



Legal Update

February 2022 / Issue 1

Muja Law brings you the latest issue of the *Legal Update*.

Recently in Albania has been approved the Law No. 6/2022, dated 27.01.2022, “*On some amendments to Law No. 112/2020, “On the register of beneficial owners”, as amended*” (hereinafter referred to as “*Law No.6/2022*”).

Additionally, has also been approved the Law No. 7/2022, dated 27.1.2022, “*On an amendment to Law No. 9723, dated 03.05.2007, “On the registration of business”, as amended*” (hereinafter referred to as “*Law No.7/2022*”).

The above-mentioned acts have both been published in the Official Journal No.25, dated 15.02.2022 and they both present some amendments to the existing legislation.

Some of the most important provisions of these amendments are as follows:

❖ **Law No.6/2022**

Application and registration procedure

Law No.6/2022 provides that the registration by the reporting subjects of beneficiary owners’ data in the Register of Beneficiary Owners shall be made as follows:

a) In cases of initial registration of the beneficial owners by the reporting subjects, which are registered in the commercial register, the registration shall be done **simultaneously with the**

application for registration of the legal person in the commercial register;

- b) In cases of rejection of the application for initial registration of beneficial owners by reporting subjects, which are registered in the commercial register with indirect ownership, the registration shall be done **within 40 (forty) calendar days from the date of the application’s rejection;**
- c) In cases of initial registration of beneficial owners by reporting subjects, which are registered in the register of non-profit

organizations, the registration is done within 40 (forty) calendar days from the date of registration of reporting subjects as a legal entity;

- d) In the case of registration of changes in the data of the beneficial owners of reporting subjects, the registration is done within 90 (ninety) calendar days from the date of occurrence of the actual change.



Furthermore, Law No.6/2022 provides that the National Business Center (“NBC”) no later than 2 (two) working days from receiving the application from the reporting subjects shall perform one of the following actions:

- a) approve the registration of the beneficiary owner's data; or
- b) suspend the application for initial registration, change or update of data, giving the reporting subject a deadline of 30 (thirty) calendar days to complete the shortcomings that prevent registration. If the shortcomings that hinder the registration are met within this deadline, the NBC is obliged to complete the registration no later than 2 (two) working days from the date of completion of the shortcomings. If the shortcomings are not

met, in virtue of Law No.6/2022 the NBC shall refuse the registration no later than 2 (two) working days after the expiration of such deadline; or

- c) refuse the registration if after verification it finds that the data required to be registered are different from the registrable data, according to the provisions of Law No. 112/2020, “*On the register of beneficial owners*”, as amended.

Law No.6/2022 also provides that in cases of applications for initial registration of the beneficiary owners, by reporting subjects with direct ownership, the NBC shall register the data simultaneously with the registration of the subject in the commercial register. Such application shall be made at the physical counter of the NBC.

Administrative contraventions

In virtue of Law No.6/2022, reporting subjects and persons authorized to make the registration are responsible according to the laws in force for the veracity of the facts, of the notified data and of the accompanying documents, deposited in the electronic register.

Law No.6/2022 provides that the following violations constitute administrative contraventions and are punished with a fine as follows:

- a) Initial non-registration of data (i.e., *In cases of rejection of the application for initial registration of beneficial owners by reporting subjects, which are registered in the commercial register, with indirect ownership*) for the beneficiary owner within 40 (forty) calendar days from the date of rejection of the application, is punishable by a fine in the amount of 50,000 (fifty thousand) ALL;

- b) Initial non-registration of data (i.e., *In cases of initial registration of beneficial owners by reporting subjects, which are registered in the Register of Non-Profit Organizations*) for the beneficial owner within 40 (forty) calendar days from the date of registration of reporting subjects as a legal person is punishable by a fine in the amount of 50,000 (fifty thousand) ALL;
- c) Initial non-registration of data (i.e., *In cases of rejection of the application for initial registration of beneficial owners by reporting subjects, which are registered in the commercial register, with indirect ownership*) for its beneficiary owner within 40 (forty) days after the expiration of the legal deadline is punishable by a fine in the amount of 600,000 (six hundred thousand) ALL;
- d) Initial non-registration of data (i.e., *In cases of initial registration of beneficial owners by reporting subjects, which are registered in the Register of Non-Profit Organizations*) for its beneficiary owner within 40 (forty) days after the end of the legal deadline is punished with a fine in the amount of 600 000 (six hundred thousand) ALL;
- e) Failure to register any change in the registered data, which are deposited in the register, within 90 (ninety) calendar days from the date of occurrence of the actual change, is punished with a fine in the amount of 400 000 (four hundred thousand) ALL.

Law No.6/2022 provides that the NBC and the authority responsible for maintaining the Register of Non-Profit Organizations, for reporting subjects which commit the above-mentioned violations, will not provide services to such subjects, except for the registration of changes in the data of the legal representative and will change the status of reporting subjects

from “active” status to “suspended” status in the commercial register and in the Register of Non-Profit Organizations until the payment of the fine and the registration of relevant data for the beneficial owners.

In virtue of Law No.6/2022, the fine shall be imposed by the head of the NBC, whose decision is appealed directly to the competent administrative court in compliance with the provisions of the Code of Administrative Procedures.



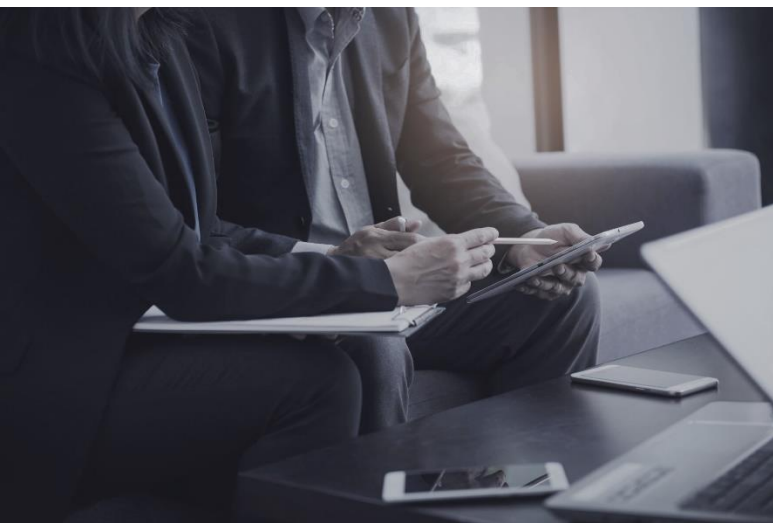
Non-fulfillment of legal obligations in relation to maintaining appropriate, accurate and up-to-date data and accompanying documents, on the basis of which the beneficial owners of the subject are determined and the type of control of their beneficial owners, also constitutes an administrative contravention and is punished with a fine in the amount of 50,000 (fifty thousand) ALL. Such fine shall be decided by the state inspection/verification authorities in the tax field, whose decision can be appealed directly to the competent administrative court in accordance with the provisions of the Code of Administrative Procedures.

Transitional provisions

Law No.6/2022 provides that NBC, in

cooperation with the National Agency of Information Society, [within 30.06.2022](#), shall transfer to the Register of Beneficiary Owners the data of beneficiary owners for reporting subjects with direct ownership, which have been registered in the Commercial Register before the date of the establishment of the Register of Beneficiary Owners, which on the date of entry into force of this law have not fulfilled the obligation for the initial registration of their beneficial owners.

For reporting subjects, whose data have been transferred according to above, the obligation for the initial registration of their beneficial owners is considered fulfilled on the date of this transfer. These reporting subjects have the right to update with the NBC the data of their beneficiary owners without facing administrative violations.



In virtue of Law No.6/2022, reporting subjects registered in the Commercial Register with indirect ownership, as well as reporting subjects registered in the Register of Non-Profit Organizations, which on the date of entry into force of this law have not fulfilled the obligation related to the initial registration of their beneficial owners, as well as with the changes of the registered data of the beneficiary owners, must fulfill these obligations [within the date 30.6.2022](#).

In case of failure to comply with such provision, the reporting subjects shall be punished with a fine in the amount of **400 000 (four hundred thousand) ALL**. Such fine shall be imposed by the head of the NBC, whose decision is appealed directly to the competent administrative court in accordance with the provisions of the Code of Administrative Procedures.

Law No.6/2022 also provides that the NBC and the authority responsible for maintaining the Register of Non-Profit Organizations will not provide services to reporting subjects, which commit the violations provided above, except for the registration of changes in the data of the legal representative, and also will change the status of reporting subjects from “active” status to “suspended” status in the Commercial Register and the Register of Non-Profit Organizations until the payment of the fine and the registration of relevant data for the beneficial owners.

In virtue of Law No.6/2022, penalties imposed before the date of entry into force of this law for non-timely fulfillment of legal obligations related to the initial registration, as well as changes in the registered data of beneficial owners, which were not paid before the date of entry into force of this law, are pardoned in the amount of 100 (one hundred) percent.

Reporting subjects, which before the date of entry into force of this law have paid the fines pardoned in compliance with the above provisions and have fulfilled the relevant obligations for the registration of their beneficial owners, [have the right to apply to the NBC for reimbursement of amounts paid](#).

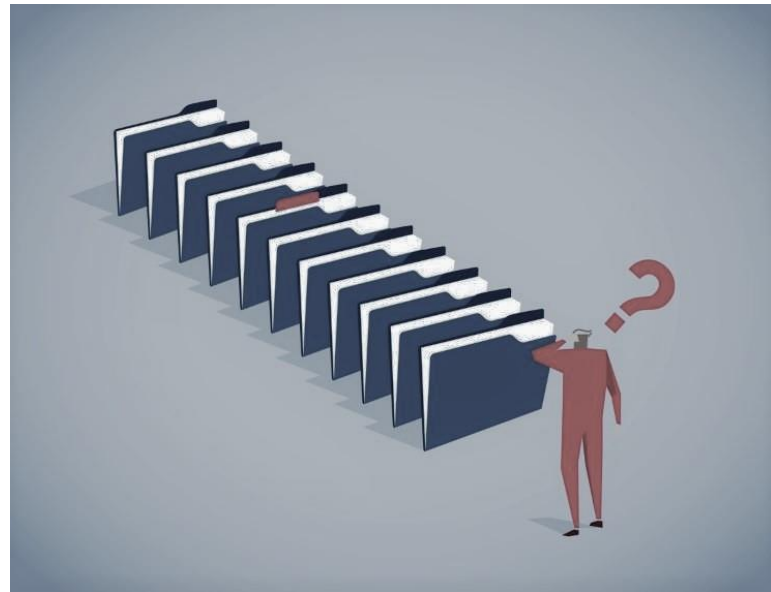
Entry into force

Law No.6/2022 enters into force 15 days after its publication in the Official Journal.

❖ Law No.7/2022

Law No.7/2022 provides that the declaration of untrue data in the register, when it does not constitute a criminal offense, constitutes an administrative contravention and is punished with a fine of 60,000 (sixty thousand) ALL.

Failure to perform the obligation for initial registration and other mandatory registrations within the deadlines provided by law No. 9723, dated 03.05.2007, “*On the registration of business*”, as amended, constitutes an administrative contravention and is punishable by a fine of 60,000 (sixty thousand) ALL.



Entry into force

Law No.7/2022 enters into force 15 days after its publication in the Official Journal.



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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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