

Muja Law brings you the latest *Legal Update* regarding the measures taken in Albania in order to mitigate the legal and financial consequences of COVID-19 infection.

- Recently the **Bank of Albania** has announced some additional easing measures for the classification and provisioning of loans from banks.
- On the other hand, the Council of Ministers has approved Decision No.243, dated 28.05.2020 “*On some amendments to the Decision no. 305, dated 16.4.2020, of the Council of Ministers, ‘On determining the procedures, documentation and the measure of receiving financial assistance for current employees and dismissed employees as a result of COVID-19’*” (hereinafter referred to as the “*Decision*”). The Decision provides additional financial aid for affected former employees that were dismissed during COVID-19 infection.
- Moreover, the Council of Ministers, on 27.05.2020, has approved the Normative Act “*On some amendments to the Normative Act No. 9, dated 25.03.2020, of the Council of Ministers ‘On special measures in the field of judicial activity, during the state of the epidemic caused by COVID-19’, approved with Law No.30/2020*” (hereinafter referred to as the “*Normative Act*”). The Normative Act provides specific organizational measures to be implemented by the courts in order to resume their functionality.

Some of the most important provisions of the above legal acts are as follows:

➤ **Bank of Albania**

In the circumstances where there are still existing difficulties for borrowers and banks, as a result of the situation created by COVID-19 pandemic, and in order to resolve concerns raised by businesses and the Albanian Association of Banks, the supervisory authority of the Bank of Albania, after analyzing and considering the proposals and requests submitted by banks, as well as

based on the best experiences of other countries and the guidelines of the European Supervisory Authority (*ESA*) for this purpose, has adopted some changes in the rules for managing credit risk by banks, which aim facilitation for banks, mainly through :

1. Temporary suspension of the implementation of the obligation arising from the requirements for credit risk management,

for the classification and provisioning of loans for all categories of customers, **for an additional period, from June 1 to August 31, 2020**, due to financial difficulties and declining creditworthiness of borrowers, influenced by the created situation;

2. Temporary suspension of the creation of reserve funds for immovable property acquired against the repayment of loans **until December 2020**;

3. A **facilitating provision for restructured loans**, according to which banks are given the opportunity to restructure current credit relations in order to find appropriate solutions depending on the borrowers' solvency until 31 December 2020 at no additional cost to providers and without deteriorating the borrowers' status;

4. Postponing with 1 year the entry into force of the stricter requirements for the classification and provisioning of restructured loans, **for January 2022**. Through this measure, banks will be able to use even during 2021 the same criteria for classification and provisioning of restructured loans such as those before the pandemic situation; and

5. Postponing for 1 year the effects of the regulation "*On extrajudicial treatment by banks of borrowers in financial difficulties*" **until January 2022**. In this way, banks will have a greater time to find a suitable solution for common borrowers in financial difficulties.

Meanwhile, borrowers whose solvency is not affected or impaired by this situation should normally continue to repay their obligations to the banks.



➤ Decision

The Decision provides additional financial aid for affected former employees that were dismissed during COVID-19 infection.

Some of its most important provisions are as follows:

Financial assistance, of 40,000 (forty thousand) ALL, for former employees in subjects that have been allowed to carry out activities or have been closed according to the orders of the Minister of Health and Social Protection, who *have been dismissed from work from March 1, 2020 until May 17, 2020.*

In cases of non-application by the subject, financial assistance to employees or former employees will be provided immediately after approval by the tax administration. Approval is made after verifying the criteria based on the data available to the tax administration or the data that employees or former employees will submit. The deadline for submitting this data is June 5, 2020.

In order to benefit from financial assistance, the employee must have been in an employment relationship.

Employees or former employees who receive financial assistance according to this Decision, are excluded from the simultaneous benefit from the packages of state support on payment of economic assistance and payment of income from unemployment, based on law no. 7703, dated 11.5.1993, according to which *the benefit at the same time from two state support schemes is not allowed.*

For all applicants for unemployment benefits who have completed the file within the legal criteria and have acquired the status of beneficiary of unemployment benefits, the right to benefit from unemployment benefits is not lost, but the delivery of unemployment benefits will begin after the end of the scheme according to this decision, if they will still be unemployed.

Entry into force

This Decision has entered into force after its publication in the Official Journal.

➤ Normative Act

The Normative Act provides specific organizational measures to be implemented by the courts in order to resume their functionality.

Some of the main provisions of the Normative Act are as follows:

Specific organizational measures

During the COVID-19 epidemic, the courts shall conduct hearings in administrative, civil and criminal matters, implementing specific organizational measures, necessary to avoid gatherings in court premises and within courtrooms, such as the following:

- a) Restricting the access of the public to the court premises, guaranteeing the implementation of the rules established for this purpose;
- b) Adjusting access to services, by reservation, also through telephone or electronic communication, taking care that users can use the services within a certain time, as well as approving any measure that is considered necessary to avoid gatherings;
- c) Establishing mandatory guidelines for the restriction and manner of movement of persons. The guidelines shall be published on the courts' and the Councils' website;
- ç) Closed-doors proceedings of all public court hearings;
- d) In administrative and civil cases, in which the presence of the parties is not required, conducting hearings on the basis of documents through the use of electronic means of communication for the submission of procedural acts and the issuance of a decision by the court.



Remote participation in court hearings

Participation of the parties, the main intervener, the secondary intervener, the third person or their representatives, the prosecutor, the defendant, the detainee, the defense counsel, the victim, the accusing victim, the plaintiff, the civil defendant, the state attorney, witnesses, experts, translators as well as any other participant involved or interested, in all preparatory/judicial hearings shall be provided where possible and only after the parties have given their consent within a time limit set by the court, through remote audiovisual liaison, using computer software suitable for this purpose.

The remote communication shall ensure, in any case, the mutual visibility of the persons present in both interconnected places and the possibility of hearing from all parties. If the participation of several parties or other participants in the process is foreseen, each of them must be placed in conditions so that he can watch and listen to the others.

In cases when court hearings are held remotely, evidence, written documents and any other procedural act shall be submitted to the court or to the parties through electronic means of communication and shall be sent, within the same day, through the postal service, by registered mail. The receipt must be kept by the parties until a final decision is made. If the party does not send the acts, according to this provision, it is considered as they have not been submitted.

Bylaws

The councils and judicial administration bodies of each court must adopt bylaws on specific organizational measures for the development of court hearings, no later than

5 (five) days from the entry into force of this Normative Act.



Deadlines

Deadlines that had started to be calculated according to the procedures provided in the relevant legislation, but were suspended in virtue of Normative Act no. 9, dated 25.3.2020, of the Council of Ministers, “*On special measures in the field of judicial activity, during the state of the epidemic caused by COVID-19*”, shall continue to be calculated from the date of entry into force of this Normative Act for the unfulfilled part of the term. The deadlines that should have started during the suspension period start to be calculated according to the procedures provided in the relevant legislation from the date of entry into force of this Normative Act.

Entry into force

This Normative Act has entered into force immediately.



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Muja Law is a family-run law office where we work hard for the success of our clients and to provide excellence in legal service. Our roots go back to 2001 when our Managing Partner, Krenare Muja (Sheqeraku), opened her law practice office in Tirana, Albania. Krenare’s son Eno joined her in 2014, and the other son Adi entered the practice in 2019. What started in Tirana as a small, family-run law office has grown and flourished in the community for the last 20 years. The office consists of various respected and talented lawyers who possess outstanding educational and community service backgrounds and have a wealth of experience in representing a diverse client base in various areas of the law.

The office is full-service and advises clients on all areas of civil, commercial and administrative law. With significant industry expertise, we strive to provide our clients with practical business driven advice that is clear and straight to the point, constantly up to date, not only with the frequent legislative changes in Albania, but also the developments of international legal practice and domestic case law. The office delivers services to 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. In our law office, we also like to help our clients with mediation services, as an alternative dispute resolution method to their problems.

While we have grown over the past 20 years and become recognized as one of Albania’s leading law offices, we are grounded in the essence of “who” we are and “where” we started. We understand the importance of family, hard-work, and dedication.

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