



The Legal 500 Country Comparative Guides

Albania

INVESTING IN

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This country-specific Q&A provides an overview of investing in laws and regulations applicable in Albania.

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ALBANIA INVESTING IN



1. Please briefly describe the current investment climate in the country and the average volume of foreign direct investments (by value in US dollars and by deal number) over the last three years.

Albania has implemented a legislative framework that promotes liberal policies regarding foreign investments. The foundation of national investment legislation and policy is the principle of non-discrimination and equal treatment for domestic and foreign investors. Fundamental rights include private ownership, freedom of economic activity, protection against monopolistic practices, free repatriation of capital and profits, property rights protection, judicial protection of legal rights related to their investments.

The current investment climate in Albania is characterized by a significant and upward trend in Foreign Direct Investment ("FDI"). According to data from the Bank of Albania for the year 2022, the FDI inflow indicator records a substantial value of \$1,614.76 million (€1,372 million), marking a historic high in the influx of FDI into the country. In comparison to the \$1,217.95 million (€1,035 million) recorded in 2021, this represents a noteworthy increase of \$396.81 million (€337 million) or 32.5%. This growth trend has been consistent, with FDI stock increasing by \$816.60 million (€693 million) euros or 9.3% in 2019 and continuing to rise in 2020 to reach a value of \$10,397.11 million (€8,819 million) euros, representing an increase of \$787.73 million (€671 million) euros or 8.2%. This demonstrates a robust and growing interest in Albania as an investment destination.

For the year 2022, foreign investments in the country have been predominantly contributed by several key nations, with the Netherlands leading at approximately 16% of the total FDI inflow, followed by Italy at 10%, Germany at 6.6%, Austria at 6%, and Kosovo at 4.6%. This diverse source of investments underscores Albania's attractiveness to a range of international investors.

Furthermore, the stock indicator for FDI in Albania

indicates substantial growth. As of the close of 2022, the stock of FDI stood at \$13,265.82 million (€11,339 million), marking a historical peak. Compared to the \$11,184.38 million (€9,544 million) registered in 2021, this demonstrates a notable upswing of \$2,081.44 million (€1,795 million) or 18.8%. This increase reflects the confidence of foreign investors in the Albanian market and the potential for long-term investments.

In terms of the sources of FDI stock in 2022, the primary sector was Electricity, Gas, and Air Conditioning Supply, representing 26.5% of the total stock. Other economically significant sectors include the Manufacturing Industry at 15.3%, Financial and Insurance Activities at 12%, Information and Communication at 10.6%, and Real Estate Activities at 10% of the total.

In summary, Albania's current investment climate is marked by a robust and growing interest from foreign investors, as evidenced by increasing FDI inflows and a record-high stock of FDI. The diverse sources of investments and the prominence of various economic sectors contribute to a dynamic and promising investment landscape in the country.

2. What are the typical forms of Foreign Direct Investments (FDI) in the country: a) greenfield or brownfield projects to build new facilities by foreign companies, b) acquisition of businesses (in asset or stock transactions), c) acquisition of minority interests in existing companies, d) joint ventures, e) other?

Whether they be greenfield or brownfield projects, acquisitions of enterprises, joint ventures, franchising agreements, or licensing agreements, Albania is open to any and all forms of FDIs. As stated above, Albania has adopted a liberal legal framework in order to facilitate the attraction all forms of FDIs, with the objective of stimulating economic expansion and fostering international cooperation. The predominant forms of

FDIs encompass greenfield and brownfield projects, corporate acquisitions, and joint ventures.

3. Are foreign investors allowed to own 100% of a domestic company or business? If not, what is the maximum percentage that a foreign investor can own?

Foreign investors may hold a 100% stake in a domestic company or business. However, Albanian legislation establishes de jure restrictions on foreign ownership in particular sectors:

Air transport: an undertaking (air carrier) shall be granted an operating license by the competent licensing authority (e.g. Albanian Civil Aviation Authority) provided that (i) it is owned by more than 50% and effectively controlled by the state of Albania and/or nationals of Albania, except as provided for in an agreement with a third country to which Albania is a party; or (ii) it is owned by more than 50% and effectively controlled by one or more states party to the European Common Aviation Area Multilateral Agreement or citizens thereof, except as provided for in an agreement with a third country (outside of the European Common Aviation Area) to which Albania or the European Community is a party.

Fishing activity: foreign citizens may not own more than 49% of the capital of ships bearing the Albanian flag or commercial companies engaged in commercial fisheries.

Land: No foreign citizen or foreign incorporated company may purchase agricultural land, though land may be leased for up to 99 years. It should be noted that Law no. 93 dated 27.07.2015 "On tourism" encourages potential investors to invest by offering state-owned land through the "Albania 1 Euro scheme" for a period of 99 years. Foreign investors can purchase state or private land, provided that the investment value is at least three times the value of the land.

4. Are foreign investors allowed to invest and hold the same class of stock or other equity securities as domestic shareholders? Is it true for both public and private companies?

There are no prohibitions/restrictions/limitations in this regard.

5. Are domestic businesses organized and managed through domestic companies or

primarily offshore companies?

According to the most recent official statistics published by INSTAT (Institute of Statistics) domestic businesses are primarily organized and operated through domestic companies. There are a total of 125,222 active enterprises, with 118,633 owned by Albanians, 4,934 owned by foreigners, and 1,655 in joint ownership.

6. What are the forms of domestic companies? Briefly describe the differences. Which form is preferred by domestic shareholders? Which form is preferred by foreign investors/shareholders? What are the reasons for foreign shareholders preferring one form over the other?

Law no. 9901, date 14.04.2008 "On Entrepreneurs and Commercial Companies", as amended governs business organizations in Albania. It is modelled after British, Italian, and German commercial legislation. The foreign investor may opt to structure its business operations in Albania in various legal structures, such as a locally incorporated company, a branch or a representative office.

Legal entities (companies) may be organized in one of the following types:

A General Partnership (Shoqëri Kolektive): is established by at least two partners, with unlimited liability towards creditors. The partnership is regulated by set of rules as outlined in the partnership agreement. Partners may contribute equally in-cash and in-kind (including immovable/movable property, rights, labour, and services).

Limited Partnership (Shoqëri Komandite): at least one partner's liability is limited up to the amount of their contribution (limited partner), while the liability of other partners is not limited (general partners). The general partners are responsible for the management of the business.

A Limited Liability Company (LLC) (Shoqëri me Përgjegjësi të Kufizuar): is established by one or more natural and/or legal persons, the liability of which is limited to the extent of any unpaid share of subscribed contributions. Each of the shareholders owns a quota in the LLC with a value proportional to their investment in the company; such quota cannot be offered to the public.

A Joint-stock Company (JSC) (Shoqëri Aksionare): a

company whose capital is divided into shares subscribed by its shareholders. Shareholders are natural or legal persons, who are not personally liable for the company's commitments, and will cover the company's losses only to the unpaid part of subscribed shares. A JSC may be a company with a public or private offering.

A Joint Venture (Shoqëri e Thjeshtë): is regulated by Albanian Civil Code. This is a type of unlimited partnership in which two or more persons, legal entities, or natural personal may participate with the intention of undertaking an economic activity or project and divide the divide costs and profits. There are no mandatory capital requirements related to joint ventures. The partners are responsible for fulfilling the stipulations and providing the contributions specified in the signed agreement. The registration of the joint venture with the commercial registry is of a declaratory purpose and it does not vest such form with legal personality.

Branch of a foreign company: Branch does not have a legal personality of its own but has the same legal personality as the parent company. The Branch may be managed by one or more administrators, either foreigner or Albanian citizen.

Representative office of a foreign company: are places of business and have the same legal personality as that of the company, but that cannot generate revenues, but only promote the business of the (mother) company

- Which form is preferred by domestic shareholders?

The Limited Liability Company (LLC) is the most commonly chosen legal entity by domestic shareholders for conducting economic activities in Albania. As reported by the official statistic INSTAT, as of the end of year 2022 there were 26.728 LLCs, representing 20,5% of the total number of enterprises registered.

- Which form is preferred by foreign investors/shareholders?

The Limited Liability Company is the most preferred legal entity for foreign shareholders to engage in economic activities in Albania.

- What are the reasons for foreign shareholders preferring one form over the other?

The LLC is the preferred legal entity for foreign shareholders doing business in Albania because it offers a combination of sole proprietorship, limited liability protection, simplicity in incorporation/registration and a straightforward and adaptable corporate structure. This structure allows for flexibility in determining the internal organization, management roles, and decision-making

processes. LLCs are also popular because of the symbolic initial capital required for incorporation, which is ALL 100 (Euro 1).

LLCs are comparatively uncomplicated in comparison to other business structures, making them a practical choice for small and medium-sized enterprises (SMEs).

7. What are the requirements for forming a company? Which governmental entities have to give approvals? What is the process for forming/incorporating a domestic company? What is a required capitalization for forming/incorporating a company? How long does it take to form a domestic company? How many shareholders is the company required to have? Is the list of shareholders publicly available?

- Which governmental entities have to give approvals?

There is no approval requirement, nevertheless entities intending to pursue a business activity in Albania shall be duly registered with Albanian Commercial Register kept by the National Business Center by submitting the required documents based on the type of entity.

The companies/entities acquire legal personality on the date of the registration with the National Registration Centre.

- What is the process for forming/incorporating a domestic company?

Registration with NBC is conducted online in the official platform <https://e-albania.al/>. There are no official fees to be paid.

Upon registration with the Albanian Commercial Register, the company (LLC or JSC) obtains the company registration number (simultaneously serves as tax identification number or NIPT), which is unique and may not be transferred to another entity.

- What is a required capitalization for forming/incorporating a company?

The law on Entrepreneurs and Commercial Companies does not require minimum capital when establishing General Partnerships, Limited Partnerships and Joint Ventures.

While LLCs are required to have a symbolic minimum capital amounting to ALL 100.

JSCs with private offer are required to have a minimum capital amounting to ALL 3.500.000.

JSCs with public offer are required to have a minimum capital amounting to ALL 10.000.000.

- How long does it take to form a domestic company?

As a general rule the company will be registered within 24 hours from the filing of the application provided that all documents submitted are complete, however in practice it will take from 3 to 5 working days.

- How many shareholders is the company required to have?

There is no limitation on the number of the shareholders.

- Is the list of shareholders publicly available?

Yes, the Albanian Commercial Register, maintained by the National Business Center, provides information about companies registered in Albania, including details about their shareholders such as their names, surnames, and ownership percentages. Access to the Commercial Register is available at no cost.

8. What are the requirements and necessary governmental approvals for a foreign investor acquiring shares in a private company? What about for an acquisition of assets?

Competition clearance shall be obtained in cases when transactions are caught by merger control legislation. A concentration shall be deemed to arise where a change of control on a lasting basis result from:

– the merger of two or more independent undertakings or parts of undertakings;

– the acquisition, by one or more persons already controlling at least one undertaking, or by one or more undertakings, whether by purchase of shares or assets, by contract or by any other means, of direct or indirect control of the whole or parts of one or more other undertakings; or

– direct or indirect control over one or more undertakings or part of the latter.

Control shall be constituted by rights, contracts or any other means which, either separately or in combination and having regard to the considerations of fact or law involved, confer the possibility of exercising decisive influence on an undertaking, particularly by (i) ownership

or the right to use all or part of the assets of an undertaking; and (ii) rights or contracts which confer decisive influence on the composition, voting or decisions of the management organs of an undertaking.

A transaction must be notified if either of the following thresholds is met:

– the combined worldwide turnover of all participating undertakings is more than ALL 7 billion (approx. EUR 69 million) and the domestic turnover of at least one participating undertaking is more than ALL 200 million (approx. EUR 1.9 million); or

– the combined domestic turnover of all participating undertakings is more than ALL 400 million (approx. EUR 3.9 million) and the domestic turnover of at least one participating undertaking is more than ALL 200 million (approx. EUR 1.9 million).

Further with regard to acquisition of assets, there are some restrictions related to the purchase of agricultural land. No foreign citizen or foreign incorporated company may purchase agricultural land, though land may be leased for up to 99 years. It should be noted that Law no. 93 dated 27.07.2015 “On tourism” encourages potential investors to invest by offering state-owned land through the “Albania 1 Euro scheme” for a period of 99 years. Foreign investors can purchase state or private land, provided that the investment value is at least three times the value of the land.

9. Does a foreign investor need approval to acquire shares in a public company on a domestic stock market? What about acquiring shares of a public company in a direct (private) transaction from another shareholder?

There are no approval requirements.

10. Is there a requirement for a mandatory tender offer if an investor acquired a certain percentage of shares of a public company?

Yes. According to by Law 10236, date 18.02.2010 “On Takeover of Public Companies” a person who, alone or together with others, has obtained control of more than 30% of the voting shares of a public company, is required to launch a mandatory bid for the acquisition of all the target company’s remaining shares.

11. What is the approval process for building a new facility in the country (in a greenfield or brownfield project)?

The approval process for building a new facility in Albania, whether it's a greenfield (new construction on undeveloped land) or a brownfield (redevelopment of an existing site), typically involves several key steps and regulatory requirements.

The first step is to acquire the necessary rights on the land or property for the development of the project. In this regard, understanding the local zoning regulations and land use plans is crucial. Different areas may have specific zoning requirements that dictate the type of development allowed in a particular location. Further, an environmental impact assessment may be required to assess the potential environmental impact of the development.

The most important approval stage consists in obtaining a building permit from the municipality or central government authorities. This permit outlines the approved design, construction plans, and compliance with laws and regulations. Depending on the nature of the project, you may need additional approvals from various government agencies, such as environmental, health, or safety permits.

12. Can an investor do a transaction in the country in any currency or only in domestic currency? a) Is there an approval requirement (e.g. through Central Bank or another governmental agency) to use foreign currency in the country to pay: i. in an acquisition, or, ii. to pay to contractors, or, iii. to pay salaries of employees? b) Is there a limit on the amount of foreign currency in any transaction or series of related transactions? i. Is there an approval requirement and a limit on how much foreign currency a foreign investor can transfer into the country? ii. Is there an approval requirement and a limit on how much domestic currency a foreign investor can buy in the country? iii. Can an investor buy domestic currency outside of the country and transfer it into the country to pay for an acquisition or to third parties for goods or services or to pay salaries of

employees?

In Albania, investors have yet the flexibility to conduct transactions in both foreign currencies and the domestic currency, although Bank of Albania policies to promote transactions on domestic currencies.

• Is there an approval requirement (e.g. through Central Bank or another governmental agency) to use foreign currency in the country to pay:

- in an acquisition, or
- to pay to contractors, or
- to pay salaries of employees?

No approval is required to use foreign currency for payments in Albania, whether it's for an acquisition, paying contractors, or to pay salaries of employees.

• Is there a limit on the amount of foreign currency in any transaction or series of related transactions?

• Is there an approval requirement and a limit on how much foreign currency a foreign investor can transfer into the country?

• Is there an approval requirement and a limit on how much domestic currency a foreign investor can buy in the country?

• Can an investor buy domestic currency outside of the country and transfer it into the country to pay for an acquisition or to third parties for goods or services or to pay salaries of employees?

Albania offers an investor-friendly environment where the movement of foreign currency and the ability to purchase domestic currency for transactions are facilitated without restrictions or approval processes.

There are no approval requirements and limits imposed on the amount of foreign currency that can be involved in a single transaction or a series of related transactions. Foreign investors have the flexibility to transfer foreign currency into the country without any approval requirements or predefined limits.

Investors can purchase domestic currency outside of the country and transfer it into Albania to facilitate transactions, such as acquisitions or payments to third parties. This flexibility enables investors to manage their financial transactions efficiently and effectively within the regulatory framework of the country.

13. Are there approval requirements for a

foreign investor for transferring domestic currency or foreign currency out of the country? Whose approval is required? How long does it take to get the approval? Are there limitations on the amount of foreign or domestic currency that can be transferred out of the country? Is the approval required for each transfer or can it be granted for all future transfers?

In Albania, foreign investors enjoy the flexibility of transferring domestic or foreign currency out of the country without the need for prior approval.

- Whose approval is required?

No approval is applicable.

- How long does it take to get the approval?

N/A

- Are there limitations on the amount of foreign or domestic currency that can be transferred out of the country?

No limitation is applicable.

- Is the approval required for each transfer or can it be granted for all future transfers?

N/A

14. Is there a tax or duty on foreign currency conversion?

No stamp duty or other taxes are applicable for currency exchange conversions.

15. Is there a tax or duty on bringing foreign or domestic currency into the country?

There are no stamp duty or other taxes applicable for bringing foreign or domestic currency in Albania.

16. Is there a difference in tax treatment between acquisition of assets or shares (e.g. a stamp duty)?

In terms of tax treatment, the acquisition of assets and shares does not have any difference.

17. When is a stamp duty required to be paid?

No stamp duty is applicable in Albania.

18. Are shares in private domestic companies easily transferable? Can the shares be held outside of the home jurisdiction? What approval does a foreign investor need to transfer shares to another foreign or domestic shareholder? Are changes in shareholding publicly reported or publicly available?

Yes, shares in private domestic companies are easily transferable within the Albanian legal framework.

- Can the shares be held outside of the home jurisdiction?

There is no restriction regarding shares being held outside the home jurisdiction.

- What approval does a foreign investor need to transfer shares to another foreign or domestic shareholder?

In Albania, there are no statutory requirements preventing transfer of shares to other foreign or domestic shareholders unless other than transfer of equity in project companies being awarded public concessions. The country fosters an investor-friendly environment, making the share transfer process relatively straightforward.

However, it's important to note that approval from the Albanian Competition Authority may become necessary if there is a change of control within the company and if specific thresholds are met.

- Are changes in shareholding publicly reported or publicly available?

In Albania, the National Business Center (NBC) and its commercial register keep detailed records of who owns shares, and this information is available to the public. Anyone can easily get this information in writing or electronically from the NBC's website or the e-Albania portal at www.e-albania.al. This portal even provides electronically signed extracts for both individuals and businesses.

To make things transparent, the Albanian Parliament passed Law No. 112/2020 "On the Registry of Beneficial Owners". This law, which has been amended over time, creates the Registry of Beneficial Owners managed by

the NBC. It sets out how to register details about beneficial owners and the penalties for not following the rules. The Registry includes important information like the business number and name of legal entities registered with the Albanian Commercial Registry at the NBC. It also has comprehensive details about beneficial owners, such as their identity, when they were identified as beneficial owners, how much of the company they own, and the type of ownership (direct or indirect).

For Albanian citizen beneficial owners, you need details like name, last name, personal identification number, birthdate, citizenship, and address. For foreign citizens, you also need their passport number, along with when the passport was issued and when it expires. This thorough reporting system shows that Albania is committed to being open and accountable when it comes to changes in company ownership.

19. Is there a mandatory FDI filing? With which agency is it required to be made? How long does it take to obtain an FDI approval? Under what circumstances is the mandatory FDI filing required to be made? If a mandatory filing is not required, can a transaction be reviewed by a governmental authority and be blocked? If a transaction is outside of the home jurisdiction (e.g. a global transaction where shares of a foreign incorporated parent company are being bought by another foreign company, but the parent company that's been acquired has a subsidiary in your jurisdiction), could such a transaction trigger a mandatory FDI filing in your jurisdiction? Can a governmental authority in such a transaction prohibit the indirect transfer of control of the subsidiary?

In Albania, there is no mandatory filing requirement for FDI. The country's approach is to treat foreign investments equally with domestic ones, except for land ownership, which is subject to certain statutory restrictions. While there is no compulsory filing, the Albanian Investment Development Agency (AIDA) is available as a supportive resource for investors.

20. What are typical exit transactions for foreign companies?

Typical exit transactions for foreign companies in Albania can vary depending on the specific circumstances and

objectives of the foreign company. Here are some of most common exit transactions of foreign companies from their operations in Albania:

(i) Sale of shares

As the most common option, the foreign companies often explore the option of selling their Albanian assets or business operations to a local buyer. This can include the sale of shares in an Albanian subsidiary or the sale of specific assets or business units.

(ii) Liquidation

In cases where a foreign company aims to completely wind down its operations in Albania, liquidation is a common exit transaction. This involves selling off assets, paying off debts, and distributing any remaining funds to shareholders before dissolving the company.

Each of these exit transactions has its unique advantages and considerations, and the choice depends on factors such as market conditions, the company's financial position, and the shareholders' long-term objectives.

21. Do private companies prefer to pursue an IPO? i. on a domestic stock market, or ii. on a foreign stock market? iii. If foreign, which one?

Albanian stock market is relatively new and no Initial Public Offering (IPO), has been taking place so far.

22. Do M&A/Investment/JV agreements typically provide for dispute resolution in domestic courts or through international arbitration?

In Albania, arbitration is not developed. Therefore, domestic investors pursue litigation before local courts. However, in M&A/Investment/JV agreements involving foreign investors it is common to provide for dispute resolution through international arbitration.

Albania has in place the necessary legislation for recognition and enforcement of foreign arbitral awards. Therefore, it can be considered an arbitration friendly jurisdiction in this respect.

23. How long does a typical contract dispute case take in domestic courts for a

final resolution?

The duration of a typical contract dispute case in domestic courts for a final resolution in Albania has seen a significant increase in recent years. As of April 2023, data from the judiciary indicates that cases heard at the Court of Appeals typically span trial durations of approximately 3 years. Given the current processing rate, where roughly 5,600 cases are handled annually for regular procedures, it would require approximately 6 years to clear the backlog of 40,305 pending cases at the Court of Appeals. Consequently, the average duration for a regular case at the Court of Appeals in Albania now extends to around 7 years for a final resolution.

In the First Instance Courts, statistics show that approximately, cases require around 2-3 years for trial. Overall, considering the data presented, it can be estimated that parties involved in a typical procedure case within Albania's judicial system typically encounter an extended journey, spanning approximately 12 years to achieve a final resolution. These statistics exclusively pertain to regular procedures and do not encompass the potential impact of various other legal processes and potential delays that may further extend the timeline.

24. Are domestic courts reliable in enforcing foreign investors rights under agreements and under the law?

In accordance with the 2022 Investment Climate Statement for Albania released by the US Department of State (<https://www.state.gov/reports/2022-investment-climate-statements/albania/>), Albania, despite having a solid legal framework, is often perceived as a challenging environment for foreign investors. Challenges include concerns related to endemic corruption, which extends to areas such as the judiciary. Notably, some U.S. investors have encountered contentious commercial disputes involving both public and private entities, leading to instances of international arbitration. One such case from 2019 and 2020 involved a U.S. company whose investment plans were reportedly obstructed by various judicial decisions and questionable actions by stakeholders involved in a dispute related to the investment. This particular case is currently under international arbitration.

To combat the issue of endemic corruption, the Albanian parliament introduced extensive constitutional amendments in 2016 aimed at reforming the nation's judicial system and enhancing the rule of law. As part of this comprehensive reform effort, Albanian courts are

currently undergoing substantial changes to improve their ability to effectively uphold contract rights.

The implementation of judicial reform is in progress and enjoys substantial support from both the United States and the European Union. This includes measures such as the vetting of judges and prosecutors to address concerns related to unexplained wealth. As this reform continues to be implemented, it is expected that it will significantly contribute to an improved investment climate within the country.

Several other factors may affect the reliability of the process:

- Judicial Efficiency

The Albanian judiciary has faced challenges related to case backlog and lengthy court procedures. Delays in the resolution of cases can be frustrating for foreign investors seeking timely justice.

- Transparency

Transparency in the judicial process, including access to information and court decisions, can be a concern.

- Consistency

Consistency in judicial decisions can be an issue, as interpretations of laws and regulations may vary among different judges and courts. This inconsistency often arises due to the absence of a well-established case law.

- Enforcement of Judgments

While obtaining a favorable court judgment is one step, enforcing it can be another challenge. The enforcement of court decisions, including the collection of awarded damages, may encounter difficulties.

25. Are there instances of abuse of foreign investors? How are cases of investor abuse handled?

In Albania, instances of abuse of foreign investors have been reported in the past, although it's essential to note that the specifics may vary from case to case. Cases of investor abuse are typically handled through legal channels and dispute resolution mechanisms.

Albania has legal provisions and bilateral investment treaties (BITs) in place to protect foreign investors' rights. These agreements offer legal safeguards and mechanisms to address disputes between foreign investors and the Albanian government.

Many international agreements and BITs provide for international arbitration as a dispute resolution mechanism. In cases of alleged abuse or disputes, foreign investors often resort to arbitration to resolve their issues independently of domestic courts.

Some foreign investors may choose to pursue their claims through Albanian domestic courts. While the reliability and efficiency of these courts can vary, they provide a forum for seeking remedies under Albanian law.

It's important to note that while Albania has made efforts to create a favorable investment climate and protect foreign investors, challenges related to the legal system's efficiency and transparency may persist. As a result, foreign investors are encouraged to conduct thorough due diligence, seek legal advice, and consider dispute resolution mechanisms offered in international agreements when investing in Albania.

26. Are international arbitral awards recognized and enforced in your country?

Albania offers a well-established practice of recognition and enforcement of international arbitral awards. The recognition and enforcement of international arbitral awards in Albania are governed by the Albanian Code of Civil Procedure and the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, also known as the New York Convention.

Since November 2000, the Albanian Parliament has ratified the New York Convention, through law no. 8688, dated 9 November 2000, which simplifies the recognition and enforcement of arbitral awards issued in other member countries.

The New York Convention streamlines and simplifies the recognition and enforcement of arbitral awards issued in other member countries, making it more accessible and efficient for parties involved in international arbitration.

Even before the ratification of the New York Convention, specific provisions of the Code of Civil Procedure of the Republic of Albania, which are very similar to those of NY Convention, were applicable for recognition of foreign arbitral awards. These provisions were applied to the recognition of foreign arbitral awards, providing a solid legal foundation for the enforcement of such awards in Albania. Importantly, these provisions continue to be applicable in cases where the legal seat of arbitration is not in a state that is a member of the New York Convention, further demonstrating Albania's commitment to accommodating international arbitration matters.

Overall, Albania provides a legal framework that facilitates the recognition and enforcement of international arbitral awards in line with international standards.

27. Are there foreign investment protection treaties in place between your country and major other countries?

Yes, Albania has entered into foreign investment protection treaties, commonly known as bilateral investment treaties (BITs), with several major countries. These treaties are designed to promote and protect foreign investments by providing certain guarantees and protections to foreign investors. Some of the major countries with which Albania has BITs include:

United States

Albania has a bilateral investment treaty with the United States, signed in 1995. This treaty promotes and protects U.S. investments in Albania and vice versa. It includes provisions related to the protection of property rights, dispute resolution mechanisms, and fair and equitable treatment for investors.

Germany

Albania also has a bilateral investment treaty with Germany, signed in 1991. This treaty aims to encourage and protect German investments in Albania and covers various aspects of investment protection, including dispute settlement procedures.

Italy

Albania has a bilateral investment treaty with Italy, signed in 1991. This treaty promotes and safeguards Italian investments in Albania and provides a framework for resolving investment disputes.

France

Albania signed a bilateral investment treaty with France in 1995. The treaty focuses on creating favorable conditions for French investments in Albania and includes provisions related to compensation for expropriation and dispute resolution.

Turkey

Albania has a bilateral investment treaty with Turkey, signed in 1992. This treaty aims to enhance economic cooperation and protect Turkish investments in Albania, with provisions covering dispute settlement mechanisms.

Switzerland

Switzerland and Albania have a bilateral investment treaty in place, signed in 1992, that encourages economic cooperation and ensures the protection of Swiss investments in Albania. The treaty includes provisions related to dispute resolution and the treatment of investments.

Austria

The bilateral investment treaty between Albania and Austria, signed in 1993, facilitates and safeguards Austrian investments in Albania. It includes provisions related to the protection of property rights and mechanisms for resolving investment disputes.

Netherlands

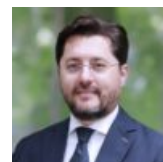
Albania and the Netherlands have entered in 1994, into a bilateral investment treaty to promote mutual investments and protect the rights of investors from both countries. This treaty covers various aspects of investment protection, including compensation for expropriation.

These examples represent just some of the foreign investment protection treaties that Albania has established with major countries. These treaties are integral components of Albania's commitment to fostering an investor-friendly environment and offering legal assurances and safeguards to foreign investors operating within its borders. They typically cover various aspects of investment protection, including the treatment of investments, dispute resolution, and compensation for expropriation, among others.

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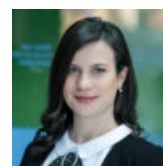
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