceeding 12 months as of the date of foreign expert entry in the territory of Albania".*	(5) This provision may cause significant challenges to the application of the HR policies of the Contractors to the Petroleum Agreements, in particular regarding the employment of foreign experts. There is a lack of highly skilled petroleum professionals in the local market, hence the need to hire international experts. The industry practice is to circulate highly skilled experts from one location to another depending on the performance Petroleum Operations. Such professionals cannot receive a license in every location they work.
(6) The law does not address a situation where operators of different sectors (example: oil and mining sector) both have a valid license/right to operate on the same territory for a different material/mineral. A license/right to operate under the Hydrocarbon law is of an exclusive nature. A license of an exclusive nature can be granted to applicants operating in another non-competing sector. When both these operations can be conducted simultaneously and do not hinder each other, there is no mechanism or an obligation for a relationship between them. This creates the ambiguity on how operations shall be conducted, with one of the licenses usually revoked/suspended.	(6) The Hydrocarbon Law may provide a section/ chapter to determine that holders of a license for hydrocarbons operations can conduct activity in the same territory, simultaneously, with holders of other types of licenses, through an agreement between them. Main clauses or principles of the agreement can be defined by the Hydrocarbon Law. Other countries' legislations can serve as best practice.

XIII

Fiscal Regime on HYdrocarbons in Albania

As a pivotal contributing factor to the overall development of the economy of a country, large-scale investments cater for a specialized regulatory and incentivizing framework. These investments, mainly from foreign sources, usually have a well-established positive effect in value, job and subsequent income generation for the targeted countries. Axiomatically, investors require for strong and properly drafted legal frameworks, which, to the furthest extent possible, alleviate investment barriers and uphold the security and certainty of investors.

The oil and gas industry is a particularly sensitive sector due to high capital costs and prolonged timeframes for return on investment. Consequently, oil and gas investors are particularly keen on strong and well-drafted regulatory frameworks which permit for a smoother, and ultimately beneficial, endeavor on their end. Oil and gas constitute some of the most valuable natural resources of a country, and as such, they present a substantive potential for generating considerable revenues, both for states and investors.

Unsurprisingly, the situation is not different for Albania. The hydrocarbon sector is a considerable contributor to the Albanian economy. As such, implementation of regulatory frameworks on this sector has been a pressing issue at the forefront of the Government's agenda. This is especially true in relation to the fiscal regime surrounding hydrocarbon operations in Albania, regulated by Law No. 153/2020 'On the Fiscal Regime in the Petroleum Sector' (hereinafter referred to as "PFL") and its bylaws. Certain provisions of the latter however can lead to an unclear interplay between the PFL on one hand, and the Income Taxation Law (hereinafter referred to as "ITL") or VAT Law on the other. Usually, these inconsistencies occur as a result of term vagueness or interpretative leeway provided by certain provisions of the PFL. These inconsistencies can in turn prove to be detrimental to the efficient conduct of business in the gas and petroleum industry, since they can lead to legal uncertainty or even to possible double taxation of certain items of income.

Considering the inherent difficulties of the business, as well as its importance for both the State and investors, amelioration of the issues in the fiscal treatment of hydrocarbon operations should be an important objective of the Government. Accordingly, this document will list some of the main identified issues regarding the fiscal treatment of hydrocarbon operations in Albania, as well as our proposed solutions to tackle these identified issues.

SPECIFIC ISSUES	RECOMMENDATIONS
Scope of application of the PFL, as to include subcontractors in the fiscal treatment reserved for operators of hydrocarbon rights. (1) Article 2 of the PFL aims at, inter alia, eliminating the possibility for abuse in relation to the tax treatment of certain supplies performed in relation to hydrocarbon operations, by extending the scope of application of the law, and subsequently of the envisaged tax rate, to subcontractors who fulfill one of the conditions contained in this Article. These conditions include:	(1)The issues identified in this regard are of particular importance to the Albanian Government, as they either are observations which can directly influence the willingness of investors to enter into PSCs, or technicalities which undermine the overall purpose of the Article. While anti-abuse provisions are welcome in this scenario, balancing their scope of applicability is an important exercise for

- Treating the subcontractor as an operator, if the subcontractor is a related party according to the definition provided in a the ITL.

- If the subcontractor is an operator of hydrocarbon operations and performs essential activities, which occur when the contribution of the subcontractor amounts to 25% or more of the expenses for the hydrocarbon operation.

- If the main purpose behind the agreement with the subcontractor is the avoidance from the subcontractor of the tax rate imposed by the PFL, in favor of the move favorable rate envisaged in the ITL.

The wording of this Article has proven to be more comprehensive and inclusive than necessary for ensuring anti-abuse measures. It practically entails that a number of subcontractors ought to be taxed at the 50% tax rate, hence leading to increased costs for the operator/contractor, which would then ultimately lead to a decreased interest for investing in the hydrocarbon sector in Albania, thus decreasing the overall revenue generated by the Government.

This measure is particularly burdensome during the exploration phase, when the eventual production and sale of hydrocarbons and therefore the application of the 50% tax rate on the eventual profits of the operator/ contractor is still uncertain, and as such, the risk of any intentional tax avoidance through the engagement of subcontractors is clearly remote (even if they perform activities that are essential to exploration operations).

With regards to the second condition provided in Article 2 of the PFL, it is unclear based on the PFL and its by-laws whether:

Option 1 - The petroleum fiscal regime on a subcontractor is to be applied only in the years in which the cumulative subcontractor's ensuring the neutrality of the legal instrument. As it currently stands, this provision of the PFL may be detrimental to the potential profitability of the Albanian Government.

Hence, in this regard, reframing the scope of application of the PFL is advisable, as to limit the applicability of the PFL regime to subcontractors who fulfill all the criteria mentioned in the provision cumulatively, as well as to exclude its applicability during the hydrocarbons exploration phase.

On the second condition ("the subcontractor is an operator"), it would be also important to be explicit on the condition that the subcontractor needs to be an operator and as such with the relevant approval from the regulatory authority.

We recommend that the period of applicability of the petroleum fiscal regime by the qualifying subcontractors, be clearly specified in the Law or implementing bylaws, as to avoid potential, purposive or not, misinterpretation.

Finally, in order to avoid unintended misinterpretations, but also to ensure the ultimate goal of the Government is achieved and building on the legal certainty for investors, it is also recommended that the bylaws implementing Article 2 of the PFL specify which articles or sections of the Law (in addition to the tax rate) will be applicable to related parties and subcontractors meeting the criteria set out in said article.

invoices exceed 25% of the cumulative petroleum costs of the operator/contractor, regardless of the fiscal regime applicable on the previous or subsequent year(s) depending on the respective ratios, or Option 2 - The petroleum fiscal regime on a subcontractor is to be applied in all years up to and including the year in which the cumulative subcontractor's invoices exceed 25% of the cumulative petroleum costs of the operator/ contractor, in which case a self-correction or reassessment by tax authorities of the profit tax calculated and paid in previous years may be necessary. Finally, the extent of application of the petroleum fiscal regime on qualifying subcontractors is unclear as the PFL does not specify which parts of the Law will be applicable. As an example, it is unclear whether the subcontractor is required to deduct expenses and tax losses brought forward by up to 85% of the income in accordance with Article 9 of the PFL, which would lead the subcontractor to obligatorily pay 50% petroleum profit tax on not less than 15% of its annual income (regardless if annual expenses and tax losses brought forward exceed the annual income). (2) *Obligation to apply PSCs and their interplay with the PFL.* Article 17 of the PFL purports to establish the priority in application of the provisions of the Law, as compared to the provisions of a PSC entered into force after the entry into force of the PFL. However, the wording of certain parts of the Article can provide interpretative leeway regarding the obligation to take into consideration the provisions of PSCs entered into force before the PFL. Hence, while the	(2) Uncertainty related to the fiscal treatment of pre-existing PSCs in the light of the newly enacted PFL is a pressing issue which needs to be addressed. A clearly delineated interplay between the provisions of the PSC and taxation laws must be achieved for ensuring legal certainty and security for hydrocarbon investors. Accordingly, it is advisable to specify that the adherence to provisions of pre-existing PSCs, which are more favorable for the operator/ operators, is <u>mandatory</u> for Tax Authorities when dealing with the fiscal treatment of items of income subjected to the provisions of such

priority of the PFL over PSCs entered into force after the Law is clear, the priority of pre-existing PSCs is not clearly promulgated. More specifically, this Article stipulates that for petroleum agreements, or their respective amendments entered into force before the PFL, the Tax Authority shall merely take into consideration the contents of these agreements before applying the appropriate fiscal treatment to taxable events. This can undoubtedly lead to legal uncertainty for operators who have been conducting their hydrocarbon activities on agreements long before the PFL was enacted. Additionally, as it stands the current wording of the Article it is unclear whether future amendments to existing effective petroleum agreements, not related to fiscal terms, may cause the application of the Law to the entirety of the petroleum agreements. In addition, Article 18.2 of the PFL incorporates a rule according to which the protection of a fiscal stability clause cease to apply 12 years after the first commercial production under the petroleum agreement. Despite the fact that Article 18.1 of the PFL specifically refers to petroleum agreements concluded after the entry in force of the Law, paragraph 2 is not explicit on this. It may result obvious that the intention of Article 18.2 is to limit the benefit of fiscal stability clauses just of petroleum agreements concluded after the Law; this interpretation would be in line with the last amendment of the Hydrocarbon Law which explicitly honored the unlimited stability clause for petroleum agreements effective prior to the entry in force of said law; however, we believe that by making this explicit also in the PFL it would help in avoiding unintended misinterpretations. (3) **Petroleum profit tax declaration** The PFL provides special rules for the computation of petroleum profit tax for each separate petroleum operation. However, it	PSCs. It is important to ensure that agreements entered into before the entry into force of the Law are to take precedence over the latter in case of conflict of norms, in the same manner in which the Law takes precedence over agreements entered into after the entry into force of the Law. Similarly, it is suggested that it is specified that petroleum agreements which are concluded prior to the effective date of the PFL which are amended thereafter take also precedence provided that the amendment does not affect the fiscal terms of the relevant agreement. In addition, it would be also advisable that it is explicitly stated the unlimited duration of the stability protection for petroleum agreements concluded prior to the Law. (3) We recommend the implementation of an industry-specific profit tax declaration providing for:

indicates that the reporting of such computation should be included in the general corporate income tax declaration ("CIT declaration") as per the General Income Tax Law. As a result, a petroleum contractor/operator needs to fit into the general CIT declaration the specific figures for each of its petroleum operations, in a consolidated manner, together with the figures of any non-petroleum operations that the contractor/operator might be performing simultaneously. This is clearly a non-appropriate solution considering the limitations of the CIT declaration to properly present the specific items underlying the petroleum profit tax computation as well as to separate: - the figures pertaining to each petroleum operation which, based on ring-fencing rules, are taxable separately, each at the industry specific rate of 50%, - as well as the figures of any eventual non-petroleum operation that the contractor/operator may be performing, which are taxable at the general rate of 15% as per the General Income Tax Law.	- the implementation of the ring-fencing rule whereby each separate petroleum operation is taxed separately (by not consolidating income and deductions for tax purposes across different petroleum operations undertaken by the same contractor/operator); - the proper presentation of the items included in the petroleum profit tax computation such as total available petroleum for cost recovery, shares of Albpetrol/AKBN if any, minimum revenue immediately subject to taxation without any deductions (if any), recoverable costs carried forward from previous periods, recoverable costs for the year (capital and operative), additional costs allowed for deduction based on PSC (if any), recoverable costs to carry forward, hydrocarbon profit, any tax mitigation measure based on PSC, etc.

XIV Law on Invoice and Turnover Monitoring System (Fiscalisation Law)

In 2019, Albanian Parliament approved the Law No. 87/2019 dated 18.12.2019 on Invoice and Turnover Monitoring system, aiming the digitalization of the invoicing process of taxpayers operating in Albania. The scope of the Law on Fiscalisation is to set out the principles, rules, criteria, obligations, timelines and procedures to be followed by taxpayers regarding the issuance and fiscalisation of invoices as well as declaration of sales and purchases ledgers.

The law started to apply from 1 January 2021 for transactions made between businesses and government (B2G transactions) and from 1 July 2021 for cashless transactions between Business to Business (B2B). The Law was fully implemented on 1 September 2021 when the last category concerning cash transactions between B2B and business to customers (B2C), was reported under the new rules.

Currently in the market operate 53 certified software providers that offer invoicing software solutions for invoice issuance in accordance with the legal provisions in force. Compared to the time when the law was adopted, there is noted significant progress in the fiscalisation process, however there are still some obstacles which trigger attention for further improvement:

- Digitalization of the invoicing process is still associated with high costs which are not refunded or subsidized by the government and no further incentives are introduced.
- The Central Invoicing Platform is not accessible by the taxpayers for invoicing purposes (except for some limited categories). Inability to access the platform for invoicing purposes, for at least a temporary period after the registration of the newly registered companies, requires the mandatory purchase of new software. In many cases the invoicing solution is not integrated with accounting ones and alignment of both systems requires time and is associated with high costs for the companies. Therefore, giving the opportunity to use the Central Invoicing Platform at least the first months after registration may facilitate the operations of new established entities.
- Taxpayers have difficulties finding a long-term invoicing solution as the testing process of new invoicing software may not be given as a trial version by software providers. The arrangements with software providers should be agreed on a case-by-case basis and results to be time-consuming for both taxpayers and software providers.
- Despite the large number of software solution providers, not all of them offer the full range of functionalities required by the fiscalisation legislation. For example, many do not provide the voucher functionality, even though it is mandated by law. This increases both the burden and the cost for taxpayers, who must search for a provider that adequately meets their business needs. In other cases, it has been observed in practice that different software solutions have implemented different and inconsistent fiscalisation solutions in their software.
- The Central Invoicing Platform is continuously developed by the Albanian tax authorities in cooperation with Information Security authorities in Albania, and generally no official notifications are made public for taxpayers using such invoicing solutions.
- The legal provisions introduced in the Law on Invoice and Turnover Monitoring system in some cases supersede or substitute provisions which should have been integrated in the VAT Law and its

implementing provisions (such as single/multipurpose vouchers, invoicing of fiscal representatives, moment of issuance of the invoice for prepayments, situations for which correcting invoices are issued etc.).

- The Central Invoicing platform (Self-Care) manual or instructions provided are not comprehensive and updated. In addition, the terminology used in these manuals is different from the terminology used in the Fiscalisation Law or VAT Law giving raise to confusion to users of platform or requiring additional adoptions of invoicing software in the future.

- Even though at the beginning the tax authorities have undertaken a number of training sessions for the taxpayers divided on their category of business, they are still unable to explain and provide practical solutions on issues or troubleshooting faced in invoicing processes.

- During the implementation of the Fiscalisation Law, the tax authorities made available the Help Desk platform, through which taxpayers could report any issues identified with the system's functionality and receive a response within 24 hours on working days. Currently, this platform is no longer operational, and taxpayers seeking information regarding problems encountered with the Central Invoicing Platform must address the Taxpayers Service Office at the tax authorities, where solutions are often lacking.

- Part of the daily activities in relation to purchases, fiscalisation of imports etc., are not integrated into certified software, thus, companies should simultaneously use the Central Invoicing Platform and the software on daily basis, consequently increasing the possibility for human mistakes in reporting and sometime doubling the work done.

- In some cases it is noted that the customs import declarations are not visible in the selfcare platform and this creates issues in fiscalisation of imports as required by the law. This issue is mainly faced by the companies having a high number of imports and further actions are required for solving the issue, either by contacting the authorities or making manual changes of the purchase ledgers of the month the import is made.

- The Central Invoicing Platform can be accessed with the credentials used for accessing the other governmental portal for electronic services **www.e-albania.al**. This is a potential risk for breaching the security of the personal data of the employees of the company and/or other confidential information privileged for the company.

- The level of the penalties imposed is high considering the complexity of the practical implementation of the law and its sub-legal acts. In addition, penalties are provided for a large variety of violations, such that the same situation can be classified simultaneously under two to three different violations. It is unclear whether multiple penalties can be imposed for the same situation.

- Based on communications with the tax authorities it results that they do not have the same view of the selfcare platform as seen by the taxpayers. In addition, they are not able to download the invoices reported by the taxpayers. This creates an additional burden for the taxpayers during tax audits where the invoices need to be provided in hard copy or electronic format even if such documents have already been submitted with the tax authorities.

- Taxpayers with a high volume of purchase and sale transactions are not able to download these transactions in Excel format. Consequently, the taxpayer must wait until the information is transferred to e-Filing in order to perform the necessary review. However, in the case of purchases, at that stage it is too late to reject invoices that should have been rejected, resulting in manual adjustments to the purchase ledger and discrepancies with the Central Invoicing Platform.

- Invoices issued by entities that provide utility services (electricity, water, etc.) are automatically accepted by the system and the taxpayer has no possibility of rejecting such invoices, regardless of whether they contain errors. The same applies for cash invoices which might have errors not noted in the first moment by the buyer or cash invoices issued by mistake in the name of another taxpayer not involved in the transaction. Another issue encountered in the Central Invoicing Platform is the acceptance/rejection of credit notes. Taxpayers that might have accepted/rejected the original invoice are not able to reject the corresponding credit note, regardless if the credit note has errors or is subject to a dispute between parties. This results in incorrect reporting on the platform and forces the taxpayer to manually amend the purchase ledger.

- A major flaw of the Central Invoicing Platform concerns the self-invoices issued by Albanian taxpayers who mistakenly insert the NUIS of another Albanian taxpayer in place of the seller. These invoices are then reflected as sale transactions in the Central Invoicing Platform of the incorrectly listed taxpayer, regardless of whether that taxpayer was not involved in the transaction and their NUIS was entered by mistake by the issuing taxpayer. In such cases, the tax authorities have asserted that these sales should be declared by the taxpayer whose NUIS appears on the invoice as seller, despite the fact that the invoices do not represent their actual sales and do not include the corresponding business unit, operator code, or software code of that taxpayer.

XV

Employment Law

Employment in private sector in Albania is mainly governed and regulated by the provisions of the Law no. 7961, dated 12.07.1995 "The Labor Code of the Republic of Albania" as amended (hereinafter referred to as "Labor Code"). The Labor Code has been amended several times over the years, and the last one was amended in July 2024. Notwithstanding the many amendments, other interventions are necessary in light of the EU accession process and as the table below shows.

Within the framework of Albania's EU accession process, Cluster 2 – Internal Market, which encompasses Chapter 19 (Social Policy and Employment), is considered open but at a moderate level of alignment[2]. The European Commission's screening and progress assessments indicate that, while Albania has established a basic legislative framework aligned with EU requirements, further approximation and effective implementation of the EU employment acquis remain a condition for advancing negotiations within this cluster. As a result, Albania is expected, in the short to medium term, to pursue targeted amendments to the Labor Code, the occupational health and safety framework, and sector-specific legislation, accompanied by strengthened enforcement mechanisms, in order to demonstrate credible alignment with EU acquis.

Albanian employment legislation is assessed by the EU as partially aligned with the EU acquis in the areas of working conditions and information and consultation of workers. Albania is also considered partially aligned with the EU acquis on occupational health and safety, including rules on workplaces and exposure to chemical, biological and physical risks.

Across all these areas, along the encouragement to further align the domestic legislation, the EU places strong emphasis on the need to strengthen administrative and institutional capacities, notably employment inspection and enforcement mechanisms.

In addition, we would recommend for the legislator to undertake a major overhaul on the Code and polish it from some provisions that today do not reflect the state of affairs in employment relationships. Examples of the remainders of the past are abundant like the articles dedicated to passages (article 56), skeletons and platforms (article 58), pits of water, reservoirs (article 60) and in general all articles under Chapter VIII (Safety and Protection of Health). In our view, this chapter should be reviewed in its entirety with many articles to be removed. The Labor Code should provide at least under this chapter general rules leaving the details to the sublegal acts (i.e. according to the specific industry or sector they will regulate).

Our recommendations are concentrated on the provisions of the Labor Code. Under this section, we have not addressed matters that employers, consultants, etc., encounter in their everyday operations (practical issues and/or deficiencies in the application of the law provisions). The present section also does not address other laws and sub-legal acts constituting the corpus of the employment legislative acts as we see paramount that first the review of the Labor Code should be made.

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[2] *Conference on Accession to the European Union – Albania, European Union Common Position – Cluster 3: Competitiveness and Inclusive Growth, CONF-ALB 6, AD 6/25, Brussels, 8 May 2025 (LIMITE);*

SPECIFIC ISSUE	RECOMMENDATIONS
(1) The Labor Code under article 37 regulates the 'Disciplinary measures' to be taken towards employees. The mentioned article and the Labor Code though are missing specifics on what are those disciplinary measures. From the reading of the Labor Code, it might be carved out that the written reprimands might constitute a disciplinary measure, but this is all. In this respect, the Labor Code should be amended to include a non-exhaustive range of disciplinary measures. This would constitute a guideline for the employers and will also prevent abusive disciplinary measures on the employees.	(1) The Labor Code should be amended to include a non-exhaustive list of disciplinary measures that might be included in the respective (employment) contracts.
(2) The Labor Code stipulates in several articles (especially under article 97) on the possibility of the Council of Ministers to differently regulate aspects of employment of specific industries such as mining, oil, agriculture, etc. The need for intervention of the Council of Ministers is much required for sectors of industry such as the extractive one (oil & gas, mining), which due to operational and working requirements are hard to be contained within the boundaries set by the Labor Code in terms of working hours day-offs and overtime.	(2) The Council of Ministers should provide for detailed rights and obligations for employment relationship to be performed in the extractive industry (i.e. and other sectors as applicable). The extractive industry should benefit from different daily and weekly working hours (longer ones). Indeed, the longer hours should be balanced with adequate relief measures (rest and/or financial remuneration). Best practices from countries within the EU and US where the extractive industry is very active might be taken as example. Overtime, weekly day-off and shifts are to be regulated differently too. The extractive industry requires more flexible approach for overtime hours performed by its employees (the weekly overtime and the 200 hours per year are too restrictive). Due to their operational needs both the overtime hours per week and in the 200 hours per year should be increased and of course balanced with additional benefits. Again, examples from international best practices can be useful. The extractive industry should be accorded with a different scheme on shifts both in terms of length and payment. As per above, international best practices can be taken into account here.

	The Labor Code sets Sunday mandatory as weekly day-off. Work on Sundays is remunerated with extra salary and/or time-off. For specific industries, Sunday is a normal working day and as consequence, employers are faced with increased financial burden if are to regularly pay extras on top of the salary or provide their employees with additional time-off. It is necessary to regulate this aspect by at least giving to specific industries the necessary room for maneuver, that might be having a flexible weekly day-off.
(3) With the amendments of 2015 to the Labor Code, the legislator amended also article 144 (paragraph 3) by introducing the obligation of the employer to indicate in the written notice on the termination of the contract the reasons for termination (performance, behavior of the employee or operational needs of the enterprise). The amended article 144 (paragraph 3) has been taken further as the legislator has established that failure to provide the termination grounds (one of the three) will be treated as termination of employment with no grounds under article 146. Consequently, termination of the employment contract is considered invalid, and the employer who caused the termination of the contract is obliged to pay to the employee damages that may amount up to one year of salary, payment which is added to the salary that the employee must receive during the notice period. The above is a restrictive approach that also conflicts with other provisions of the Labor Code. It is a restrictive approach as the employer is bound to fire employees only for those reasons. It conflicts with other provisions of the Labor Code and especially with article 153. Based on article 153 of the Labor Code, each of the parties to the employment contract	(3) Amendment to article 144 of the Labor Code should include deletion of the specific grounds of termination being those performance, behavior and operational needs of the enterprise.

may immediately terminate at any time the relationship for justified causes, which do not allow the continuation of the employment on a good faith basis. Based on the aforementioned article are considered justified causes, the severe breach of contractual provisions by the employee or in case of repeated minor breaches of contractual obligations by the same in spite of warnings delivered by the employer. The repeated minor breaches of contractual obligations might well fall under the categories of performance or behavior grounds for termination of article 144 of the Labor Code. Under these circumstances, the employer faces quite a challenge as he/she has to choose between the two types of termination procedures. Failure has dire consequences for the employer as he/she might be liable to pay damages that may amount up to one year of salary. As such, it is recommended to amend at least article 144 of the Labor Code.	
(4) Article 149, paragraph 3 of the Labor Code regulating the termination of the limited duration employment contracts, stipulates that in case of termination of the contract before the term, the procedure set forth under article 144 of the Labor Code should be followed by the employer. First of all, limited duration employment contracts cannot be terminated before the term set forth in the contract, except for cases of immediate termination for justified causes as per article 153 of the Labor Code. From the reading of paragraph 3 of article 149, it is understandable that the said provision regulates the immediate termination of the limited duration employment contracts, given the limited duration employment contract can be terminated before the expiry of its term	(4) The paragraph 3 of the Labor Code should be deleted.

only for justified causes, which do not allow the continuation of the employment on a good faith basis. The procedure required by the said article 149 implies that the employer should he want to terminate the relationship, first he has to invite (notify in writing) the employee to a meeting to discuss his intentions to terminate the employment. At least 72 hours from the delivery of the notice, a meeting must take place in order to discuss about the intention of terminating the employment. In the meeting, the employee presents its counterarguments (if any). Should the employer fail to comply with such procedure of termination, he might be liable to pay to the employee a penalty equal to 2 (two) monthly salaries. The termination procedure results to be too burdensome for the employer, especially if this approach is compared to the unlimited duration employment contract. In fact, for immediate termination of the unlimited employment contract, the legislator with the amendments of the year 2015, abrogated the obligation of the employer to follow the above descripted procedure. Hence, the disparity of treatment in our view should be restored and paragraph 3 of article 149 of the Labor Code should be deleted.	

XVI

Pension Fund Law in Albania

Law no. 76/2023 "On Private Pension Funds": A step toward modernizing the pension system, adopted by the Parliament of Albania in 2023, represents a significant reform aimed at developing the private pension market, with the goal of increasing participation, transparency, and investor protection in this sector.

Context of the Reform

Albania faces demographic and fiscal challenges that require alternative public mechanisms for securing income in old age. The public pension system is overburdened and insufficient to ensure well-being in retirement. Law 76/2023 is a strategic response aimed at promoting voluntary private pensions as a functional third pillar.

➢ **What Does the New Law Introduce?**

- Modernization of the Legal Framework – Establishes clear structures for management companies, custodians, auditors, and supervisory bodies.
- Enhanced Transparency – Requires regular reporting to participants on costs, investments, and performance.
- Investment Flexibility – Enables more efficient and tailored management aligned with participants' long-term needs.
- EU Harmonization – Aligns with PEPP standards and EU capital market directives.

➢ **Potential Benefits for Albania**

- Reduced pressure on the public pension system
- Increase in national long-term savings
- Development of financial markets and institutional investments
- Greater economic security for citizens in the future

➢ **Current Challenges**

- Low participation – Less than 1% of the workforce contributes to a private pension fund.
- Lack of awareness – A large portion of citizens are unaware of the existence of this option.
- Limited financial literacy – Young people and employees do not understand the impact of long-term savings.
- Fragile trust in financial institution

➢ **What Can Public Institutions Do?**

Role of the Government and Institutions:

- Support a nationwide awareness campaign on private pensions
- Encourage employer participation in employee contributions
- Promote partnerships with banks and insurance companies to integrate the product into financial packages
- Ensure strong and reliable oversight to build citizen trust

- **The Need for a National Awareness Campaign**

Objectives:

- Increase participation in private pension funds
- Inform citizens about the real and long-term benefits
- Educate on personal income management and financial planning

Tools:

- Traditional media and social networks
- Activities in schools, universities, municipalities, and public institutions
- Brochures, short videos, and online pension calculators

Key Improvements Introduced by the Law

1. More Comprehensive and Detailed Regulation – The law establishes a clearer framework for the licensing, operation, and supervision of pension funds.

2. Alignment with EU Standards – Reflects the principles of the EU Directive on personal pension products (PEPP) and other EU directives on consumer protection and financial market operations.

3. Greater Transparency for Fund Members – Stronger requirements for informing participants about costs, performance, and investment structure.

4. Expanded Investment Opportunities – Enables more flexible and diversified asset management, allowing for higher long-term returns.

5. Focus on the Individual's Long-Term Interest – Promotes financial stability after retirement through clear rules on the withdrawal and distribution of savings.

In Line with the European Union

This law represents a concrete step toward alignment with the acquis communautaire, particularly with EU legislation on capital markets and the protection of individual investors. The adoption of standards similar to PEPP will support the harmonization of pension schemes between Albania and other European countries, preparing the Albanian market for smoother integration into the EU.

What Is Still Needed?

Although the law provides a strong legal and regulatory foundation, several challenges must be addressed to ensure the full success of this reform:

1. Lack of financial education – Most Albanian citizens are not informed about the importance of private pensions as a complement to the state system.

2. Low market participation – Currently, only a very small percentage of the workforce contributes to a private pension fund.

3. Limited trust in financial institutions – There is a need to strengthen trust through effective supervision and transparent reporting.

Urgent Need: Citizen Awareness Campaign

To realize the full potential of Law 76/2023, it is essential to launch a nationwide awareness campaign that includes:

- Financial education through media, social networks, and digital platforms
- Presentation of real benefits of private pension funds through concrete participant stories
- Training for employers and employees in both public and private sectors
- Partnerships with banks, trade unions, and NGOs to promote pension savings

Conclusions

Law 76/2023 marks an important step toward building an effective and sustainable third pillar of the pension system.

Its success will depend on the commitment of all institutional actors to promotion, education, and implementation.

Now is the time for coordinated action among the public sector, private sector, and citizens to ensure a more secure future.

XVII

Residence and Work Permit Law

Over the past four years, Albania's legal and regulatory framework for the entry, residence, and employment of foreign nationals has undergone significant development, reflecting the country's ongoing commitment to modernization and European integration. The cornerstone of this framework is Law No. 79/2021 "On Foreigners," which entered into force in 2021, replacing the previous Law No. 108/2013. This law, together with its implementing acts—most notably the Council of Ministers' Decision No. 858, dated 29.12.2021—establishes the comprehensive regime for visas, residence permits, and work authorizations for third-country nationals in Albania.

The 2021 law was expressly designed to approximate Albanian migration and labor legislation with the EU acquis, incorporating a wide range of EU directives and best practices. It regulates the conditions for entry, stay, employment, and exit of foreigners, and sets out the rights and obligations of both foreign nationals and their employers. The law introduces a variety of permit types, including the "leje unike" (unique permit) for employment, the "Blue Card AL" for highly qualified workers, permits for digital nomads, investors, seasonal workers, intra-corporate transferees, and other special categories. It also provides for family reunification, long-term resident status etc., while establishing clear procedures for the recognition of professional qualifications and social security coordination.

A key feature of the current system is the digitization of application procedures, primarily through the e-Albania portal, which has improved accessibility, transparency, and efficiency for both applicants and authorities. The system is further supported by detailed secondary legislation that clarifies the criteria, documentation, and processes for each permit category.

SPECIFIC ISSUE	RECOMMENDATIONS
(1) Ambiguity and Fragmentation in Special Category Permits for Short Stays The legal framework provides for a variety of "special category" permits (e.g., for business visitors, researchers, volunteers, au pairs, and others), but there is ongoing ambiguity regarding the necessity of permits for stays under 60 days. The lack of unified, authoritative guidelines leads to inconsistent application by regional authorities, confusion among applicants, and legal uncertainty for employers. This is compounded by the absence of a clear, accessible list of exemptions and their practical implications.	**(1) Issue Comprehensive, Consolidated Guidelines for Special Category and Short-Stay Permits** Develop and publish a unified, authoritative guideline—available in multiple languages—detailing which categories of foreign nationals require permits for stays under 60 days, the specific exemptions that apply, and the practical steps for compliance. Disseminate this guidance to all regional offices and make it easily accessible on the e-Albania portal.

(2) Insufficient Clarity and Standardization in Documentation Requirements While the law and secondary legislation enumerate the general types of documents required for each permit, there is a lack of detailed, standardized guidance on the content, format, and evidentiary value of these documents. Applicants and employers frequently encounter uncertainty regarding what constitutes sufficient proof of accommodation, financial means, or employment. The absence of official templates, checklists, and examples of both acceptable and unacceptable documents results in delays, repeated requests for clarification, and, at times, arbitrary refusals. This issue is particularly acute for documents issued abroad, where apostille and legalization requirements are not uniformly understood or applied.	**(2) Standardize and Publicize Detailed Documentation Requirements** Create and publish detailed, category-specific checklists and templates for all required documents, including clear examples of acceptable and unacceptable documents. Specify the mandatory elements for each type of document (e.g., proof of accommodation, financial means, employment contracts) and provide model forms where possible. Ensure these resources are available online and at all relevant offices.
(3) Duplication and Inefficiency in Application and Renewal Procedures Despite the digitalization efforts via the e-Albania portal, applicants are still required to submit physical copies of documents after uploading them online. This duplication undermines the efficiency gains of digitalization, increases administrative burdens, and creates unnecessary delays. The requirement for physical presence or submission is especially problematic for foreign nationals who may not be in Albania at the time of application or renewal. Furthermore, the renewal process often requires resubmission of original or apostilled documents already provided in previous applications, particularly for family reunification cases.	**(3) Fully Digitize and Streamline Application and Renewal Procedures** Eliminate the requirement for physical submission of documents that have already been uploaded and electronically signed via the e-Albania portal, except in cases where original documents are strictly necessary for security or anti-fraud purposes. Implement secure digital authentication and document verification systems to support this transition. Allow for remote application and renewal, including for applicants who are not physically present in Albania.

(4) Inconsistent Implementation and Communication Across Regional Offices There are persistent reports of inconsistent interpretation and enforcement of the law by regional offices, especially regarding the recognition of foreign documents, apostille requirements, and the acceptance of powers of attorney. The lack of a centralized, multilingual information service (such as a dedicated helpline or email support) exacerbates these inconsistencies, leaving applicants dependent on in-person visits and informal channels for guidance. This results in unpredictability and a lack of legal certainty for both individuals and businesses.	**(4) Establish a Centralized, Multilingual Information and Support Service** Set up a dedicated, well-staffed hotline and email support service for residence and work permit inquiries, capable of providing authoritative guidance in multiple languages. Regularly update FAQs and guidance materials based on common issues and feedback from applicants and businesses. **Ensure Consistent Implementation Through Training and Oversight** Provide regular, mandatory training and updated manuals to all regional and local officials involved in processing residence and work permits. Focus on harmonizing practices, recognizing foreign documents, and applying apostille and legalization requirements consistently. Establish a monitoring mechanism to ensure uniform application of the law and address discrepancies promptly.
(5) Partial Alignment with EU Acquis and Gaps in Practical Implementation While the 2021 law transposes many EU directives (including those on highly qualified workers, intra-corporate transferees, seasonal workers, and family reunification), there remain gaps in both legal alignment and practical implementation. For example, the procedures for long-term resident status, recognition of professional qualifications, and equal treatment in social security and labor rights are not always consistent with EU standards.	**(5) Conduct a Comprehensive Review for Full EU Alignment** Undertake a thorough review of the legal framework and its implementation to identify and address remaining gaps with the EU acquis, particularly regarding long-term resident status, equal treatment, and recognition of professional qualifications. Engage in regular dialogue with EU institutions and peer countries to adopt best practices in permit processing, labor market testing, and integration measures.
(6) Complexity and Rigidity in Renewal and Family Reunification Procedures The renewal process for residence and work permits remains cumbersome, with requirements to resubmit original or apostilled documents that were already provided in previous applications. This is particularly problematic for family reunification cases, where birth and marriage certificates must be repeatedly legalized and submitted, creating unnecessary administrative and financial burdens.	**(6) Simplify and Rationalize Renewal and Family Reunification Procedures** Allow for the reuse of previously submitted and verified documents in renewal applications, requiring only updated information where necessary. For family reunification, accept notarized copies or digital versions of civil status documents and coordinate with foreign authorities to facilitate electronic verification. Reduce the frequency and cost of document legalization and apostille requirements.

(7) Limited Transparency and Predictability in Quota Management The process for setting and communicating annual quotas for foreign employment lacks transparency and predictability. Employers and foreign nationals often receive insufficient advance notice of changes, making workforce planning difficult and potentially deterring investment.	**(7) Increase Transparency and Predictability in Quota Management** Publish annual quota decisions, including the rationale and supporting data, and provide advance notice to employers and applicants regarding any changes. Consider introducing more flexible, responsive quota management mechanisms that can adapt to real-time labor market needs, especially in sectors with seasonal or fluctuating demand.
(8) Insufficient Integration Support and Equal Treatment While the law provides for the integration of foreign nationals, in practice, access to integration support services (such as language training, legal aid, and social services) remains limited. There are also reports of unequal treatment in access to social security, healthcare, and labor rights, particularly for certain categories of permit holders.	**(8) Enhance Integration Support and Ensure Equal Treatment** Expand access to integration support services, including language training, legal aid, and social services, for all categories of permit holders. Ensure equal treatment in access to social security, healthcare, and labor rights, in line with EU standards. Monitor and address any instances of discrimination or unequal treatment.

By implementing these recommendations, Albania can further modernize its residence and work permit system, enhance its attractiveness to foreign talent and investment, and accelerate its alignment with EU standards. This will not only support economic growth and labor market flexibility but also strengthen the country's European integration trajectory and its reputation as a fair, transparent, and welcoming destination for foreign nationals and businesses.

Alignment with EU Directives

Albania's legislative reforms in the field of migration and employment of foreigners have been closely guided by the need to align with the EU acquis Communautaire. Law No. 79/2021 and its implementing acts are explicitly harmonized with a broad spectrum of EU directives, including but not limited to Directive 2011/98/EU; Directive 2014/36/EU, Directive 2014/66/EU, Directive 2009/50/EC, Directive 2003/86/EC, etc.

The Albanian legal framework also incorporates elements of the EU's approach to labor market testing, equal treatment, social security coordination, and anti-discrimination in employment, as well as the digitization of migration management systems.

Despite this substantial progress, the practical implementation of these standards remains a work in progress. Challenges persist in ensuring full and consistent alignment with the letter and spirit of the EU directives, particularly in areas such as the recognition of professional qualifications, the portability of social security rights, the simplification of procedures for long-term residents and family members, and the effective protection of equal treatment and non-discrimination for foreign workers.

As Albania continues its path toward EU accession, the ongoing refinement of its residence and work permit system—both in law and in practice—remains essential. This will not only facilitate the mobility of talent and investment but also strengthen the rule of law, administrative capacity, and the country's attractiveness as a destination for skilled professionals, investors, and their families.

XVIII Cement Industry in Albania (Main Challenges and Concerns)

The domestic cement industry in Albania adds significant local value to the final product, contributes over €50 million annually to Albania's trade revenues, and provides direct employment for more than 800 workers.

The industry suffers a loss of competitiveness resulting from the (i) exceptionally high fiscal burden on solid fuels compared to neighbouring countries and EU Member States as well as due to (ii) the impossibility of importing alternative fuels and alternative raw materials (RDF/SRF/Fly Ash).

1. **Discouraging Fiscal Regime due to existing exceptionally high indirect taxes:**

   - Due to recent changes in 2012 in the laws "On Excise" and "On National Taxes," Albania currently applies indirect taxes on solid fuels at a rate of 5 ALL/kg (2 ALL/kg for excise and 3 ALL/kg for the carbon tax). These taxes translate into a significant burden on its cost structure.

   - Neither the EU nor neighbouring countries (except for a small tax in Kosovo) impose indirect taxes on fuels used in the industry. Energy products and electricity in EU countries are taxed only when used as motor fuels or for heating, but not when used as raw materials/fuels in production processes or for chemical reduction, electrolytic, or metallurgical processes (EU Directive 2003/96/EC, dated October 27, 2003, which restructures the legal framework of the Community for the taxation of energy products and electricity).

2. **Impossibility of importing AF and ARM:**

   - Starting from 2026, the CBAM Directive will impose a tax on cement importers in Europe, expressed in Euros per ton of CO_2 emitted. The primary reason for this tax is environmental discouraging the trade of cement produced with high CO_2 emissions. At the same time, it also aims to protect European cement manufacturers from the price increases that will result from the stringent obligations imposed by Europe on the industry. These obligations require significant investments in decarbonization projects, such as large-scale installations for Carbon Capture Utilization (CCU) and Carbon Capture Storage (CCS).

   - In 2024, there was an ill-conceived attempt in Albania to increase the carbon tax on solid fuels used by the cement industry. This tentative adjustment aimed presumably to align with the International Monetary Fund's recommended minimum emissions tax and to prepare for the European Union's Carbon Border Adjustment Mechanism (CBAM). However, this measure was fundamentally flawed for two key reasons and was postponed to take place starting from July 1st, 2026:

     (i) **Lack of Alternative Fuels and Alternative Raw Materials:** There are no alternative fuels and alternative raw materials (i.e RDF/SRF/Fly Ash- part of the green list of EU waste catalogue) available to replace solid fuels and enable lower carbon emissions. This is true both domestically and through imports, as these alternative fuels are not accessible to the cement industry due to the existing ban of imports of waste in Albania as well as due to lack of sustainable sources locally.

(ii) **Double Carbon Taxation:** Given the lack of alternatives, the cement industry in Albania would simply face a higher carbon tax domestically without any possibility to lower the carbon emissions. Additionally, due to unchanged carbon emissions, it would still be subject to carbon taxation upon export.

CONCLUSIONS AND RECOMMENDATIONS

Under the existing conditions, the competitiveness and export capacity of the Albanian cement industry is severely impacted. As a result, cement produced in Albania is and will become even more expensive while maintaining the same carbon emission levels, making it uncompetitive in European markets. Moreover, any further increase in carbon tax in Albania aimed at discouraging the use of existing solid fuels (such as petroleum coke or coal), without ensuring at the same time the availability of alternative low-carbon fuels (such as RDF, SRF, or fly ash), not only contradicts the spirit of the CBAM Directive and fails to achieve its intended environmental impact but also produces severe negative consequences for the industry and the national economy. Given Albania's goal of increasing exports and further integrating into European markets, such a policy would be counterproductive.

To address the loss of competitiveness, it is mandatory to:

1. Amend Article 3, point 6, and Article 4, point 6, of Law No. 9975, dated July 28, 2008, "On National Taxes" to completely remove the carbon tax of 3 ALL/kg on coal (NCM code 2701) and petroleum coke (NCM codes 2713.11.00 and 2713.12.00).

2. Ensure that the excise tax exemption is granted, as expressly provided by Law No. 61/2012, dated May 24, 2012, "On Excises in the Republic of Albania," Article 10, point 3, letter (ç), for energy products used in mineralogical processes, such as the manufacture of cement, bricks, ceramic tiles, lime, etc., by the Albanian processing industry of non-metallic mineral products.

3. To introduce an exception to the existing ban of import of waste in the Law on Integrated Management of Waste, by allowing importation of alternative fuels and alternative raw materials (RDF/SRF/Fly Ash) to be imported and co-processed in licensed cement plants in accordance with the EU Directive on Shipment of Waste.

XIX

Trademarks Protection

Albania is part of the World Intellectual Property Organization (WIPO) and has signed and transposed in the national law the majority of the international treaties related to the protection of the intellectual property such as the Paris Convention, the Madrid System, the Nice classification etc.

The General Directory of the Intellectual Property (GDIP) is the Albanian authority that is competent for the registration of all objects of intellectual property (including trademarks) and operates as an autonomous agency under the supervision of the minister responsible for the economy.

The Law no. 52/2025 *"On trademarks",* is the new legal text that regulates the effective protection of trademarks in Albania. Although this law fully transposes the EU *Acquis,* the reality shows that the unauthorized use of trademarks is widely spread in country. Such illegal use of trademarks, especially of international well-known marks, causes severe damage reputation to the rightful owners of the marks and potential harm to the consumers of the relevant market.

In our view, the legal process of seeking interruption of the unauthorized use of well-known trademarks and subsequent remediation claims should improve.

Below there are listed some of the main issues business is impacted, along with the given recommendations which for, we believe there is room for improvements.

SPECIFIC ISSUE	RECOMMENDATIONS
The Paris Convention provides in article 6*bis* on *"Well-Known Trademarks"* that: *"(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration,* ***and to prohibit the use****, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use* ***to be well known*** *in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods.."* In that respect the Law no. 52/2025, "*On trademarks"* provides for the protection of well-known trademarks, such as in articles 4.20 and 10.5, whereas: *"The rights recognized to owner of a registered trademark…, are recognized also to the owner of the well-known trademark in the Republic of Albania…".* Whereas, details and criteria on the recognition of well-known trademarks continue to be established with the old Decision of Council of Ministers No. 315/2018 *"On trademarks, as amended"*, in articles 58 et seq. These criteria's will be assessed by the competent authority in Albania (i.e. GDIP).	The effective protection of well-known trademarks appears very problematic to the owners of such trademarks. The Decision of Council of Ministers no. 315/2018 must be repealed and a new Decision of Council of Ministers must be issued in compliance with the new Law no. 52/2025. Such new Decision of Council of Ministers must define clear and exhaustive provisions to fully implement the requirements of the article 6*bis* of the Paris Convention and of the EU *Acquis.* Our suggestion is to issue such new Decision of Council of Ministers providing for clear steps that business can follow for recognizing and prohibiting the unauthorized use of well-known trademarks in Albania. It is suggested the creation of a public database of well-known marks in Albania to give immediate information and awareness to the public and Courts while treating such cases, and to also link it with the enforcement of the consumer protection regulations.

XX

Data Protection Law

The protection of personal data in Albania has entered a new era with the approval of Law No. 124/2024 "On the Protection of Personal Data" (the "New Data Protection Law"), which was promulgated on 15 January 2025 and entered into force 15 days after its publication in the Official Gazette. This law repeals the previous Law No. 9887, dated 10.3.2008, and introduces a comprehensive and modernized framework for the processing of personal data, reflecting the latest developments in data protection at the European level.

The New Data Protection Law aims to safeguard the fundamental rights and freedoms of individuals, particularly the right to the protection of personal data, in line with the Albanian Constitution. It applies to the processing of personal data by both public and private entities, regardless of whether the processing is carried out by automated means or forms part of an archiving system. The law also has extraterritorial effect, applying to controllers and processors outside Albania when they process data of individuals located in Albania in connection with the offering of goods or services or the monitoring of their behavior.

A significant feature of the New Data Protection Law is its full alignment with the European Union's General Data Protection Regulation (Regulation (EU) 2016/679, "GDPR") and Directive (EU) 2016/680 on the processing of personal data by competent authorities for law enforcement purposes. The law incorporates the core principles, rights, and obligations established by the GDPR, including the principles of lawfulness, fairness, transparency, purpose limitation, data minimization, accuracy, storage limitation, integrity, confidentiality, and accountability. It also introduces enhanced requirements for consent, data subject rights, data breach notification, data protection by design and by default, and the appointment of data protection officers.

The law establishes the Commissioner for the Right to Information and Personal Data Protection as the independent supervisory authority, with broad investigative and corrective powers, including the ability to impose significant administrative fines. The law also provides for detailed rules on international data transfers, codes of conduct, certification mechanisms, and sector-specific processing, ensuring a robust and harmonized data protection regime in Albania.

Despite this significant legislative progress, the practical implementation of the New Data Protection Law will require substantial efforts from both the public and private sectors, as well as from the supervisory authority. The transition to the new regime, the need for secondary legislation, and the adaptation of existing practices to the new requirements present a series of challenges that must be addressed to ensure effective data protection and legal certainty for all stakeholders.

SPECIFIC ISSUE	RECOMMENDATIONS
Transitional Challenges and Awareness The New Data Protection Law introduces a comprehensive and complex set of obligations for controllers and processors, many of whom may lack the necessary awareness, resources, or expertise to ensure compliance. The transition from the previous law to the new regime may create uncertainty, particularly regarding the interpretation of new concepts (such as data protection by design, data portability, and the expanded rights of data subjects), the application of administrative fines, and the requirements for international data transfers.	• It is recommended that the Commissioner, in cooperation with relevant stakeholders, launches a broad awareness and training campaign targeting both public and private sector entities. This should include sector-specific guidance, practical toolkits, and regular workshops to facilitate understanding and compliance with the new requirements. • The Commissioner should prioritize the issuance of clear and practical secondary legislation and guidelines, particularly on key areas such as data breach notification, data protection impact assessments, codes of conduct, and certification mechanisms. • A grace period for enforcement, especially regarding administrative fines, should be considered to allow organizations sufficient time to adapt their policies, procedures, and technical measures to the new legal framework.
Data Protection Officer (DPO) Appointment and Capacity The law requires the appointment of a Data Protection Officer (DPO) in a wide range of circumstances, including for public authorities and for private entities whose core activities involve large-scale processing or monitoring. However, there is a limited pool of qualified professionals in Albania with the necessary expertise in data protection law and practice.	• The Commissioner, in collaboration with academic and professional institutions, should support the development of specialized training and certification programs for DPOs, including continuous professional development and the establishment of a national network of DPOs. • Consideration should be given to providing incentives for organizations to invest in DPO training and to facilitate the sharing of best practices among DPOs, especially in sectors with high data protection risks.
Data Subject Rights and Practical Implementation The New Data Protection Law significantly expands the rights of data subjects, including the right to information, access, rectification, erasure ("right to be forgotten"), restriction, portability, objection, and the right not to be subject to automated decision-making. The practical implementation of these rights may be challenging, particularly for small and medium-sized enterprises (SMEs) and public bodies with limited resources or legacy IT systems.	• The Commissioner should develop and publish model procedures and templates for handling data subject requests, including clear timelines and guidance on exemptions and limitations. • Technical and financial support should be considered for SMEs and public bodies to upgrade their systems and processes to enable the effective exercise of data subject rights.

Data Security and Breach Notification The law imposes strict obligations on controllers and processors to implement appropriate technical and organizational measures to ensure data security and to notify the Commissioner and affected data subjects of personal data breaches within tight deadlines. Many organizations may not have adequate incident response plans or may lack clarity on the thresholds for notification.	• The Commissioner should issue detailed guidance on data security standards, breach notification procedures, and risk assessment methodologies, tailored to the size and nature of different organizations. • Regular training and simulation exercises should be promoted to ensure that organizations are prepared to detect, manage, and report data breaches in a timely and effective manner.
International Data Transfers The New Data Protection Law introduces a sophisticated regime for international data transfers, closely mirroring the GDPR, including adequacy decisions, standard contractual clauses, binding corporate rules, and specific derogations. However, there is a lack of practical experience and precedent in Albania regarding the application of these mechanisms, and many organizations may be uncertain about the requirements for lawful cross-border data flows.	• The Commissioner should promptly publish standard contractual clauses and guidance on the use of binding corporate rules. • Practical guidance and model agreements should be made available to assist organizations in navigating the complexities of international data transfers, particularly for multinational groups and service providers.
Harmonization with Sectoral Legislation and Existing Practices The New Data Protection Law requires all public authorities to review and align existing laws, regulations, and sub-legal acts with the new data protection framework within three years. There is a risk of inconsistency or conflict between the new law and sector-specific regulations (e.g., in banking, telecommunications, health, employment, and public administration), which may create legal uncertainty and compliance challenges.	• A coordinated review process should be established, involving the Commissioner, relevant ministries, and sectoral regulators, to identify and address inconsistencies and to ensure harmonization of sectoral legislation with the New Data Protection Law. • Sector-specific codes of conduct and guidelines should be developed to address particularities and to provide clarity for organizations operating in regulated industries.
Enforcement and Sanctions The law grants the Commissioner extensive investigative and corrective powers, including the ability to impose significant administrative fines (up to 4% of annual global turnover for certain violations). There is a need for clear, transparent, and proportionate enforcement practices to ensure legal certainty and to avoid disproportionate burdens, especially for SMEs.	• The Commissioner should prioritize corrective and educational measures over punitive sanctions, particularly during the initial phase of implementation, and should ensure that enforcement actions are transparent and subject to effective judicial review.

Public Sector and Open Data The law seeks to balance the right to data protection with the right of access to public information and the principles of open data. However, public authorities may face challenges in reconciling these objectives, particularly in the context of transparency initiatives and the publication of official documents.	• The Commissioner should provide specific guidance on the interplay between data protection and access to information laws, including criteria for the anonymization or pseudonymization of personal data in public records and open data sets. • Training and awareness-raising activities should be organized for public officials responsible for information management and transparency.

Conclusion

The adoption of the New Data Protection Law marks a major step forward in aligning Albania's data protection regime with European standards and in strengthening the protection of individuals' rights in the digital age. However, the effective implementation of the law will require sustained efforts from all stakeholders, including the supervisory authority, public institutions, private sector organizations, and civil society. The recommendations above are intended to support a smooth transition, to promote legal certainty, and to foster a culture of data protection and accountability in Albania.

XXI Competition Law

The Albanian Competition Authority (ACA) is the competent authority responsible for reviewing transactions, conducting investigations, and enforcing competition rules in the Albanian market.

Competition in Albania is primarily regulated by Law no. 9121, dated 28.07.2003, "On Competition Protection", as amended (the "**Competition Law**"). The Competition Law is broadly aligned with the EU competition acquis and governs anti-competitive agreements, abuse of dominant position, and concentrations that may restrict competition. The wider competition framework also includes ACA regulations and instructions that interpret and operationalize the Competition Law, particularly with respect to investigative procedures. These secondary acts are likewise based on EU models.

Currently, the ACA is preparing several draft by-laws that are under review by experts in the field, with the aim of harmonizing Albania's rules with EU competition regulations. These include:

- Regulation on Block Exemption for Categories of Vertical Agreements and Concerted Practices, which establishes the conditions under which certain vertical agreements between businesses at different levels of the supply chain are exempted from the general prohibition on anti-competitive agreements.
- Instruction on Vertical Restraints, which provides detailed guidance on the interpretation of the Regulation and on how to assess common restrictions (such as resale price maintenance, territorial restrictions, or online sales limitations)
- Regulation on Block Exemption of Specialization Agreements, which sets the conditions under which specialization agreements are exempted from the general prohibition on anti-competitive agreements.
- Regulation on Block Exemption for Research and Development Agreements, which sets out the conditions under which certain cooperation in joint research and development projects is exempted from the general prohibition on anti-competitive agreements, provided that the parties remain within specified market share thresholds.

A notable practical issue under the current framework concerns merger control and the absence of a local nexus i.e., requirement for the effects caused by a transaction in the Albanian market. Under the Competition Law, a concentration must be notified if it results in a merger between undertakings, a change of control, or the creation of a full-function joint venture, provided that the relevant turnover thresholds are met. Currently the applicable legislation does not require an assessment of whether the transaction produces effects on the Albanian market, which in most cases leads to notifications for transactions that have no substantive local impact, especially when referring to foreign-to-foreign transactions.

A concentration requires ACA clearance if, in the financial year preceding the transaction, either of the following two thresholds is met:

- The combined worldwide turnover of all participating undertakings is more than ALL 7 billion and the turnover of at least one participating undertaking in Albania is more than ALL 200 million;
- The combined turnover in Albania of all participating undertakings is more than ALL 400 million and the turnover of at least one undertaking in Albania is more than ALL 200 million

The local nexus currently applied, which requires only minimal local turnover, results in foreign-to-foreign transactions being notifiable even when they produce no effects on the Albanian market.

SPECIFIC ISSUE	RECOMMENDATIONS
Foreign-to-foreign transactions, where none of the parties have significant presence in the Albanian market, must be notified to the ACA and obtain clearance if the transaction results in a durable change of control or the creation of a full-function joint venture, and if the turnover thresholds set out in the Competition Law are met. The turnover of the undertakings (and their groups, assessed pursuant to the relevant ACA Instruction) is taken into account, and the local turnover thresholds are very low. As a result, transactions with no effect whatsoever on the Albanian market are required to obtain clearance from the ACA which results in a significant delay and procedural burden for the affected undertakings.	We suggest amending Article 12 of the Competition Law to introduce a market-effects-based evaluation for concentrations in the Albanian market. This could be achieved by increasing the Albanian turnover threshold or by requiring that at least one participating undertaking (or its group) have a presence in Albania before a concentration becomes notifiable.

XXII

Electronic Communication Law No.54/2024

Snapshot of the Albanian Telecommunications Industry

Over the past years, Albania's telecommunications sector has undergone significant development, aligning more closely with European Union standards. The mobile market has consolidated, and currently, only **two mobile operators** are active, providing high-quality services that are comparable to those in EU countries. In contrast, the fixed broadband market remains highly fragmented, with around 250 Internet Service Providers (ISPs) operating nationwide, indicating a competitive but dispersed landscape.

The sector is well-regulated under the oversight of AKEP (Electronic and Postal Communications Authority), which ensures market transparency and compliance. Other key institutions involved in specific regulatory and oversight aspects include: (i) Ministry of Infrastructure and Energy Competition Authority (ii) Competition Authority iii) National Cyber Security Agency (iv) Commissioner for Data Protection (v) Consumer Protection Authority.

A notable milestone is the recent adoption of a new telecommunications law, which transposes the EU Electronic Communications Code (EECC) into national legislation, further harmonizing Albania's regulatory framework with that of the EU. The new Law, represents the first serious legislative review of Albania's telecom framework in recent years, driven by the evolving technological landscape, the recent launch of 5G, security concerns, and the rising use of over-the-top (OTT) services. Currently, Albania is adopting secondary legislation to further refine and strengthen its regulatory environment, ensuring the country is well-positioned for a more competitive and secure telecommunications market in the digital age. An important ongoing initiative is the collaborative work among stakeholders to address high-risk vendors in the telecom infrastructure. This effort aims to ensure secure deployment of 5G networks in line with the EU 5G Toolbox, reinforcing national and EU-wide cybersecurity standards.

The new law promotes connectivity and access to, and take-up of, very high-capacity networks, both fiber optic and wireless (5G). New provisions and regulation in relation with consumer protection, the universal service regime, portability, frequency spectrum, numbering and emergency communications, and rules for access and market regulation. The law provides a new definition of electronic communication services, encompassing not only traditional telecommunication services like telephone calls, e-mails, SMS services, but also OTT & IoT services, satellite services, number independent products & services etc.

From fiscal perspective we are requesting some amendments to resolve longstanding tax inconsistencies that create disproportionate financial and administrative burdens for telecom operators, particularly in the areas of baddebt VAT, baddebt CIT, and withholding tax on international services. Clear rules are needed to ensure neutrality, proportionality, and alignment with EU practices, while eliminating uncertainty and unnecessary procedural obligations.

However, a number of problematics were raised during the Public Consultation phase of the Law and should still require further considerations by the Albanian Authorities including here, but not limited to:

SPECIFIC ISSUE	RECOMMENDATIONS
(1) Tariffs for the right to install facilities Article 23 of the law sets the tariffs for the installation of facilities used for the deployment of electronic communications networks and provision of electronic communication services. It is unclear what tariffs this provision grants to other competent bodies and which bodies are included here that impose additional tariffs on operators for the deployment of passive infrastructures.	**(1)** Removal of this provision as this new fee will duplicate with other fees paid for the same reason.
(2) Conditions attached to the general authorization Articles 29 and 30 of the Law 54/2024 specify the criteria to be met by the providers for the provision of electronic communications networks and services. *Issues not addressed in these provisions*: The very simple criteria for granting General Authorization to fixed operators that provide critical public services such as fixed telephony along with the rapid developments of the electronic communications market have caused a chaotic situation, leaving room for the flourishing of pirate operators/or operators without minimum security standards in the market. A significant part out of 250 providers operating in the market do not meet the meet the obligations arising from the general authorization regime or regulatory sub-legal acts for Network Security, conditions for network implementation, lawful interception, etc.	**(2)** It is proposed that the conditions attached to the general authorization regime should ensure the ability of the applicants to exercise their activity (stricter entry barriers) in compliance with the legal and regulatory framework and should meet the requirements for network security: • Obligation to prove the economic ability by means of banking declaration to carry out the activity. • Obligation to verify the operational network systems before the issuance of General Authorization confirmation.
(3) Removal of the 100 Mbps speed definition from the regulatory provision of article 43 (Geographical surveys of network deployments). Clause 3 of article 43 defines that the geographical survey may also include a forecast for a period determined by AKEP of the reach of broadband networks, including very high-capacity networks. Such forecast shall include	**(3)** The definition of speed level should be set by AKEP through a specific regulation for "Quality of service and the minimum speed", that should be provided to the end user taking into account a number of factors that affect the quality of service such as for example (type of terminal used, distance from the base station, indoor location, atmospheric circumstances etc.)

all relevant information, including information on planned deployments by any undertaking or public authority, of very high-capacity networks and significant upgrades or extensions of networks to at least 100 Mbps download speeds. *Issue in this provision*: it is not clear if this forecast can be translated in an approach/ request "only fiber" in Albania or the law leaves room as well for 5G technology to be included in VHCNs. We deem that the obligation for the definition of 100 Mbps uniform speed is premature and unrealistic, by rendering the providers vulnerable to the application of the penalties.	
(4) Guarantees and Security of network providers and suppliers Article 55 of Law 54/2024 provides that AKEP and other competent authorities accountable for the security, take the appropriate measures to mitigate the risks of network security from suppliers and providers of network equipment considered as a relevant risk. Authorities periodically perform a detailed assessment of the risk profile for 5G suppliers. This provision does not address concerns regarding control/assessment of suppliers including the equipment currently in use by network providers and the respective financial impact in case of the obligation to not use these equipment/devices.	**(4)** In this regard it is important that the Law is complemented with secondary legislation (Decision of Council of Ministers) for further specifications & methodology for the implementation of the "*5G Toolbox measures*", including assessing the risk profile of suppliers. The classification of the risk profile for the suppliers should be made according to the network level. According to the 5G Tool Box package **Core network** is to be identified as "*critical*", **RAN** as "*high risk*" and **Transport** "moderate". Operators should be informed in due time in relation to the critical components in order for their purchase orders with suppliers not to be affected.
(5) Validity of the rights of use (article 69) Article 69/3 of Law 54/2024 provides that the duration of individual authorizations shall be at least 15 years and shall include an extension of the term of rights of use for 5 years. *Issue in this provision*: Such provision leaves the definition of the individual authorizations at the discretion of AKEP.	**(5)** It is suggested that the duration of the individual authorizations should be extended to 20 years, in line with the provisions of the European Electronic Communications Code (EECC), which foresees an initial duration of 20 years for the spectrum validity. Most of EU countries have extended the authorizations for spectrum use for at least 20 years.

(6) Regulatory control of the retail services (article 109) The aim of article 109 is to ensure the appropriate remedies for a regulatory intervention in the retail market provided that the other remedies at wholesale level have not addressed the market failure. We find that this provision is not completely clear and how it is related with the other provisions that foresee the rules for the three criteria test.	**(6)** Considering that the threshold for justifying an ex-ante regulatory intervention in the retail market is high, it is likely that this provision will be difficult to implement in practice.
(7) Transparency, comparison and publication of the information Clause 5 and 6 of the article 142 of Law 54/2024 states that AKEP will establish a system by ensuring that end users have free access to at least one independent comparison tool, which enables them to compare and evaluate different internet access services and publicly available number-based interpersonal communication services. The system shall be operationally independent from the service providers. It is not clearly specified if the system will be interfaced with the systems of the service providers and if will be based on the Customer experience. AKEP will establish a dedicated tool for the speed test performance. In addition to standard information, it will contain the information as well regarding the tariff plan along with the standard price.	**(7)** This provision provides for AKEP to create a system that ensures that end users have free access to at least one independent comparison tool, which enables them to compare and evaluate different internet access. Accordingly, AKEP must build a comparative system for tariffs and QoS offered for each operator, but it does not clarify/detail whether this system will be interfaced with the operators' systems. The law does not clarify to what level the interface will be performed or will it be based on Customer Experience. Setting up such a system requires interfacing with the operators' systems which: i. requires a significant additional budget. ii. may cause implications in the administration of personal data. Technical solution recommended: It is recommended to create the interface between the dedicated tool and the database of the service providers for the main parameters to ensure the appropriate input. It is not recommended that the integration is made in real time as it can overload central systems and impact other daily processes.
(8) Provider switching and number portability Clause 1 and 2 of the article 145 states that in the case of switching between providers of internet access services, the providers	**(8)** It is suggested that this process should be managed as a financial activity between the providers through invoice reconciliation, otherwise it could cause huge operational implications.

concerned shall provide the end-user with adequate information before and during the switching process and ensure continuity of the internet access service, unless technically not feasible. The receiving provider shall ensure that the activation of the internet access service occurs within the shortest possible time on the date and within the timeframe expressly agreed with the end-user This is a new concept included in the new law. In the current situation where each provider has its own network, it is not certain whether such provision will be applicable in Albania. Clause 15 of the article 145 quotes that transferring providers shall refund, upon request, any remaining credit to the consumers using pre-paid services. Refund may be subject to a fee only if provided for in the contract. Any such fee shall be proportionate and commensurate with the actual costs incurred by the transferring provider in offering the refund. This provision obliges the providers to refund the remaining credit to the consumers using prepaid services. This provision is technically not feasible due to the complexity and different dynamics. The implementation of this provision will also have an implication in the financial aspect of fiscalization, since if the consumer is provided with a fiscalized invoice at the time of purchasing a package, it is unclear how the negative invoice will be fiscalized in cases of refunds. This requires the commitment of the responsible financial institutions to find appropriate solutions.	It is suggested that in relation with the porting process of prepaid mobile numbers, the user's unconsumed balance must be stored in the CRDB before the port out approval. The CRDB must function as an intermediary interface that calculates/or informs the other provider on the refund process. For mobile number portability, the refund process should be implemented before the customer has completed the port out activity. Another proposal for the improvement of this provision would be the inclusion of a tariff paid by the customer for the porting process. The providers invest in systems and human resources to support the porting process.
(9) Flexibility of providers to provide bundles/ integrated packages in real time according to market needs (Offers through bundles - article 147) The Law 54/2024 does not provide a clear definition of what constitutes an integrated package but offers some vague definitions.	**(9)** The proposal is for a broader description since the formats of integrated packages (bundles) vary, and in the future, they may include more services compared to the current packages. In relation with the notification of the offers to AKEP, we suggest the obligation of the notification to AKEP must be on an ex-post

As well, the telecommunications providers are offering customized products for each end user. Currently, based on a specific AKEP regulation the notification of the offers/bundles by the providers to AKEP is 15 days in advance before their launching date. The market is dynamic, and the notification of personalized offers, which are numerous for each category of end users, makes its operational implementation quite challenging.	basis. Another option is the notification of the nominal price offer (price cap) based on which the providers have the right to apply different discounts according to each consumer segment.
(10) Setting penalties based on the proportionality principle (article 184) Article 184 of Law 54/2024 sets the penalties on the administrative violations of the telecom's providers as a percentage of the annual revenues. *Problematic issues*: The penalties imposed by the regulator based on a percentage of the annual revenues (up to 3%) represent a heavy burden for the providers, taking into account the violations and the proportionality in relation with the impact caused and leave room for discretionarily to the inspectors of AKEP.	**(10)** It is recommended the imposition of the penalties on several ranges, based on the level of risk and damage they cause, rather than on annual turnover. Significant fines should be at the discretion of the Steering Council due to the importance they carry and the type of violation.
(11) Public warning system (Article 150) Article 150 provides for the establishment of the public warning system by the responsible authorities, in accordance with the law on civil protection. According to this provision operators shall ensure the transmission of public warnings on civil emergencies or major disasters in progress or expected, to the affected end-users respectively. The Ministry, in cooperation with AKEP, will determine those public warnings shall be transmitted through publicly available electronic communications services, other than those referred to in point 1 of the article. Public warnings shall be easily accessible to end-users.	**(11)** The proposal requires further clarification whether this system will be set up and managed by the responsible institutions, the Ministry, civil emergencies or each operator will have its own warning system. It is not clear how these systems will be integrated and which Authority will bare costs. *The recommendation is*: To build the system required by the law the emergency warning system could be made possible through the "Cell Broadcast System", which requires a large investment by the mobile operator. Based on the experience from other European markets, usually these types of investments are made in cooperation and are financed by both

	Local Authorities and other mobile operators. For example, in Spain this project cost 4ML Euros and was co-financed by the Government and operators. Further technical solutions should be explored in cooperation with local Authorities.
(12) Bad Debt VAT The proposal addresses an important issue in the telecommunications sector, where service providers are required to pay VAT on services for which they are unable to collect payment. This negatively affects their liquidity and represents a disproportionate financial burden. Therefore, the main objectives of the amendment are: To apply the principle of VAT fiscal neutrality, ensuring that taxable persons do not bear the VAT burden for supplies for which they have not received payment To reduce the administrative and financial burden on entities that provide services in the telecommunications sector To harmonize Albanian VAT legislation with the practices of European Union Member States and with the jurisprudence of the European Court of Justice.	**(12) The recommendation is:** PROPOSED TEXT (Additional Provisions to Article 84) Additional paragraphs shall be inserted into Article 84 of Law No. 92/2014 "On Value Added Tax in the Republic of Albania", as amended, as follows: "Article 84 — Bad Debt 5. In derogation from paragraph 1 of this Article, for taxable people providing telecommunications services, the deduction of VAT related to bad debts shall also be permitted without a judicial decision when the following conditions are met: a) The debt relates to the supply of the services to customers with whom a contractual relationship exists b) The service has been duly invoiced, and the corresponding VAT has been declared and paid into the state budget c) The value of the invoice, including VAT, does not exceed the threshold established in the instruction issued by the minister responsible for finance *(Option 2: The value of the invoice, including VAT, does not exceed 5,000 ALL)* ç) Payment has not been collected within the period defined in the instruction issued by the minister responsible for finance *(Option 2: Payment has not been collected within 12 months from the date of issuance of the invoice)* d) The taxable person has undertaken and documented reasonable actions to pursue payment. Such actions include, but are not

	limited to, the transmission of electronic or written payment reminders, depending on the contractual terms with the customer. 6. A taxable person applying the VAT adjustment pursuant to paragraph 5 of this Article shall maintain a dedicated bad debt register and report such debts to the tax authority monthly, in accordance with the procedures stipulated by the instruction of the minister responsible for finance. 7. If a bad debt for which a VAT adjustment has been applied under this Article is subsequently collected, in full or in part, the taxable person shall recalculate the VAT and declare the collected amount as a new supply in the tax period during which the collection occurs. 8. The provisions of this Article shall not apply to: a) Supplies between related parties as defined in Article 3, paragraph 3.6 of this Law b) Supplies for which the taxable person is not liable to account for VAT c) Supplies for which payment has been made by a third party on behalf of the recipient of the service d) Cases where there is evidence that invoicing has been split for the purpose of avoidance or undue benefit. 9. The minister responsible for finance shall, by instruction, define the detailed criteria, procedures, documentation requirements, and reporting formats for the implementation of this Article.
(13) Bad Debt CIT The proposed amendment to Article 53 of Law no. 29/2023 "On Income Tax" aims to simplify the procedures for recognizing bad debts as deductible expenses for tax purposes in the telecommunications sector. The amendment would allow the recognition of bad debt based	**(13) The recommendation is:** In Article 53, "Bad Debt," of Law no. 29/2023 "On Income Tax," after point 3, a new point 3.1 is added, as follows: "3.1 Notwithstanding the provisions of point 1 of this Article, for entities providing

on the aging of receivables, without necessarily requiring the undertaking of all legal actions or the signing of contracts with licensed debt collection agencies, whose costs often exceed the value of the debt itself. The main objectives of this amendment are: 1. To reduce the administrative and financial burden for entities providing essential services in the telecommunications sector 2. To align the tax legislation with the practical reality of these sectors, where the value of individual debts is often low, while the cost of legal procedures or engaging licensed debt collection agencies is disproportionate 3. To apply the principle of proportionality and economic efficiency in the treatment of low-value bad debts.	telecommunication services, bad debt shall be recognized as a deductible expense when all of the following conditions are cumulatively met: a) The bad debt forms part of the taxpayer's taxable income b) The bad debt has been written off from the taxpayer's accounting records c) The debt relates to the provision of telecommunication services to customers with whom a contractual agreement exists ç) The value of the unpaid invoice, including VAT, does not exceed the threshold defined in the instruction of the minister responsible for finance (Option 2: The value of the unpaid invoice, including VAT, does not exceed the threshold of 5,000 ALL); d) Payment has not been collected within a specified period from the invoice issuance date, as determined in the instruction of the minister responsible for finance (Option 2: Payment has not been collected within 12 months from the invoice issuance date) dh) The taxable person has undertaken actions to request payment and has documented these efforts, including reminders sent electronically (SMS, in-app notification, email, voice message, etc.) e) The service has been suspended or restricted because of nonpayment, where technically feasible. The taxpayer shall maintain a register of bad debts, which includes the customer's identification details, the contract, the invoice, the maturity date, the actions undertaken for debt collection, and the date on which the debt was written off. Detailed procedures for the implementation of this point shall be determined by instruction of the minister responsible for finance.

(14) WHT & Double Taxation To provide clear guidance on the tax treatment of international telecommunication services, arguing that such services should be considered as "services physically consumed outside the territory of the Republic of Albania" and therefore exempt from withholding tax, in accordance with Article 58, point 2(c) of Law no. 29/2023 on Income Tax, as well as international practice and the principles of the OECD Model Convention. **Roaming services:** These services are used by Albanian customers exclusively when physically located outside Albania. The service is delivered entirely through physical infrastructure (antennas, base stations, switches, servers, etc.) located in the foreign country. **International interconnection services:** The termination of calls/SMS to a foreign operator's network occurs on infrastructure situated abroad and owned and controlled by the foreign operator. The Albanian operator is charged solely for the transmission (interconnection) of traffic into that foreign network. **Transit services:** The transport of international data or traffic through thirdparty networks is performed on equipment and systems physically located outside the territory of Albania.	**(14) The recommendation is:** We propose that Instruction No. 26, dated 8.9.2023 on Income Tax, be amended so that point 58.7(c), implementing Article 58, point 2(c) of Law No. 29/2023, includes specific clarification as follows: *For the purpose of applying Article 58, point 2(c) of Law No. 29/2023 'On Income Tax', the following shall be considered 'services physically consumed outside the territory of the Republic of Albania' and therefore exempt from withholding tax: international telecommunication services, international transport services, hotel accommodation abroad, restaurant services abroad, training physically received outside Albania, and other similar services.* *Accordingly, in cases where a Double Tax Treaty exists between Albania and the country of residence of the foreign service provider, payments for these services should not be subject to the procedural requirements for the application of Double Tax Treaties.*

XXIII Law NO. 66/2020 "On Financial Markets Based on Distributed Ledger Technology." - Fintoken Act

Blockchain technology, widely recognized as one of the most transformative innovations of the digital era, enables the creation of secure, transparent and tamper-resistant systems for recording and verifying data without the need for a central authority. Originally developed to support digital currencies, blockchain has since evolved into a versatile infrastructure capable of supporting financial services, asset tokenization, smart-contract automation, and a broad range of decentralized applications.

Building upon these global developments, **Albania has taken significant steps to introduce a comprehensive regulatory framework for blockchain-based financial markets**, most notably through the adoption of **Law No. 66/2020 "On Financial Markets Based on Distributed Ledger Technology."**

Effective from September 1, 2020, with the entry into force of Law No. 66/2020 "On Financial Markets Based on Distributed Ledger Technology" (the "**Fintoken Act**"), Albania becomes one of the first European countries to have comprehensive legislation on distributed ledger technology, block chain, and crypto currencies.

The primary objective of the Fintoken Act is to generate economic benefits for the country from the use of distributed ledger technology (DLT)[3], ensuring maximum investor protection through clear and comprehensive rules.

The law applies to any entity conducting such activities in or from the territory of the Republic of Albania, and generally regulates the **issuance of digital tokens / virtual currencies[4]**, including the conditions for public offerings (ICO/STO)[5] and the required documentation. Furthermore, it regulates **trading and exchange activities**, enabling licensed centralized or decentralized DLT exchanges to operate according to defined categories—ranging from token-only trading to exchanges dealing with both tokens, fiat currency, and even tokenized securities. The legislation also provides for **custody and wallet management services**, allowing licensed custodians to safeguard or manage clients' digital tokens or virtual currency holdings. In addition, it opens the door for **DLT-based collective investment schemes**, permitting investment funds that issue tokenized units to operate within a regulated environment. Beyond traditional financial activities, the law encompasses a broader category of **innovative DLT services**, including platforms built on smart contracts and other blockchain-based arrangements.[6]

In order to exercise the activities object of the Law, the judicial persons shall have the respective license from the relevant authority.

[3] The law defines a "Distributed Ledger Technology (DLT)" broadly — as a decentralized database in which data/information is securely recorded, verified by consensus and distributed across a network of nodes on original copies (i.e. blockchain or similar technologies).

[4] "Digital Tokens (DT)" and "Virtual Currencies (VC)" are considered types of virtual assets that depend on DLT. These may serve different functions: as a medium of exchange (payment), store of value, utility tokens, asset tokens, security tokens etc.

[5] An Initial Coin Offering (ICO) is a fundraising method used in blockchain projects where digital tokens are issued and sold to investors in exchange for capital, typically to finance the development of a platform, service, or application; the term is also used in Law No. 66/2020 to refer to the public offering of virtual tokens under regulatory supervision. An STO (Security Token Offering) is a fundraising process in which investors are offered digital tokens that represent financial securities (such as shares, bonds, or other security instruments), issued and recorded on blockchain technology and subject to securities regulation.

[6] "Smart contracts" and other software/architectures that implement DLT-based services ("Innovative Technology Arrangements") are also covered by the law, referring to self-executing digital agreements whose terms are written directly into code and automatically carried out once predefined conditions are met, without the need for human intervention or traditional intermediaries.

To obtain a license under the Fintoken Act, a legal entity under Albanian law must be organized as a joint-stock company, have a minimum share capital (as per the Fintoken Act and its implementing provisions), and fulfill the general conditions, as well as the special conditions relating to the specific license.

Licenses are valid for an indefinite period, unless revoked or waived. The License may not be transferred to third parties without the prior (written) approval of the relevant authority. Licensure procedures must be defined (by the relevant authorities) within 60 calendar days from the date of submission of the application and completion of the supporting documentation, as per the Fintoken Act.

Among the general obligations of the license holder, we highlight: i) the obligation to pay annual fees (to AMF and AKSHI, as applicable); ii) the obligation to conduct business in compliance with anti-money laundering and counter-terrorism financing regulations; iii) the obligation to avoid any conflicts of interest.

The competent authorities responsible to monitor and supervise the law are: i) the Financial Supervisory Authority (**AMF)** and ii) Authority for Technology Innovation (**AKSHI**).

Most recently, AMF Decision No. 210 of November 25, 2021, established specific rules for calculating the capital adequacy of entities operating as TD agents, DLT exchanges, and third-party portfolio custodians.

SPECIFIC ISSUES	RECOMMENDATIONS
I) **LICENSING** **1. DLT Exchange (DLT Stock Exchange) License** (issued in collaboration between AMF and AKSHI) to operate as a DLT exchange; divided into three categories: "A"; "B" and "C". The Council of Ministers has currently approved the implementing regulations for the licensing of entities interested in operating as a DLT exchange. (Decision 708, date 24.11.2021) **2. Digital Token Agent License** (issued by the AMF) for the provision of financial advisory and consultancy services – the implementing regulations governing this activity have currently been approved by the Council of Ministers (Decision 458, date 30.07.2021); **3. Third-Party Wallet Custodian License** (issued in collaboration between the AMF and AKSHI) licenses the activity of the custody and/ or management of wallets for third parties holding digital tokens / virtual currencies – the implementing regulations for obtaining this license have currently been approved by the Council of Ministers (Decision No. 709, date 24.11.2021);	I) **LICENSING** **A.** Even though the Legal Framework is decent and this activity can be considered as being well regulated (with 2 regulations and several decisions that regulate the licensing process), the licensing process has remained bureaucratic. Even though it is viewed as a positive aspect that there are several decisions that separately regulate the requirements for each license this causes bureaucratic and not very concise legal base which might create confusion in a newly implemented market.

4. **Innovative Service Provider License** (issued by AKSHI) for the provision of innovative services to support investors, with reference to technological aspects – the implementing regulations for obtaining this license have currently been approved by the Council of Ministers (Decision 267, date 12.05.2021).);

5. **Automated Collective Investment Company License** (issued by AKSHI) – legal entities (funds / CIUs) whose units are represented by digital tokens/VCs, investing in token/VC markets. Equivalent to a collective investment fund but using DLT-based instruments - the implementing regulations for the special criteria required for these companies have currently been approved by the Council of Ministers (Decision 267, date 12.05.2021).

II) APPLY OF BLOCKCHAIN IN DIFFERENT SECTORS OF ECONOMY.

The most relevant economic sectors where blockchain can be apply are:

- **Financial services** (identity and KYC, clearing and settlements, retail payments, trade finance, corporate lending, equity and debt issuance, risk transfer and trading, collateral management, fraud management). (roughly 90% is concentrated in this sector).

- **Industrial and life science** (supply chain, contract management, digital marketplace, asset and inventory, medical health records, component provenance).

- **Travel and Transport** (ownership transfers, auto financing, Electric Vehicles charging infrastructure, supply chain tracking, E- wallet, trusted identity).

- **Retail and consumer** (food supply chain, luxury goods tracing, fabric certification, asset and inventory management).

II) APPLY OF BLOCKCHAIN IN DIFFERENT SECTORS OF ECONOMY.

Although Albania has adopted an advanced legal framework for blockchain and DLT-based financial markets, successful implementation requires a phased and strategic approach. The following recommendations outline the steps needed to build a sustainable, credible, and functional digital-asset ecosystem.

A. Address Infrastructure and Market Operator Gaps

Despite the entry into force of Law no. 66/2020, the fundamental infrastructure required for blockchain-based financial markets is still missing, including platforms for issuance, trading, clearing, settlement, and custody. Likewise, no market operators have yet emerged to take on the roles of DLT exchanges, token custodians, or licensed innovative service providers. Establishing these basic components is essential before the framework can function in practice.

- **Energy and utilities** (energy trading, component provenance, distribution/ grid efficiency, P2P energy trading, alternative energy). **- Comms and media** (music/ content distribution, digital advert trading, IoT infrastructure). **- Government** (contract management, voting systems, identity management, asset management, citizen services).	B. Strengthen Albania's Infant Capital Market Albania's domestic securities market remains in an early developmental stage, with only modest collective investment undertakings. A digital securities market cannot thrive where the traditional capital market lacks depth, liquidity, and investor participation. C. Improve Financial Education and Inclusion Financial literacy in Albania is still at a modest level, with many consumers only recently adopting basic electronic payment tools in the post-COVID period. Introducing advanced blockchain-based financial instruments without adequate public understanding poses risks to consumers and market integrity. A national financial-education strategy should accompany the implementation of the DLT framework, focusing on i) digital payments and wallet usage; ii) cybersecurity awareness; iii) understanding tokenized assets and investment risks. Operators should contribute to improving customer awareness, strengthening market readiness for future blockchain-based financial services. D. Involve the Central Bank as a Core Institutional Pillar The Bank of Albania is absent from the current regulatory framework, despite its critical role in the payment system, financial stability, and financial inclusion. Given that blockchain-based markets interact directly with payments, settlement, and monetary flows, the Central Bank's involvement is indispensable. Its participation would significantly strengthen institutional coherence, risk management, and system oversight.

	E. Build Technical, Regulatory, and Human Capacities Both regulators and private operators face a shortage of qualified personnel and specialized IT infrastructure. Before the full rollout of complex DLT financial operations, stakeholders must invest in: i) software development and blockchain engineering; ii) cybersecurity and IT infrastructure; iii) regulatory and supervisory skills regarding digital assets. A coordinated capacity-building program is needed for AMF, AKSHI, financial institutions, and potential market operators. F. Adopt a "Smooth Penetration Strategy" Before Entering Securities Markets Entities interested in entering the blockchain-based financial sector should follow a gradual pathway rather than jumping directly into securities issuance or digital exchanges. Blockchain firms should begin by offering solutions in digital payments, remittances, and banking-related services—areas where adoption barriers are lower and the technology provides immediate efficiency gains. G. Adaptation to European legislation Since Albania is undergoing in the process of accession in the European Union, it has an obligation to harmonize its laws to the EU "acquis". Consequently, Albania should revise this legislation on crypto currencies and blockchain in accordance with the European Union regulatory framework in power regarding crypto-asset markets. (recently, the European Commission has adopted Regulation 2023/1114 "On crypto-asset markets").

Acknowledgments

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The White Book Team includes:

The FIAA Councils in Energy and Digital Industries, Committees of Tax & Financial, Legal, European Integration, Human Capital and the Extractive Industries.

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- Association of Life, Pension and Investment Fund Insurers
- Boga & Associates
- Deloitte Albania & Deloitte Legal shpk
- Ernst & Young Albania Team
- Kalo & Associates
- KPMG Albania
- PwC Albania
- Tonucci & Partners
- Titan Group (Antea Cement sh.a)
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The Albanian Association of Banks (AAB) is a non-profit organization, established in April 1999, which represents the commercial banks that have established their activities in Albania.

AAB through its Managing Bodies seeks to promote the most up-to-date banking standards of its member banks, the development, stability and efficiency of Albanian banking system in general, thereby contributing to the advancement of the Albanian economy.

AAB is a representative body which in partnership with public and private sector stakeholders contribute to improve the business environment and to discuss key industry issues defining common strategies for the Albanian financial sector.

AAB is established with the mission to:

- Support and promote the Albanian banking sector operations and interest;
- Represent the banking sector both locally and internationally;
- Develop cooperation with peer organizations;
- Encourage, promote and actively support the most up-to-date banking standards and banking education.
- Maintain harmony and coherence in policies on issues affecting the sector;
- Assist in the process of harmonization of the Albanian legislation in line with the European Union standards, as well encourage, and support the integration process.
- AAB is a member or associate member or partner of the following international/national organizations.

International Memberships:

- EUROPEAN Banking Federation (EBF)
- Banking Association for Central and Eastern Europe (BACEE)
- INTERBALKAN Forum of Banking Associations
- OECD International Network on Financial Education (INFE)
- Financial Technology Transfer Agency (ATTF)

National Memberships:

- Tax Council
- National Labor Council
- National Payment System Committee
- National Agency for Higher Education Financing
- Investment Council
- National Accounting Council
- ICC Albania

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Firm overview

Boga & Associates, established in 1994, has emerged as one of the premier law firms in Albania, earning a reputation for providing the highest quality of legal, tax and accounting services to its clients. The firm also operates in Kosovo (Pristina) offering a full range of services. Until May 2007, the firm was a member firm of KPMG International and the Senior Partner/Managing Partner, Mr. Genc Boga, was also the Senior Partner/ Managing Partner of KPMG Albania.

The firm's particularity is linked to the multidisciplinary services it provides to its clients, through an uncompromising commitment to excellence. Apart from the widely consolidated legal practice, the firm also offers the highest standards of expertise in tax and accounting services, with keen sensitivity to the rapid changes in the Albanian and Kosovo business environment.

The firm delivers services to leading clients in major industries, banks and financial institutions, as well as to companies engaged in insurance, construction, energy and utilities, entertainment and media, mining, oil and gas, professional services, real estate, technology, telecommunications, tourism, transport, infrastructure and consumer goods.

The firm is continuously ranked as a "top tier firm" by *The Legal 500*, by *Chambers and Partners* for Corporate/ Commercial, Dispute Resolution, Projects, Intellectual Property, Real Estate, as well as by IFLR in Financial and Corporate Law. The firm is praised by clients and peers as a "law firm with high-calibre expertise", "the market-leading practice", "a unique legal know-how", distinguished "among the elite in Albania" and described as "accessible, responsive and wise".

Areas of practice

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TAX: Tax Advice, Tax Audit Services, Tax Compliance

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Deloitte.

Deloitte Albania

Deloitte Albania was established and has been operating in the Albanian market since 4 October 1996. In Albania the services are provided by Deloitte Albania Shpk., Deloitte Audit Albania Shpk. Deloitte Legal Shpk., Deloitte CE Business Delivery Solutions Shpk. and Deloitte CE Business Services Limited Shpk. (jointly referred to as "Deloitte Albania"), which are affiliates of Deloitte Central Europe Holdings Limited.

Deloitte Albania is one of the leading professional services organizations in the country providing services in audit, tax, legal, consulting, risk advisory services, financial advisory services, information technology services and other services through over 490 national and specialized expatriate professionals who possess technical competence and an in-depth knowledge of the issues that companies face. The expertise of our team and the experience gained through continuous work with domestic and international clients in the Albanian market enable us to take an innovative and systematic approach to resolving issues.

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Working languages: Albanian, English, Italian, German, Greek.

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Deloitte Legal Albania

Deloitte Legal sh.p.k., is a law firm headquartered in Tirana, Albania. The firm's top priority and imperative is to serve clients with competence and due expertise.

Members of Deloitte Legal work closely with Deloitte professionals in tax, consulting, accounting, and financial advisory, both in the local and international market providing clients with 360° professional advisory services.

The firm's portfolio is composed of local and multinational companies, non-for-profit organizations, government bodies, etc.

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The firm is ranked among leading firms in the Albanian market by *The Legal 500 & Chamber and Partners*, as an increasingly strong presence in the local market.

The firm represents a strong roster of multinational banks and is regularly involved in major cross-border projects. Clients also benefit from the firm's impressive international network" according to The Legal 500.

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Established in 1994 we became soon a leading full law practice in both Albania and Kosovo. The firm acts for prominent foreign and multinational companies and agencies, which operate in a variety of sectors and industries across the globe. We have tried hard to be solution driven, by offering tailored legal advice to suit specific needs of clients.

Our firm's diverse work force with international experience and specialization serves to truly enhance the services provided to our clients combining comparative approaches and local legal knowledge in finding the most appropriate solutions.

The firm is very often a first choice for Fortune 500 companies for services in the areas of (M&A/Privatization), banking and finance, aviation, energy & natural resources, etc. We have particular expertise in concessions, PPPs and project financing.

This expertise is also due to the fact that our lawyers have been involved in the projects for drafting of commercial legislation in Albania, including concession law, renewable energy law, energy efficiency regulatory framework, funded by IFC, EBRD, KFW or other agencies.

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About KPMG

KPMG in Albania is a member firm of the global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG in Albania was established in 1996 and is currently one of the leading professional services firms providing Tax, Legal, Accounting and Advisory services in the Albanian market. Since 2005 the company has presence also in Kosovo through the Pristina's office. KPMG in Albania also forms part of the firm's network in Central and Eastern Europe and operates within the KPMG in the Balkans cluster, comprising of the KPMG offices in Bulgaria, Albania, Kosovo and North Macedonia.

The strategy of KPMG Albania is based on four priorities: being market-focused, issues-led, driven by operational excellence and having a high performance culture. Through these priorities, our overall vision is to be the clear choice.

This includes being one of the leading multidisciplinary professional services firms in Albania and being a quality service provider to all of our clients, placing quality at the heart of our agenda. As an organization we have a strong belief that by attracting extraordinary people and applying our deep expertise and sector knowledge we are able to deliver real results to the benefit of our clients and our communities.

In Albania, KPMG has a tradition of professionalism and integrity, combined with a dynamic approach to advising clients in a digital-driven world. Quality is the cornerstone of our business and we recognize the importance of being transparent about how we stay relevant in the dynamic business environment with increasing public expectations.

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- Employment & Immigration Law
- Anti-trust & Competition Law

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Our clients include leading Albanian and international companies - key players in the market. We see it as our mission to solve complex challenges and deliver solutions of the highest quality. To do this, we strive to understand each client's business and the unique dynamics of their industry.

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TONUCCI & PARTNERS IN ALBANIA

Tonucci & Partners is an independent law firm and operates in Albania since 1995.

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Tonucci & Partners Albania is part of Tonucci & Partners, a leading law firm established in the 90s, with headquarters in Rome, Italy, and with offices also in Milan, Padua, Prato, Trieste, Foggia (Italy) as well as in Bucharest (Romania).

Our international network enables our clients to benefit from an effective presence, for financial and commercial purposes, in a chain of globally influential business centers where we provide ready access to exemplary legal services.

Tonucci & Partners has been selected by World Bank and has acted as sole legal advisor of the Albanian Government in the privatization of leading state-owned companies active in the strategic sectors of Telecommunications (AMC and Albtelekom), Oil and Gas (Armo, Albpetrol), Mining (Albkrom, Albaker).

Furthermore, Tonucci & Partners has actively participated in drafting significant Albanian legislation including the Albanian Constitution of 1998 and the Albanian Custom Code.

"E.U. PHARE" Commission and the Albanian Government appointed Tonucci & Partners as legal advisor and coordinator on the reform and development of economic legislation in Albania. Tonucci & Partners regularly advise Foreign Embassies in Albania and the Delegation of the European Union to Albania on ad hoc basis. The Firm has also assisted OSCE (Organization for Security and Co-operation in Europe) in several projects on legislative reforms in Albania.

Tonucci& Partners provide a full **range of legal services** in the areas of: Corporate and commercial law; Mergers & acquisitions and privatizations; Banking and finance; Foreign investments and EU funds and financing (I.P.A.); Energy, power, utilities and natural resources; Real estate, construction and infrastructure; Public procurements, tenders, concessions and administrative law; Intellectual property; Telecommunications, multimedia and information technology; Competition law; Environment; Employment and immigration; International law; Civil Law; Tax; and Litigation and arbitration.

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TITAN Albania Sh.a (ANTEA Cement) represents one of the most significant greenfield investments in Albania, with a total investment exceeding €200 million. Established in 2007, the company has become a cornerstone of the country's industrial development, infrastructure modernization, and sustainable construction ecosystem.

As a leading supplier of building material solutions, TITAN Albania goes beyond cement production. It delivers high-quality, innovative products that meet international standards while responding to local market needs, supporting a broad spectrum of projects from large-scale infrastructure to residential and urban developments that shape Albania's future.

Strategically located in Boka e Kuqe, Borizanë (Krujë), approximately 40 km north of Tirana, TITAN Albania operates a fully integrated cement plant with an annual cement production capacity of 1.4 million tonnes and a clinker capacity of 3,300 tonnes per day. The company primarily serves the domestic market while maintaining a strong export orientation.

TITAN Albania is a member of the TITAN Group, a global leader in building and infrastructure materials with 122 years of industrial heritage, nearly 6,000 employees, and operations in more than 25 countries across four continents. The Group holds strong market positions in the USA, Europe, the Balkans, Greece, the Eastern Mediterranean, Türkiye, and the UK, and has recently expanded into India through a joint venture in supplementary cementitious materials, reinforcing its commitment to innovation and sustainable growth.

At the heart of TITAN Albania's success are over 400 dedicated employees and contractors, more than 100 loyal customers, and a strong network of suppliers and partners. By combining local expertise with international know-how, the company ensures safe operations, high industrial standards, and continuous improvement, placing people at the center of long-term value creation.

Sustainability is embedded in TITAN Albania's strategy and daily operations. The company's commitment has been recognized by the United Nations Development Programme (UNDP) with the ***"SDG Business Pioneers in Albania"*** award. TITAN Albania also played a pioneering role in establishing the Albanian ESG Network, co-founded with seventeen of the country's largest companies, aligning the private sector with EU ESG standards and fostering cross-sector collaboration for lasting environmental and social impact.

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Vodafone Albania

Vodafone Albania is a leading telecommunications and digital services provider headquartered in Tirana, Albania. Since entering the Albanian market in 2001, the company has continuously invested in network modernization, customer experience, and innovative digital solutions. Our priority is to deliver reliable connectivity, high-quality services, and cutting-edge technology that support individuals, businesses, and public institutions across the country.

Vodafone Albania employs a diverse team of professionals across technical, commercial, regulatory, legal, and customer-facing functions. Our operations are led by experienced senior management and supported by specialized experts in mobile networks, digital services, cybersecurity, data protection, corporate governance, and public policy.

As part of the global Vodafone Group, one of the world's largest telecom and technology service providers, Vodafone Albania benefits from access to international best practices, advanced knowledge bases, and global expertise. This cross-border cooperation strengthens our ability to deliver secure and future-proof connectivity, and to contribute to the digital transformation of Albania.

Our client base includes individual consumers, small and medium enterprises, large corporations, government institutions, and international organizations. Vodafone Albania offers wide-ranging solutions, from mobile and fixed connectivity to cloud services, IoT, cybersecurity, and digital business applications.

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