



WHITEPAPER · LEGAL + TAX

Investing in Albania

A legal, tax and business guide for international investors — 2026
edition

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A practical guide to the legal, tax and operating questions that shape an investment in Albania.

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Foreword

Albania has spent the better part of a decade being described as an emerging market. That description is becoming inadequate. The country has grown faster than most of Europe for several consecutive years, had opened all six clusters of its European Union accession negotiations by late 2025 and, in July 2026, provisionally closed its first three chapters. In 2026 it also transposed a substantial body of EU commercial law into domestic legislation in a single legislative season. Albania in 2026 is materially different from the country investors encountered a decade ago.

It is also not yet what the promotional literature says it is. A great deal of the English-language material available to a foreign investor is out of date, and some of it is simply wrong. Reliefs that expired are still advertised. Procedures that changed in 2022 are still described in their pre-2022 form. Thresholds are quoted without the obligations that sit alongside them. An investor who plans on that material makes decisions on a version of Albania that no longer exists.

This whitepaper is written to be accurate rather than encouraging. Where the position is genuinely favourable — and in several respects it is markedly so — we explain why. Where there is friction, delay or risk, we say that too, because the investor who is surprised by a six-week banking process is worse served than the one who planned for it. We set out several points on which widely circulated guidance no longer reflects the current position, and identify them as corrections rather than leaving the reader to discover the discrepancy later.

The guide reflects the law and published administrative position available as at 9 September 2026, including the legislative package adopted between April and August 2026. Albanian law moves quickly; much of the operative detail sits in subordinate legislation, ministerial instruction and administrative practice, while monetary figures are revised periodically. Nothing here substitutes for advice on the facts of a particular matter.

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Tridens

About Tridens

Tridens is a law firm based in Tirana advising international clients on establishing, operating and investing in Albania. Our practice is built around the questions foreign businesses and individuals actually bring to us: how to structure an entry into the market, how to obtain the right to live and work here, and how the two interact with the tax position in Albania and at home.

We advise in English, German and Albanian. This reflects where our clients come from and the practical value of working with an adviser who can read the Albanian statute, explain it accurately in the client's own language, and coordinate directly with the client's home-jurisdiction adviser without an intermediary.

Our principal areas of work are:

Corporate and commercial — company formation, corporate structuring, foreign subsidiaries and branches, shareholder arrangements, commercial contracts, and corporate governance.

Tax — corporate income tax, VAT, transfer pricing, tax residence, profit extraction, double taxation treaty analysis, and dealings with the tax administration.

Migration — residence permits in all statutory categories, work authorisation, permanent residence and citizenship, and the coordination of migration with corporate and tax planning.

Real estate — acquisition, title due diligence, development and construction permitting, and leasing.

Employment — contracts, payroll obligations, termination, and the employment aspects of establishing a workforce in Albania.

Regulatory — licensing across regulated sectors, including energy, electronic communications, financial services and tourism.

Important Notice

This whitepaper is provided for general information only. It is not legal, tax or investment advice, it does not address the circumstances of any particular person, entity or transaction, and it must not be relied upon as a substitute for advice on the facts of a specific matter. No lawyer–client relationship is created by reading it.

Albanian law is subject to frequent amendment. A significant proportion of the operative detail in the areas covered here — permit thresholds, contribution bases, procedural requirements, documentary standards — is set by subordinate legislation, ministerial instruction or administrative practice rather than by statute, and can change without amendment to the governing law. Monetary thresholds and rates are revised annually, most commonly with effect from 1 January.

Statutory references are to the law as we understand it to stand in 2026. Where a provision is transitional, we say so and give its expiry date. Where published guidance conflicts with our understanding of the current position, we identify the conflict rather than passing over it. Where a figure is administratively set rather than statutory, we flag it as requiring verification at the time of reliance.

Macroeconomic data is drawn from the International Monetary Fund, the World Bank, the Bank of Albania and INSTAT, the Albanian statistical institute. Published figures for Albania differ between sources, sometimes materially, and estimates are revised. Figures are given as indicative orders of magnitude rather than as precise values.

Tridens accepts no liability for any action taken or not taken on the basis of this whitepaper.

1 — Albania at a Glance

Albania occupies the western edge of the Balkan Peninsula, with roughly 450 kilometres of Adriatic and Ionian coastline facing Italy across the Strait of Otranto. It is a country of about 28,700 square kilometres — comparable in area to Belgium or the American state of Maryland — and of a little over two million residents. It is small enough that a business can cover the entire domestic market from a single office in Tirana, and close enough to the European Union that its principal trading relationships are with member states rather than with its immediate neighbours.

Geography, climate and regions

The country divides into a coastal lowland and a mountainous interior. The lowland strip running from Shkodra in the north through Durrës and Vlora to Saranda in the south contains most of the population, most of the arable land, the ports, and effectively all of the tourism development. The interior is mountainous, sparsely populated and rich in hydrological resources, which is why Albania generates the overwhelming majority of its electricity from hydropower.

The climate is Mediterranean on the coast — hot dry summers, mild wet winters — and continental in the interior, with genuine winters and snow at altitude. For a tourism investor this matters commercially: the coastal season has historically run from roughly May to September, and the extension of that season is one of the sector's central strategic questions.

Tirana is the capital and the economic centre. It holds a large and growing share of national economic activity, the overwhelming majority of professional services, the head offices of the banks, and the government. For most foreign businesses the practical question is not where in Albania to locate but whether anything requires a presence outside Tirana.

Durrës, thirty-five kilometres west of Tirana, is the principal port and the country's main logistics point. **Vlora** and **Saranda** anchor the southern coast and the tourism economy. **Shkodra** in the north and **Korça** in the southeast are regional centres. **Elbasan** retains the country's heavy industrial legacy.

Population and language

Albania's resident population was 2.4 million at the 2023 census and has been declining, driven principally by emigration alongside natural population change. This is a genuine structural constraint on the economy and it is discussed candidly in Chapter 3, because it bears directly on labour availability and wage growth.

Albanian is the sole official language. It is an Indo-European language with no close relatives, which means a foreign investor should assume that no employee, counterparty or official document will be intelligible without translation. Against this, **foreign-language capability among Albanians is unusually high by regional standards**. Italian is widely spoken, particularly among those over thirty, largely because Italian television was receivable during the communist period and Italy has been the principal destination for emigration since. English is widespread among younger and educated populations. Greek is common in the south. German capability is growing quickly, driven by emigration to Germany, Austria and Switzerland and by the demand this has created for German-language training.

For business purposes this is a practical advantage. It is realistic to staff a customer-facing operation in Italian, English or German in Tirana in a way that would be difficult in most of the region.

A brief history, and why it matters commercially

Albania declared independence from the Ottoman Empire in 1912. The period that shapes the present, however, is the communist regime of 1944 to 1991, which was unusually severe even by the standards of the Eastern bloc. Albania was effectively closed, private property was abolished entirely, and by the late 1980s it was the poorest country in Europe by a considerable margin.

Three commercial consequences follow from this and remain live.

Property title. Because private property was abolished and then restituted, privatised or occupied in various ways after 1991, Albanian land title has a more complicated history than in most European jurisdictions. This is the single most important due diligence issue in Albanian real estate and is treated in Chapter 17.

Institutional youth. Most of the institutions a foreign investor deals with — the commercial register, the tax administration, the competition authority, the data protection authority — were built or rebuilt after 1991, and several have been substantially reformed since 2015. They are modern in design, often more digitised than their equivalents in older European states, and correspondingly less settled in practice.

The 1997 collapse. The failure of a series of pyramid schemes in 1997 wiped out a substantial share of household savings and produced a brief period of state collapse. This is remembered, and it partly explains both the caution of Albanian banks and the persistence of a substantial informal economy.

Government and political system

Albania is a unitary parliamentary republic. Legislative power rests with a unicameral Assembly (*Kuvendi*) of 140 members, elected for four-year terms. The President is head of state, elected by the Assembly, with a largely ceremonial role but genuine functions in the promulgation of laws and

certain appointments, including in citizenship matters. Executive power rests with the Council of Ministers headed by the Prime Minister.

Administratively the country is divided into 12 counties (*qarqe*) and 61 municipalities (*bashkia*). Municipalities levy certain local taxes and issue certain permits, which matters for real estate and construction.

Legal and judicial system

Albania is a **civil law** jurisdiction. The principal sources of law are the Constitution, statutes adopted by the Assembly, normative acts of the Council of Ministers with the force of law, decisions of the Council of Ministers (*VKM*), and ministerial instructions. Judicial decisions are not formally binding as precedent, though the unifying decisions of the Supreme Court carry substantial authority in practice.

The court system comprises courts of first instance, courts of appeal and the Supreme Court, with a separate administrative court branch handling disputes with public authorities — including tax and licensing disputes, which is the branch most relevant to a foreign investor. The **Constitutional Court** reviews the constitutionality of legislation and has proved willing to strike down fiscal measures; its Decision No. 52 of 27 June 2024, which annulled part of the income tax framework, is discussed in Chapter 10 and is a significant illustration.

Since 2016 Albania has undergone a comprehensive judicial reform, including the vetting of judges and prosecutors and the creation of specialised anti-corruption structures (SPAK and the Special Court). The process is not complete and has produced periods of significant judicial vacancy and case backlog. **A foreign investor should assume that Albanian litigation is slow.** This is a principal reason to give serious attention to dispute resolution clauses at the contracting stage, and it is addressed in Chapter 22.

Albania is a party to the Hague Apostille Convention of 1961, to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and to the European Convention on Human Rights, with the right of individual petition to the European Court of Human Rights in Strasbourg.

Currency and exchange

The currency is the **Albanian lek (ALL)**. There is no fixed peg; the Bank of Albania operates a free float with intervention to smooth volatility and to accumulate reserves. The lek has appreciated substantially against the euro over recent years, driven by tourism receipts, remittances and foreign investment inflows.

This appreciation is commercially significant and is often overlooked. For an exporter earning in euros and paying costs in lek, it has compressed margins materially. For an investor bringing in

euro capital, it has reduced the lek value of that capital. Any financial model for an Albanian operation should be stress-tested against exchange rate movement rather than assuming stability.

There are no exchange controls on current account transactions, and foreign investors are guaranteed the right to repatriate profits and capital. Foreign currency accounts may be held freely by residents and non-residents.

The European Union accession trajectory

Albania applied for EU membership in 2009, was granted candidate status in 2014, and opened accession negotiations in 2022. By late 2025 all six negotiating clusters had been opened. In July 2026 Albania provisionally closed the first three chapters; the government's stated objective remains accession around 2030.

Two observations are appropriate. First, the pace of legislative alignment has been genuinely rapid, and Chapter 4 of this guide is devoted to the consequences: the package of laws adopted between April and August 2026 transposed a substantial body of EU commercial, corporate and financial law in a single season. **This has direct and immediate effects on foreign businesses**, whatever happens to the accession timetable.

Second, an accession date is a political forecast rather than a legal fact, and it should not be the basis of an investment decision. Several candidate states have found the final stages considerably longer than the early ones. Prospective EU membership is a reasonable factor in a long-term view; it is not a plan.

Infrastructure and connectivity

Air. Tirana International Airport (Mother Teresa) is the principal gateway, with direct connections across Europe and traffic that has grown steeply with the tourism boom. Additional airport capacity has been under development, including at Vlora and Kukës, with the objective of distributing traffic and supporting the southern tourism corridor.

Road. The trunk network has been substantially rebuilt since 2000. The Durrës–Tirana corridor is a modern motorway; the north–south coastal route and the Durrës–Kukës–Morine motorway connecting to Kosovo are the other principal arteries. Secondary and mountain roads remain variable, which matters for logistics into the interior.

Ports. Durrës is the principal cargo port and handles the majority of maritime freight; a major redevelopment of the port area has been a significant and politically contested infrastructure project. Vlora, Saranda and Shëngjin serve passenger, tourism and secondary cargo traffic.

Rail. The rail network is limited and largely serves freight. It is not a realistic logistics option for most businesses at present.

Energy. Electricity generation is overwhelmingly hydroelectric, which makes Albania unusual in the region for the carbon profile of its grid — a genuine advantage for businesses with emissions reporting obligations in their home markets. It also makes generation weather-dependent: a dry year turns Albania from a net exporter into a net importer. Solar generation has been expanding rapidly. The sector was recast by a new framework statute in 2026, discussed in Chapters 4 and 23.

Telecommunications and digital infrastructure

Mobile and fixed broadband coverage is good by regional standards, with competitive pricing and extensive 4G coverage. The regulator is the Electronic and Postal Communications Authority (AKEP), and operators require authorisation under the general authorisation regime.

Public administration is substantially digitised through the **e-Albania** portal, which is the single point of access for a large proportion of government services — company registration, tax filing, permit applications, civil status documents. A foreign investor should expect to interact with the state primarily through this platform rather than at counters. The system works, but it assumes an Albanian electronic identity, which itself must be obtained.

Business practicalities

The working week is Monday to Friday, generally 08:00 or 09:00 to 17:00. Banks and public offices keep shorter hours. August sees substantially reduced activity, and the state legislative machinery essentially stops for part of it — a point worth building into any timetable that depends on a government decision.

Business culture is relationship-led and relatively formal in initial dealings, becoming direct once a relationship is established. Meetings in person carry disproportionate weight relative to correspondence.

Key indicators

Official name	Republic of Albania (<i>Republika e Shqipërisë</i>)
Capital	Tirana
Area	approx. 28,700 km ²
Resident population	approx. 2.3–2.4 million
Official language	Albanian
Currency	Albanian lek (ALL), free float
Government	Unitary parliamentary republic
Legal system	Civil law
EU status	Candidate; all six negotiating clusters opened; first three chapters provisionally closed in July 2026



Official name	Republic of Albania (<i>Republika e Shqipërisë</i>)
Time zone	CET (UTC+1), CEST in summer
Calling code	+355
Corporate income tax	15% standard; 0% transitional band (see Chapter 10)
Standard VAT rate	20%
Dividend tax	8%

2 — Economic Overview and Outlook

Recent performance

Albania has grown faster than the European Union average for several consecutive years. The IMF estimated real GDP growth at 3.5% in 2025 and projected 3.6% for 2026, while other major forecasters were in a similar range. These figures place Albania among Europe's faster-growing economies, though from a lower income base and subject to the structural qualifications set out below.

Nominal GDP is in the region of USD 33 billion, giving a GDP per capita of roughly USD 12,000 to 13,000 at market exchange rates and materially more on a purchasing power parity basis, where the economy is estimated at around USD 66 billion. The gap between the two measures is itself informative: domestic price levels remain well below the European average, which is the foundation of Albania's cost competitiveness.

Growth has been driven principally by **tourism**, **construction** and **private consumption**. Tourism has been the standout, with visitor numbers passing ten million in 2024 against a resident population of well under three million — a ratio that few countries match and which has transformed the coastal economy.

Composition of the economy

Services dominate, accounting for roughly 60% of output on the broadest measure, with tourism, trade, banking and communications the principal components. Industry contributes around a fifth, concentrated in construction materials, extractives, energy, and light manufacturing — particularly the *façon* garment and footwear sector working on contract for Italian and other European brands. Agriculture accounts for a smaller share of output but a much larger share of employment, reflecting low productivity in a sector dominated by small family holdings.

That last mismatch is the central structural fact about the Albanian economy. A large proportion of the workforce is engaged in low-productivity agriculture. The transfer of that labour into higher-productivity activity is the mechanism by which Albania would converge with EU income levels, and it is happening more slowly than the headline growth rate suggests.

Inflation and monetary policy

The Bank of Albania is independent and operates an inflation targeting framework with a target of 3%. Inflation rose sharply in 2022 following the energy and food price shocks, and has since returned to and generally remained below target, running in the region of 2% to 3%.

Monetary policy has been conducted competently and the Bank of Albania has a good institutional reputation. The principal monetary story of recent years has not been inflation but the **appreciation of the lek**, driven by strong foreign currency inflows from tourism, remittances and investment. The Bank has intervened in the foreign exchange market to moderate this and to build reserves, but has not resisted the trend.

Public finances

Public debt stands in the region of 51% to 52% of GDP and has been on a declining path, with the government targeting a gradual reduction towards 50% and below over the medium term. Fiscal management has been broadly disciplined, with primary surpluses recorded in recent years, and Albania has maintained programme relationships and regular surveillance with the International Monetary Fund.

Revenue collection remains the weak point. The tax-to-GDP ratio is low by European standards, which reflects both the generosity of the small business regime described in Chapter 10 and the persistence of a substantial informal economy. Formalisation — through electronic invoicing, fiscalisation and enforcement — has been a sustained policy priority and has direct compliance consequences for businesses operating here.

External sector

Albania is a highly open economy, with trade equivalent to roughly 80% of GDP. The European Union accounts for around 70% of exports, with **Italy** by far the largest single partner at close to 40%, followed by Greece, Germany and Spain. Serbia and Kosovo are the principal regional partners.

Exports are concentrated in garments and footwear produced on contract, minerals and metals, construction materials, agricultural products, and electricity in good hydrological years. The goods trade balance is structurally negative; the deficit is financed by services — overwhelmingly tourism — together with remittances and foreign direct investment.

Remittances from the Albanian diaspora amount to something in the order of 8% of GDP and remain a significant support to household consumption and to the current account.

Foreign direct investment

FDI inflows have been running at approximately 6% of GDP, a high figure by regional standards, concentrated in energy, tourism and real estate, extractives, banking and business process outsourcing. The principal sources of investment are Italy, Switzerland, Turkey, Austria, Greece, the Netherlands and Canada, with Turkish investment particularly visible in construction, banking and infrastructure.

Financial sector

The banking sector is stable, well capitalised, liquid and profitable, and it is dominated by foreign-owned institutions — principally Austrian, Turkish and regional groups — following successive rounds of consolidation. Non-performing loans have fallen substantially from post-crisis peaks.

The sector's conservatism is a double-edged characteristic for a foreign investor. It has kept the system stable through several regional shocks. It also means that credit is not readily available to a newly established company without security or a track record, and that the account opening process is more demanding than a foreign investor typically expects. This is addressed directly in Chapter 9.

Sovereign credit and international standing

Albania holds sub-investment grade sovereign ratings from the principal agencies, with outlooks that have generally been stable to positive, reflecting the growth performance and declining debt trajectory against the structural weaknesses noted above. It has issued eurobonds in international markets.

Outlook and the honest qualifications

The near-term outlook is favourable: growth around 3.5%, inflation at target, debt declining, tourism strong, and a legislative programme that is aligning the commercial framework with the European Union.

Three qualifications belong in any serious assessment.

Demographics. The resident population is falling, principally through emigration, and the outflow is concentrated among the young and the skilled. This is already visible in wage pressure and in recruitment difficulty in several sectors, and it is the most serious medium-term constraint on the economy.

Productivity. Growth has been driven substantially by construction, tourism and consumption rather than by productivity gains in tradeable sectors. Converging with EU income levels requires the latter, and progress has been limited.

Institutional quality. Albania scores poorly on international corruption perception measures, judicial reform is incomplete, and the informal economy is large. These are the areas the accession process is designed to address, and they are the areas where progress is slowest.

None of this argues against investing in Albania. It argues for investing with an accurate picture rather than a promotional one.

3 — The Investment Case, and the Counter-Case

Most investment guides make the case for the country and stop. This chapter makes both cases, because an investor who has considered the objections and proceeded is better placed than one who meets them after committing.

The case for Albania

Cost

Albania is among the lowest-cost locations in Europe for labour, premises and services. Average gross monthly earnings run in the region of ALL 90,000 — approximately EUR 900 — with average net pay materially lower. For labour-intensive operations serving European markets, the arbitrage against Western European costs is very substantial, and against Central European costs it remains meaningful.

Commercial rents, professional services, utilities and construction costs are correspondingly low. For a business whose cost base is predominantly people and premises, the difference relative to an EU location is not marginal.

The tax position

This is more favourable than most investors realise, and it is set out in full in Chapter 10. In summary: corporate income tax is 15%, but under a transitional provision in force until 31 December 2029, entities with annual gross turnover not exceeding **ALL 14,000,000** are subject to a rate of **0%**. Dividends are taxed at 8%.

For an owner-managed business within that threshold, the entire tax cost of earning profit and moving it to the owner is 8%. There are few comparable positions in Europe.

Two honest qualifications apply immediately, and both are developed in Chapter 10. The relief is **transitional** and expires at the end of 2029. And the threshold is a **cliff edge** rather than a taper: crossing it subjects the entire taxable profit to 15%, not merely the excess.

Openness to foreign ownership

Albania imposes essentially no barriers to foreign ownership of businesses. A foreign natural or legal person may hold 100% of an Albanian company. There is no requirement for a local shareholder, no requirement for a resident director, no general investment screening regime, and no approval requirement for ordinary commercial activity. Registration is free and takes days.

This is a genuinely liberal regime and it compares favourably with several EU member states.

Market access

Albania has free trade access to the European Union under the Stabilisation and Association Agreement, to the region under CEFTA, to Turkey and EFTA states under bilateral agreements, and to the immediate neighbourhood under the Open Balkan and Berlin Process arrangements. For a manufacturer serving European markets, Albania offers EU tariff access from outside the EU cost base.

Location and time zone

Albania is one hour's flight from Rome, ninety minutes from Vienna, and two hours from Munich or Milan. It operates on Central European Time and on the European working week. For a European group, an Albanian operation is a genuinely nearshore proposition rather than an offshore one, and this matters more than it appears in a spreadsheet.

Language capability

As noted in Chapter 1, foreign language capability is high, and unusually so in Italian, English, German and Greek. This is why the business process outsourcing sector has grown as it has, and it makes customer-facing operations feasible here that would not be feasible elsewhere in the region.

Energy profile

Electricity generation is overwhelmingly hydroelectric. For a business with Scope 2 emissions reporting obligations, or with customers imposing supply chain requirements, the carbon intensity of the Albanian grid is a real and quantifiable advantage.

The case against, stated properly

The banking friction

This is the most consistently underestimated feature of establishing in Albania, and it deserves to be first.

Company registration is free and completed within days. **The corporate bank account is not part of registration**, is handled by a commercial bank rather than the registry, and for a foreign-owned entity involves anti-money-laundering review of the ownership chain to the ultimate natural person, the source of funds, the intended activity and the connection to Albania. For a straightforward structure, two weeks is a reasonable expectation. For a layered international ownership chain, longer.

Until the account exists the company cannot receive a payment, cannot run payroll, and cannot support a residence application made on the employment ground. Investors who plan the commercial launch around the registration date consistently lose weeks they had not budgeted.

The compliance burden is not proportionate to the tax

A company paying no corporate income tax at all is nonetheless required to file an annual return by 31 March, keep accounting books and purchase and sales registers, prepare financial statements, issue invoices through the electronic fiscalisation system, and — once turnover exceeds ALL 10,000,000, a separate and lower threshold — register for VAT and file monthly returns.

The gap between the two thresholds creates a band in which a business owes no income tax and carries a full monthly VAT compliance obligation. Businesses in that band routinely discover the position when the tax administration raises it.

Institutional and judicial risk

Litigation is slow. Judicial reform is incomplete. Albania scores poorly on corruption perception indices. Administrative practice can be inconsistent, and a material proportion of the operative rules sit in ministerial instruction rather than statute and change without legislative amendment.

The practical response is to contract carefully, to consider arbitration for significant contracts, to document dealings with authorities, and to verify rather than assume procedural requirements at the time of reliance.

Demographics and recruitment

The population is falling and emigration is concentrated among the young and skilled. Wage growth has been outpacing productivity growth. A business planning to scale a workforce in Albania should test its recruitment assumptions rather than extrapolating from headline unemployment.

The informal economy

A substantial share of activity remains informal. For a formal, compliant foreign business this presents as competitive distortion — competitors with lower effective costs — and as difficulty in verifying counterparty financials.

The relief is transitional and the country is not in the EU

The 0% band expires on 31 December 2029. EU membership is a forecast, not a fact. A structure built on either assumption is built on a date.

Where the balance falls

Albania suits a business that intends to be genuinely present here — trading, employing, paying tax — at a scale where the cost advantage is material and the compliance burden is manageable. It suits nearshore operations serving European markets, tourism and real estate development, energy, business process outsourcing, and owner-managed businesses that fit within the small business regime.

It suits less well a business seeking a purely nominal presence, one requiring rapid access to bank credit, one whose model depends on a large and readily available pool of specialist labour, or one that requires legal certainty of a kind that a fast-moving and incompletely reformed institutional environment does not yet provide.

Practical first steps

Establish whether the intended activity is regulated, and what the sectoral regulator requires.

Map the ownership chain to the ultimate natural person and assemble the corporate documents evidencing each link, apostilled and translated.

Model the tax position at, above and below the ALL 14,000,000 threshold.

Establish whether any individual needs to reside in Albania, and on what statutory basis.

Plan the corporate, banking and migration timetables together rather than in sequence.

Take advice in the home jurisdiction on the treaty position before, not after, the structure is fixed.

4 — The 2026 EU Alignment Package

Between April and August 2026 Albania adopted a substantial body of legislation transposing European Union commercial, corporate and financial law. The volume was unusual and the effects on foreign business are direct. This chapter sets the package out, because at the time of writing very little English-language commentary on it exists and an investor working from older material will not know it happened.

The programme forms part of Albania's accession obligations, and several instruments are tied to closing benchmarks in specific negotiating chapters.

Freedom of establishment and services — the most consequential

Law No. 42/2026 "On the freedom of establishment and the provision of services in the Republic of Albania", published on 18 May 2026, fully transposes **EU Directive 2006/123/EC**, the Services Directive.

Its object is the removal of authorisation barriers and administrative burdens on service providers, and the establishment of administrative cooperation with EU member states through the Internal Market Information (IMI) system for the exchange of information on providers, the prevention of fraud and the protection of public health. **Implementation is phased rather than immediate.** The law forms part of Albania's closing benchmarks under Cluster 2, Chapter 3.

For a foreign service business this is the most significant Albanian legislative development of recent years. Authorisation schemes must be assessed against the Directive's proportionality and non-discrimination requirements, which means a licensing requirement that appears disproportionate may now be open to challenge. A foreign provider supplying into Albania without local establishment should reassess whether establishment remains necessary at all.

The operative detail — the phasing timetable and the scope exclusions — sits in the commencement provisions and in implementing subordinate legislation, both of which should be checked against the current text before reliance.

New corporate forms

Two supranational corporate forms entered Albanian law in the same week.

Law No. 78/2026 "On the Statute of the European Company (SE)" introduces the *Societas Europaea*, aligning with **Regulation (EC) No. 2157/2001** and, in the ordinary way, with **Directive**

2001/86/EC on employee involvement. The SE permits a company to operate across participating states under a single legal structure, to transfer its registered seat between them without liquidation, and to merge cross-border.

Law No. 77/2026 “On European Cooperative Societies (SHEB)” introduces the cooperative counterpart, aligning with **Regulation (EC) No. 1435/2003** and **Directive 2003/72/EC**.

Both raise the same practical question, which the statutes themselves must answer: on what conditions these forms are available while Albania remains outside the European Union. Until that is established from the text, neither belongs on the standard menu of Albanian corporate forms alongside the Sh.p.k. and the Sh.a. The employee involvement dimension also deserves attention, since the EU regime for both forms is inseparable from negotiated participation arrangements that have no close analogue in current Albanian practice.

Financial market transparency

Law No. 80/2026 “On transparency requirements for issuers of securities”, published on 6 August 2026, establishes periodic and ongoing disclosure obligations for issuers, aligning with **Directive 2004/109/EC**, the Transparency Directive.

This is a new statute rather than an amendment, so obligations may fall on issuers that previously had none. Instruments of this kind ordinarily require annual and half-yearly financial reports, disclosure of major holdings and changes in voting rights, and non-discriminatory public availability of regulated information, under the supervision of the competent financial markets authority.

Accounting

Law No. 87/2026 amends **Law No. 25/2018** “On accounting and financial statements”, Albania’s alignment instrument for **Directive 2013/34/EU**, the Accounting Directive.

Amendments to instruments of this kind typically address entity size categories, reporting thresholds, the content of financial statements, and audit and publication requirements. Two questions determine whether the amendment matters to a given business: which thresholds moved, and from which financial year the changes apply. Accounting amendments commonly commence by reference to financial years rather than calendar dates.

Accounting obligations apply irrespective of the rate of tax an entity pays, including to entities within the 0% band.

Late payment in commercial transactions

Law No. 81/2026 amends **Law No. 48/2014** “On late payments in contractual and commercial obligations”, Albania’s alignment instrument for **Directive 2011/7/EU**.

The underlying statute governs payment periods in business-to-business and business-to-public-authority contracts, statutory interest on late payment, recovery costs, and the treatment of contract terms grossly unfair to the creditor. Any business contracting on credit terms in Albania should review its standard terms against the revised position and establish whether the amendments reach contracts concluded before commencement.

Industrial property

Law No. 88/2026 amends **Law No. 9947/2008** “On industrial property”, the statute governing patents, trade marks, industrial designs, geographical indications and related rights, administered by the General Directorate of Industrial Property (DPPI). Amendments commonly address registration and opposition procedure, terms of protection, enforcement, and fee and representation arrangements. Rights holders with pending applications should check for transitional provisions.

Energy

Law No. 59/2026 “On the electricity sector”, published on 30 June 2026, is a new framework statute rather than an amendment, replacing the framework previously governing generation, transmission, distribution and supply.

It forms part of Albania’s obligations under the Energy Community Treaty and its alignment with **Directive (EU) 2019/944** and **Regulation (EU) 2019/943**, which govern market design, unbundling, consumer rights, supplier switching and the role of the regulator. Existing licence holders should establish how their authorisations are treated under the transitional provisions.

Citizenship

Law No. 49/2026 amends **Law No. 113/2020** “On Citizenship”. The amendment centres on Article 9, which governs naturalisation in exceptional cases without the ordinary conditions as to length of residence or knowledge of Albanian language and history.

The reform introduces naturalisation “**in the state interest**”, available where the Albanian state has a special interest in establishing a durable connection with a foreign national by reason of that person’s qualities, abilities or specific beneficial circumstances. Applications must be supported by documentation from the cabinet minister covering the relevant field, and the special interest is identified and guaranteed before the President of the Republic by that minister.

The reform follows the withdrawal of an earlier “golden passport” proposal and is politically sensitive in the accession context. It does not alter the ordinary naturalisation route.

Tourism, ports, excise and agriculture

Four further instruments complete the package:

Law No. 83/2026 amends Law No. 93/2015 “On tourism”, the framework governing classification and certification of tourism enterprises. This carries direct tax consequences, since certification is the gateway to the reduced 5% corporate rate for agritourism operators, and accommodation attracts the reduced 6% VAT rate.

Law No. 36/2026 makes a single addition to Law No. 9710/2007 “On tourist ports”, governing marinas and tourist port concessions.

Law No. 47/2026 approves normative act No. 1 of 3 April 2026, which added to Law No. 61/2012 “On excise duties”. **The operative date is 3 April 2026**, when the normative act took effect, not the June publication of the approving law.

Law No. 65/2026 “On commercial receipts for agricultural products” is a new statute establishing a framework for documentary instruments over agricultural produce, of the kind used to allow stored produce to serve as security for financing.

What this means practically

The commercial law framework is converging on the EU faster than the accession timetable suggests. A business familiar with EU corporate, accounting and transparency requirements will find the Albanian framework increasingly recognisable.

Existing advice may be superseded. Any structuring analysis prepared before mid-2026 predates this package.

Subordinate legislation carries the operative detail. Most of these statutes require implementing regulations, and several contemplate phased commencement. The framework is in place; the mechanics in several cases are not yet.

5 — The Legal Framework for Foreign Investment

National treatment

Law No. 7764, dated 2 November 1993, “On Foreign Investments” establishes the foundational position: a foreign investor is entitled to conduct business in Albania on terms no less favourable than those applying to an Albanian national.

The statute further guarantees the right to **repatriate profits and capital**, protection against **expropriation** other than on the conditions and with the compensation the law prescribes, and **non-discrimination** as between foreign and domestic investors.

There is no general foreign investment screening regime in Albania, no requirement of ministerial approval for ordinary commercial activity, and no golden-share arrangement of general application. For the great majority of businesses, a foreign investor simply registers a company and trades.

What national treatment does and does not mean

It means a foreign investor faces the same requirements as an Albanian one. It does not mean the absence of requirements.

Where an activity is licensed, the licence conditions apply to foreign and domestic operators alike and may impose requirements — on capital, on professional qualification, on local establishment — that go beyond company law. Banking, insurance and financial services, electronic communications, energy generation and supply, gambling, and certain regulated professions all fall into this category.

The correct question is therefore not whether foreign ownership is permitted, but what the sectoral regulator requires of any operator.

The Strategic Investment framework

Law No. 55/2015 “On Strategic Investments” provides a separate regime for investments meeting defined value and sector criteria, offering enhanced administrative support, expedited procedures and, in defined cases, state assistance with land and infrastructure. Sectors covered have included energy and mining, transport and electronic communications infrastructure, tourism, agriculture and priority development zones.

The regime operates through application to and designation by the responsible investment authority. Investors contemplating a project of a scale that might qualify should establish the current criteria

and status of the framework at the time of the investment, since the arrangements have been subject to amendment.

Sensitive sectors and restrictions

Agricultural land is the principal area in which ownership by foreign persons is restricted, and the position depends on the character of the land and the status of the acquirer. Where an investment involves land, the position should be established before any commitment is given. This is developed in Chapter 17.

Regulated sectors require sectoral authorisation in addition to company registration. The principal regulators are the Bank of Albania (banking and payments), the Financial Supervisory Authority (insurance, pensions, securities), the Energy Regulatory Authority (ERE), the Electronic and Postal Communications Authority (AKEP), and sector ministries for tourism, mining and health.

Defence, security and certain state monopoly activities are subject to specific restriction.

Bilateral investment treaties

Albania has concluded a substantial network of bilateral investment treaties providing protections including fair and equitable treatment, protection against unlawful expropriation, free transfer of funds and, characteristically, access to international arbitration for the resolution of investor-state disputes.

The treaty network is commercially relevant to the choice of holding jurisdiction. An investment held through a jurisdiction with a favourable Albanian BIT enjoys protections a directly held investment may not. This belongs in the structuring analysis rather than in the response to a dispute.

Dispute resolution and investment guarantees

Albania is a party to the **New York Convention** on the Recognition and Enforcement of Foreign Arbitral Awards, so that foreign arbitral awards are recognised and enforceable in Albania subject to the Convention's grounds of refusal; to the **ICSID Convention**, permitting investor-state arbitration where the applicable treaty provides for it; to the **Energy Charter Treaty**; and to the **Hague Apostille Convention of 1961**.

Given the length of domestic proceedings, **arbitration clauses deserve serious attention in contracts of any significance**. An arbitral award obtained abroad is enforceable in Albania under the New York Convention; a judgment obtained after five years of domestic litigation is a different commercial proposition.

Guarantees in practice

The statutory guarantees are real, and Albania's record on expropriation of foreign investment is not the principal risk. The risks that materialise in practice are of a different character: regulatory change, permitting delay, inconsistent administrative practice, and the length of any dispute. These are addressed by contractual structuring, by treaty planning, and by documenting dealings with authorities, rather than by reliance on the expropriation guarantee.

6 — Choosing a Structure

The structure a foreign business adopts determines who bears liability for its obligations, how its profits are taxed, what governance it must maintain, and how easily it can later be sold or wound up. The choice is difficult and expensive to reverse once trading has begun.

The realistic options

Structure	Separate legal person	Parent liability	Minimum capital
Sh.p.k. (limited liability company)	Yes	Limited to subscribed capital	ALL 100
Sh.a. (joint stock company)	Yes	Limited to nominal value of shares	ALL 3,500,000 / 10,000,000
Branch (<i>degë</i>)	No	Unlimited — the parent is the trader	None
Representative office	No	Unlimited, but no trading permitted	None
Sole trader (<i>person fizik</i>)	No	Unlimited personal liability	None

The limited liability company

The *shoqëri me përgjegjësi të kufizuar* is the default choice for foreign investors, and for good reason.

Capital is divided into quotas rather than freely transferable shares, which suits closely held ownership. Members are liable only up to their subscribed contribution. **Minimum capital is ALL 100** — under one euro — and need not be deposited in a blocked account before registration, nor is a bank certificate a condition of incorporation.

Governance is light. There is no requirement for a supervisory board, no minimum number of members, and no residency requirement for members or administrators. A single member is sufficient. Decisions of the general meeting and the powers of the administrator are set by the statute, which the founders draft within the limits of Law No. 9901/2008.

The one structural constraint is transferability. Quotas are not designed for frequent trading, and transfers to persons outside the company are typically subject to pre-emption and formality requirements. For a business expecting successive rounds of outside investment, this becomes a friction point.

Capitalisation in practice

The statutory minimum is a poor guide to what a company should actually be capitalised at. Banks assess capitalisation when opening accounts and extending facilities; counterparties and public procurement authorities frequently do the same; and a company whose liabilities persistently exceed its assets exposes its administrator to duties under Law No. 9901/2008 concerning insolvency and continued trading. **Capital should reflect the intended scale of the business rather than the statutory floor.**

The joint stock company

The *shoqëri aksionare* exists for capital raising. Its capital is divided into freely transferable shares, and it is the only form that may offer shares to the public.

Minimum capital is **ALL 3,500,000** where the company is formed by private offering and **ALL 10,000,000** where shares are offered publicly. Governance is correspondingly heavier: the law permits either a one-tier structure with a board of directors or a two-tier structure with a supervisory board and a management body, and the shareholders must choose in the statute.

For most foreign investors the Sh.a. is unnecessary. It becomes appropriate where the activity is regulated and the regulator requires it, where several institutional shareholders will hold stakes, where a joint venture requires board representation for each participant, or where a listing or public raise is genuinely contemplated. Note also that the new transparency regime under Law No. 80/2026 attaches obligations to issuers of securities.

The branch

A branch is not a company. It is the foreign parent operating directly in Albania under an Albanian registration. It may contract, employ, hold a bank account and trade in its own name, but it has no legal personality distinct from the parent, and **the parent is liable without limitation for everything the branch does.**

Registration is at the QKB, as with a company, but the documentary burden is heavier. The parent's certificate of incorporation, constitutional documents and the corporate resolution establishing the branch and appointing its representatives must all be produced, apostilled or legalised, and translated into Albanian by a certified translator. Registries commonly require these to be recent.

Foreign groups sometimes choose a branch on the assumption that it is lighter or faster. **It is usually neither.** The document package is more demanding than for an Sh.p.k., the parent accepts unlimited exposure to Albanian liabilities, and the parent's own constitutional documents enter the Albanian public register.

The representative office

A representative office may not carry on commercial activity. It exists to promote the parent, liaise with local counterparties, conduct market research and provide a contact point. It generates no revenue and concludes no contracts on its own account.

It is a legitimate instrument for a genuine pre-market phase. It is not a means of trading in Albania without registering to trade, and treating it as one creates exposure both to the tax administration and to the risk that the parent is found to have a taxable presence in Albania regardless of the label on the registration.

The sole trader

The *person fizik* is registered quickly and cheaply and is used by self-employed individuals, including foreign nationals applying for residence on the self-employment ground.

It carries **unlimited personal liability**, cannot admit partners or investors, and is unsuitable for many institutional and public sector counterparties. Conversion to a company later means closing one registration and opening another, with new fiscalisation certificates and a new bank account. Where a residence objective can be met equally through employment by an Sh.p.k., the company route is generally preferable on every non-migration ground.

The tax dimension of the choice

Structure affects tax treatment, and the analysis belongs before the choice rather than after.

An Sh.p.k. or Sh.a. is an Albanian resident entity, taxed on worldwide income under Law No. 29/2023. A branch is not a separate taxpayer in the same sense: its Albanian profits are taxed in Albania as the Albanian-source profits of the foreign parent, and the attribution of profit between parent and branch becomes an issue a subsidiary does not face.

Profit extraction also differs. Distributions from an Albanian company to its shareholder are subject to tax at **8%**, subject to reduction under an applicable double taxation treaty. A branch has no shareholder and makes no distribution; its profits accrue directly to the parent. Which produces the better outcome depends entirely on the parent's own jurisdiction and the applicable treaty, and should be modelled before the structure is chosen.

A decision sequence

Will the Albanian entity trade? If not, a representative office may suffice. If yes, it must not be one.

Can the parent accept unlimited liability for Albanian obligations? If not, the branch is excluded.

Will shares be offered publicly, or does a regulator require the Sh.a. form? If not, the additional capital and governance are cost without benefit.

Is there a treaty reason to prefer branch profits over dividends? This is the principal ground on which a branch beats a subsidiary, and it requires modelling in the parent's jurisdiction.

How is the investment expected to end? A subsidiary can be sold as an entity. A branch cannot; its business must be transferred asset by asset.

Changing structure later

Law No. 9901/2008 permits conversion between company forms — an Sh.p.k. may become an Sh.a. and the reverse — by decision of the members and re-registration at the QKB.

Moving between a branch and a subsidiary is different. Because the branch has no separate personality, there is nothing to convert: the branch must be deregistered and a company incorporated, with the business transferred between them. That means new contracts or assignments, new fiscalisation certificates, a new bank account, and the employment consequences attending a transfer of undertaking. **The cost of getting the structure right at the outset is a small fraction of the cost of changing it.**

7 — Establishing a Business Presence

The registration framework

Company registration is governed by **Law No. 9723, dated 3 May 2007, “On the Registration of Business”**, which created the commercial register and the one-stop procedure administered by the **National Business Centre** (*Qendra Kombëtare e Biznesit*, QKB).

The QKB operates as a genuine single window. **A single application effects registration in the commercial register and simultaneously registers the company with the tax administration, the social insurance scheme and the health insurance scheme, and notifies the labour inspectorate.**

Who may incorporate

Both natural and legal persons may be members of an Albanian Sh.p.k., and there is no requirement that any be Albanian or resident in Albania. A company may be wholly owned by a single foreign natural person, or by a foreign parent, without any local participation.

The same applies to management. **The administrator may be a foreign national resident abroad.** There is no statutory requirement for a resident director, nor for the administrator to hold an Albanian residence permit in order to be appointed.

This is a genuine advantage of the Albanian regime. Its limits are practical rather than legal: an administrator resident abroad must be reachable for tax and regulatory correspondence, must be able to execute documents when required, and remains subject to the duties Law No. 9901/2008 attaches to the office. Banks in particular scrutinise arrangements where no member of management has any physical connection to Albania.

The constitutive documents

An Sh.p.k. is constituted by two instruments:

the **founding act** (*akti i themelimit*), recording the identity of the founders, the company name, the registered office, the object of activity, the share capital and its division, and the appointment of the administrator; and

the **statute** (*statuti*), containing the company’s internal constitution — the powers of the general meeting, the powers and term of the administrator, majorities required for particular decisions, procedures for transfer of quotas, and the treatment of profits.

Both are executed in Albanian before an Albanian notary.

Where a founder is a foreign legal person, the parent's registration certificate, constitutional documents and the corporate resolution authorising the incorporation must be produced, **apostilled or otherwise legalised, and translated into Albanian by a certified translator**. Where a founder is a foreign natural person, a passport is ordinarily sufficient.

The statute repays attention. Foreign investors commonly adopt a minimal standard text at incorporation and discover, at the point of a dispute or an exit, that it contains no pre-emption mechanism, no deadlock provision and no restriction on the administrator's authority to bind the company. Amending the statute afterwards requires the agreement of the members whose conduct has by then become the problem.

The registration procedure

Application is made to the QKB, either at a service counter or through the **e-Albania** portal.

On registration the company is issued a unique identification number (**NIPT**, also referred to as NUIS), which serves at once as its commercial register number and its tax identification number.

Initial registration carries no state fee. Where documents are complete and properly legalised, registration is ordinarily completed within a small number of working days.

Registered office

Every company must declare an Albanian registered address, which becomes the address for service of official communications, including notices from the tax administration. The address must be verifiable. Registering at a residential address not authorised for commercial use tends to create difficulties later, both with the tax administration and on any subsequent change of address.

Incorporating without travelling to Albania

A foreign investor need not attend in person. Incorporation may be completed by an Albanian lawyer acting under a **special power of attorney**, executed before a notary in the investor's own jurisdiction, apostilled under the Hague Convention of 1961 (or legalised through consular channels where the Convention does not apply between the two states), and translated into Albanian by a certified translator.

The power of attorney should be drafted with the Albanian procedure in view, and should extend not only to execution of the founding act and statute but to the registration application, the beneficial ownership filing, and any subsequent correction the QKB may require. **A power of attorney drafted in general terms abroad is frequently returned as insufficient**, and re-execution abroad adds weeks.

The most common cause of delay is documents arriving in Tirana without an apostille. Apostille processing in the investor's home jurisdiction commonly takes one to three weeks, and

certified translation a further several days. The document package should be assembled and legalised before travel or before instructions are given to proceed, not afterwards.

Licensing

Registration at the QKB permits general commercial activity. Where the intended activity is regulated, a sectoral licence or authorisation is additionally required from the regulator identified in Chapter 5. The licence application is a separate procedure with its own criteria, timetable and evidential requirements, and in several sectors it takes considerably longer than the incorporation.

Indicative set-up costs

Item	Position
QKB registration	No state fee
Minimum share capital (Sh.p.k.)	ALL 100
Notarial fees (founding act and statute)	Varies with complexity and number of founders
Apostille in home jurisdiction	Varies; 1–3 weeks typical
Certified translation into Albanian	Per document
Registered office, if arranged by a provider	Annual
Fiscalisation certificate and software	Initial and recurring
Accounting	Monthly
Legal fees	Quoted against the facts

We do not publish a single all-in figure for company formation, and we would treat with caution any Albanian provider that does. The work required for a single foreign natural person incorporating a straightforward trading company is not the work required for a foreign parent with a layered ownership chain, documents from three jurisdictions and a regulated activity. A fixed headline figure either overcharges the first or underserves the second.

Corporate governance and shareholder arrangements

Law No. 9901/2008 provides a default governance framework, which the statute may vary within limits. For a joint venture or any company with more than one member, a **shareholders' agreement** alongside the statute is strongly advisable, addressing at minimum:

- reserved matters requiring unanimity or a qualified majority;
- deadlock resolution;
- transfer restrictions, pre-emption rights, drag-along and tag-along;
- funding obligations and the consequences of failure to fund;
- exit mechanics and valuation;

governing law and dispute resolution.

Provisions intended to bind third parties must generally appear in the registered statute; a private agreement binds the parties to it but not the world.

Post-incorporation compliance calendar

When	Obligation
Before trading	Bank account; fiscalisation certificate and software; accounting arrangements; any sectoral licence
Before any employee starts	Declaration of the employee to the authorities; written employment contract
Monthly	Payroll declarations and payment of withheld tax and contributions; VAT return by the 14th where registered
On crossing ALL 10,000,000 turnover	VAT registration within the statutory period
On any change of registered data	Filing at the QKB, including beneficial ownership changes
By 31 March / 31 July	Annual profit tax return and accompanying statements by 31 March; QKB deposit of annual financial statements and applicable reports by 31 July

Changes, dissolution and liquidation

Changes to registered particulars — registered office, administrator, object of activity, members, share capital — must be filed at the QKB. Two are commonly missed: a change of registered address, because the address is where official notices are served; and a change in beneficial ownership, discussed in Chapter 8, where the penalty for late filing is substantial.

Voluntary dissolution and liquidation follow the procedure in Law No. 9901/2008: a members' decision, appointment of a liquidator, notification of creditors, settlement of liabilities, tax clearance and deregistration. **Tax clearance is generally the longest stage**, and a company should not be assumed closed until it is deregistered.

8 — Beneficial Ownership and Transparency

The regime

Law No. 112/2020 “On the Register of Beneficial Owners” requires entities registered in Albania to disclose the natural persons who ultimately own or control them. The register is maintained by the QKB and is **public**.

The legislation was enacted following recommendations from MONEYVAL, the Council of Europe’s anti-money-laundering evaluation body, and is administered under Decision of the Council of Ministers No. 1088, dated 24 December 2020.

Who must register

The obligation falls on reporting entities registered in Albania: commercial companies and other legal persons in the commercial register, branches of foreign companies, and non-profit organisations including foundations, associations and centres, together with branches of foreign non-profit organisations.

Entities whose sole shareholder is a central or local institution of the Republic of Albania fall outside the obligation. Entities in which such an institution holds shares alongside other Albanian or foreign persons remain within it.

Who is a beneficial owner

The beneficial owner is the natural person who ultimately owns or controls the entity, or on whose behalf a transaction or activity is conducted. Two consequences follow.

The beneficial owner is always a natural person. Registering a foreign holding company as the member of an Albanian company does not discharge the obligation; the disclosure runs through the chain to the individual at the end of it.

Control is not limited to shareholding. A person who controls the entity by other means — through voting arrangements, contractual rights, or the ability to appoint or remove management — may be a beneficial owner notwithstanding that they hold no registered interest.

The procedural change most published guidance misses

This is a point on which a great deal of English-language material, including advisory notes published by international firms, remains incorrect.

Before **Law No. 6/2022**, a newly registered entity was required to file beneficial ownership data within 30 days of establishment, as a separate step following incorporation.

Since **2 March 2022**, initial registration of beneficial ownership data is performed **simultaneously with the application to register the entity** in the commercial register, and the QKB approves the beneficial ownership registration within two working days of receiving the application. There is no separate 30-day window, because there is no separate filing.

Why this matters practically. An investor relying on outdated guidance assumes there is a month in which to identify and document the beneficial owner after the company exists. There is not. The information must be assembled before the incorporation application is submitted, which in a layered international structure can require corporate documents from several jurisdictions. Discovering this at the QKB counter delays the incorporation itself.

Changes and penalties

Changes to registered beneficial ownership data must be filed within the statutory deadline. Failure attracts a fine of **ALL 400,000**. The statute prescribes fines at several levels according to the nature and duration of the default, with **ALL 600,000** applying to specified failures of initial registration.

Fines are imposed by the head of the QKB and are appealable to the competent administrative court under the Code of Administrative Procedures.

The more serious consequence is not the fine. Where a penalty remains unpaid, the QKB is entitled to change the entity's status from active to **suspended** until payment is made and the data registered. A suspended entity cannot function normally: banking, contracting and tax compliance are all affected.

Changes are not confined to share transfers. A change in the individuals who control the entity, a restructuring higher up the ownership chain, or a change in the personal details of a registered beneficial owner may all trigger the obligation. **Groups that restructure at parent level frequently overlook the effect on Albanian subsidiary filings.**

The obligation of the beneficial owner

The law places a corresponding duty on beneficial owners to provide reporting entities with the information necessary to comply. An individual who controls an Albanian entity cannot lawfully decline to identify themselves to it, and an Albanian administrator faced with a foreign owner who will not provide the information is in a position that requires advice rather than delay.

No corporate anonymity

Investors accustomed to jurisdictions offering nominee shareholdings or opaque holding structures should approach Albania on the understanding that the ultimate individual will be identified and that the register is public. Layering ownership through foreign holding companies does not defeat the obligation.

9 — Banking, Payments and the Practical Timeline

This chapter exists because the gap between how quickly a company can be registered in Albania and how quickly it can actually operate is the single most underestimated feature of establishing here.

What happens quickly

Registration at the QKB is genuinely fast. A single application enters the company in the commercial register, registers it with the tax and insurance authorities, and produces the NIPT. There is no state fee. Where documents are complete and properly legalised, this takes a small number of working days.

Albania deserves the credit it receives for this.

What does not

The corporate bank account is not part of registration. It is a separate application to a commercial bank, which applies its own anti-money-laundering procedures — and applies them with particular care where ownership is foreign.

The bank will typically examine the full ownership chain to the ultimate natural person, the source of the funds being introduced, the intended business activity and its counterparties, and the connection between the company and Albania. Where management is entirely non-resident, this attracts further enquiry.

For a straightforward structure — one or two foreign natural persons, a clear trading activity, documentation in order — **two weeks is a reasonable working expectation.** For a layered international ownership chain, a regulated activity, or a structure the bank has questions about, it runs longer.

The problem is rarely the two weeks themselves. It is that investors treat the registration certificate as the finish line and commit around it — signing a lease, agreeing a start date with a first employee, promising a client an invoice, booking a flight home. The company then exists, has a tax number, and cannot receive a single payment. Everything downstream slips, and the slippage costs more than the formation did.

What shortens the banking timeline

Very little of it is within the company's control once the application is in. Almost all of it is within the company's control beforehand:

the ownership chain mapped to the ultimate natural person, with corporate documents evidencing each link, apostilled and translated;

the source of funds explicable with documents rather than assertion;

the business, its customers and its expected flows describable concretely;

a genuine Albanian registered address appropriate for commercial use;

where possible, someone connected to management present in Albania.

Fiscalisation

Albania operates an **electronic invoicing and fiscalisation system** through which invoices are transmitted to the tax administration in real time. A company must have its fiscalisation certificate and compatible software in place **before it issues its first invoice**.

This is not a formality that can be regularised afterwards. Invoices issued outside the system are irregular, and the position is not cured by fiscalising later. Input VAT recovery also depends on holding compliant documentation. New companies should treat fiscalisation as a precondition of trading, in the same way as the bank account.

The sequencing point for residence applications

This matters particularly to a foreign owner who also intends to live in Albania.

The common route to a residence permit for an owner-manager is **employment by their own company**, which requires the company to be running payroll — which requires a bank account.

The migration application therefore sits behind the banking timetable. An investor whose visa-free period is running out while the bank conducts its review is in a genuinely difficult position, and it is entirely avoidable by planning both timetables together from the outset.

Payments, foreign exchange and repatriation

There are no exchange controls on current account transactions. Foreign currency accounts may be held by residents and non-residents. Foreign investors are guaranteed the right to repatriate profits and capital under Law No. 7764/1993.

Banks apply anti-money-laundering scrutiny to inbound and outbound transfers, particularly larger ones and those involving higher-risk jurisdictions, and will request documentation supporting the underlying transaction. This is normal and is best anticipated by having the supporting documents ready rather than assembling them after a transfer is queried.

Access to credit

Bank credit is not readily available to a newly established company without security or a demonstrated track record. Foreign-owned start-ups should assume that operations will be funded by shareholder capital or intra-group lending rather than by local bank debt, at least initially.

Where intra-group lending is used, note the interest deduction limitation and transfer pricing provisions of Law No. 29/2023, discussed in Chapter 13.

A realistic sequence

Assemble and legalise the document package — before anything else, and before travel.

Incorporate. Days.

Apply for the bank account immediately. Around two weeks; longer if the structure is complex.

Set up fiscalisation and accounting in parallel, not afterwards.

Only then commit to leases, employees, client deadlines and, where relevant, the residence application.

10 — Corporate Income Tax

Albania replaced its income tax legislation with effect from 1 January 2024, and the Constitutional Court then struck down part of the implementing framework six months later. A considerable amount of published guidance describes the position as it stood before one or both events. This chapter states the position as it now stands and identifies the passages of published advice that are no longer correct.

The governing statute

Law No. 29/2023 “On Income Tax”, adopted on 30 March 2023, took effect on 1 January 2024 and replaced Law No. 8438/1998. It governs the taxation of the income of individuals and entities, and income from inheritances, donations and games of chance. Implementing provisions are contained in **Decision of the Council of Ministers No. 753, dated 20 December 2023**.

The statute has been amended since it came into force, including by **Law No. 9/2025** and **Law No. 81/2025**, together with Decision of the Council of Ministers No. 160 of 12 March 2025 and Instruction No. 4 of 4 February 2025. Rates and thresholds should be confirmed against the consolidated text rather than against secondary summaries.

Resident entities are taxable on worldwide income. Non-resident entities are taxable only on income sourced in Albania. The tax year is the calendar year.

Tax residence of entities

An entity is resident in Albania if it is registered here, or if its effective place of management and control is in Albania. The statutory test looks to where management decisions are actually taken, the composition and residence of the governing body, and the location of the capital and voting rights.

For a foreign group this matters in both directions. An Albanian subsidiary is plainly resident. But a foreign-incorporated company managed from Tirana may also be found resident in Albania, with the consequence that its worldwide income falls into the Albanian net. Groups that relocate a principal to Albania should test the residence position of the entities that person controls.

The standard rate

Corporate income tax is charged at **15%** on taxable profit, being taxable income less deductible expenses computed in accordance with the statute. That rate applies to entities whose turnover exceeds the transitional threshold discussed below.

The transitional 0% regime

Article 69 of Law No. 29/2023 contains the transitional provisions, and paragraph 1, letter “dh” contains the most significant relief in the Albanian system. Entities and individuals whose **annual gross turnover does not exceed ALL 14,000,000** — broadly EUR 135,000 to 140,000 depending on the exchange rate — are subject to a rate of **0% until 31 December 2029**.

Two features deserve emphasis. It is determined by **gross turnover**, not by profit. And it is available irrespective of legal form: sole traders, self-employed persons and limited liability companies are all capable of qualifying.

The threshold is a cliff edge, not a taper. A company with gross turnover of ALL 13,900,000 pays no corporate income tax at all. A company with turnover of ALL 14,100,000 pays 15% on its entire taxable profit. Crossing the threshold by a single lek changes the treatment of the whole year, not merely of the excess. For a business trading close to the line, the timing of invoicing and revenue recognition near the year end is a matter of real consequence and should be addressed before December rather than in March.

A worked illustration

Two businesses with identical cost structures, each with ALL 8,000,000 of deductible expenses:

Gross turnover	Taxable profit	Corporate income tax
ALL 13,900,000	ALL 5,900,000	ALL 0
ALL 14,100,000	ALL 6,100,000	ALL 915,000

A difference of ALL 200,000 in turnover produces a difference of ALL 915,000 in tax. The second business earned more and kept substantially less.

Correction: the liberal professions are not excluded

When the new regime took effect, Decision of the Council of Ministers No. 753/2023 sought to exclude a defined group of professional service providers from the 0% rate, so that they would be taxed at 15% and 23% while other businesses below the threshold paid nothing. The excluded group covered a substantial list of regulated and liberal professions, including lawyers, notaries, accountants, architects, engineers, doctors, dentists, pharmacists and veterinarians.

The measure was challenged. By **Decision No. 52, dated 27 June 2024**, the Constitutional Court struck down the second and third sentences of Article 69, paragraph 1, letter “dh” of Law No. 29/2023, together with Article 4 of Decision No. 753/2023, as incompatible with the Constitution.

The effect is that **the exclusion no longer operates**. Members of the liberal professions with gross turnover up to ALL 14,000,000 benefit from the 0% rate until the end of 2029 on the same footing as any other business.

This is the single point on which published English-language guidance is most frequently wrong. Material written in early 2024, including advisory notes from international firms, describes the exclusion as operative. It is not.

Correction: there is no 5% rate for software companies

A reduced rate of 5% formerly applied to software production and development. It derived from **Decision No. 730/2018**, applied only to legal entities registered before Law No. 29/2023 came into force, and **expired on 31 December 2025**.

A great deal of promotional material continues to present Albania as offering a 5% rate to technology companies. It does not. Software businesses below the turnover threshold now fall within the general 0% regime — which is more favourable, not less — and those above it are taxed at the standard 15%.

Reduced rates that do apply

A reduced rate of **5%** applies until 31 December 2029 to certain activities, including entities certified as **agritourism operators** under the tourism legislation and **agricultural cooperation companies** under Law No. 38/2012.

Note the interaction with Chapter 4: Law No. 83/2026 amended the tourism legislation, and certification under that legislation is the gateway to the agritourism rate.

Determining the taxable base

Taxable profit is computed from the accounting result determined under Law No. 25/2018, adjusted for the differences the tax legislation prescribes.

Deductible expenses are those incurred wholly for business purposes, properly documented and recorded. The documentation requirement is applied strictly: expenses evidenced by invoices not issued through the fiscalisation system are a recurring source of disallowance.

Non-deductible items typically include expenses not supported by compliant documentation, penalties and fines, certain provisions, expenditure of a personal character, and amounts disallowed under the specific limitation rules below.

Depreciation

Fixed assets are depreciated for tax purposes according to statutory categories and rates, which do not necessarily correspond to the rates applied for accounting purposes. The difference between accounting and tax depreciation is a standard adjustment in the computation.

Buildings and structures are generally depreciated on a straight-line basis over a long period; intangibles, machinery, equipment and vehicles fall into categories with their own rates and, in several cases, a declining balance or pooled method. The current categories and rates should be confirmed against the statute and its implementing decision.

Losses, interest limitation and inventory

Losses may be carried forward and set against future taxable profit for a limited number of years. Carry-forward is generally lost where there is a substantial change in the ownership of the company, a rule directed at loss trading and relevant to any acquisition of an Albanian entity with accumulated losses.

Interest deduction is limited. Law No. 29/2023 contains a limitation rule of the kind introduced across Europe under the OECD base erosion framework, restricting the deduction of net borrowing costs by reference to a measure of taxable earnings. This is directly relevant to foreign-owned companies funded by intra-group debt.

Inventory is valued according to the methods the accounting framework permits, consistently applied.

Anti-avoidance and controlled foreign companies

Law No. 29/2023 introduced Albania's first formal **controlled foreign company** regime, at Article 19.

Where an Albanian tax resident controls a foreign entity — generally, holds more than half of its ownership, voting rights or entitlement to profits — and that entity bears substantially less tax than it would have borne in Albania, its undistributed profits may be attributed to the controller as income.

Attribution occurs **in the year the profits are earned rather than when they are distributed**, which defeats the assumption that leaving profits in a foreign company defers the question. The regime is discussed further in Chapter 13, because its most common practical application is to individuals who relocate to Albania while retaining an operating company elsewhere.

The statute also contains a **general anti-abuse rule** permitting the tax administration to disregard arrangements lacking commercial substance whose main purpose is to obtain a tax advantage.

Transfer pricing

Transactions between related parties must be conducted on arm's length terms, and Law No. 29/2023 contains transfer pricing provisions aligned with international practice, including documentation obligations for taxpayers exceeding prescribed thresholds and, for larger groups, country-by-country reporting.

For a foreign-owned Albanian subsidiary, the transactions most commonly examined are management and service charges from the parent, intra-group interest, royalties and licence fees, and the pricing of goods purchased from or sold to group companies. **Each is capable of being a legitimate deductible expense, and each is capable of being disallowed where it is not at arm's length or not supported by documentation.**

Withholding taxes

Payments to non-residents are subject to withholding at source, subject to reduction under an applicable double taxation treaty. The principal domestic rates are:

Payment	Domestic rate
Dividends and profit distributions	8%
Interest	15%
Royalties	15%
Technical, management and consultancy fees	15%
Payments to entities in certain low-tax jurisdictions	Higher rate may apply

Treaty relief is not automatic. It generally requires evidence of the recipient's residence and compliance with the procedural conditions Albanian law imposes, and those should be in place before the payment rather than reconstructed afterwards.

Permanent establishment

A non-resident carrying on business in Albania through a permanent establishment is taxable here on the profits attributable to it. The definition follows the familiar international pattern: a fixed place of business, and a dependent agent habitually concluding contracts, with the usual exclusions for preparatory and auxiliary activity and, for construction and installation projects, a duration threshold.

Foreign groups regularly create a permanent establishment inadvertently — through a project running longer than expected, through personnel spending extended periods on site, or through an Albanian representative whose authority exceeds what was intended. Where a treaty applies, its definition governs and may be narrower than the domestic one.

Tax administration, payment and disputes

Tax procedure is governed by **Law No. 9920, dated 19 May 2008, "On Tax Procedures"**, as amended.

The annual profit tax return is due by **31 March** of the year following the tax year, and must be filed **even where the tax payable is nil**. Advance payments of corporate income tax are made during the year on the basis of the previous year's liability. Filing is electronic.

Administrative penalties apply for late filing, late payment and understatement, and interest runs on late payment. **Penalties for failure to file apply whether or not tax is due** — a point that catches entities in the 0% band with some regularity.

An assessment may be challenged first by administrative appeal to the tax administration and thereafter to the administrative courts. **Law No. 84/2025** introduced a voluntary arrangement with the tax administration for businesses above the ALL 14,000,000 threshold, in force from 1 January 2026, the terms of which should be established from the statute.

What the 0% rate does not remove

A rate of zero is not an exemption from the tax system. An entity within the threshold must still:

file the annual profit tax return by 31 March;

maintain accounting books and purchase and sales registers;

prepare annual financial statements;

issue invoices through the electronic fiscalisation system;

register for VAT and file monthly returns once turnover exceeds ALL 10,000,000; and

account for payroll withholding and social and health contributions in respect of employees.

The relief is transitional

Article 69 is headed transitional provisions, and the 0% rate expires on **31 December 2029**. The permanent rate structure in the statute is different: 15% corporate income tax, and progressive rates for individuals.

There is currently no proposal to extend it. **A structure built on the assumption that the relief is permanent is built on a date.**

11 — VAT, Excise and Customs

Value added tax

VAT is governed by **Law No. 92/2014 “On Value Added Tax”**, as amended, administered by the General Directorate of Taxation. The system has been substantially reformed as part of Albania’s alignment with the EU acquis and follows the familiar structure of output tax on supplies, input tax recovery, and periodic returns.

Registration

Registration becomes mandatory once annual turnover exceeds **ALL 10,000,000**, approximately EUR 96,000, measured on a **rolling twelve-month basis** rather than by reference to the calendar year. Voluntary registration below the threshold is available and is sometimes advantageous for businesses with substantial input tax and business customers.

The rolling measurement catches businesses out. The obligation can be triggered in the middle of a year by reference to the preceding twelve months, without anything in the accounting cycle drawing attention to it.

Rates

Rate	Application
20%	Standard rate for taxable supplies of goods and services
6%	Reduced rate for specified supplies including accommodation services
0%	Exports and other categories specified in the statute

The gap between the two thresholds

The VAT threshold is **ALL 10,000,000** and the corporate income tax threshold is **ALL 14,000,000**. They are set by different statutes and operate entirely independently.

A business turning over ALL 12,000,000 therefore sits between them: no corporate income tax whatsoever, and simultaneously an obligation to register for VAT, charge 20% on domestic supplies, issue fiscalised invoices and file a return every month. The absence of a tax bill leads many businesses to assume nothing is required, and the VAT position is discovered when the tax administration raises it — by which time several months of returns are outstanding.

Compliance

A registered person must charge VAT at the appropriate rate, issue compliant tax invoices through the fiscalisation system, maintain purchase and sales registers, file a return for each calendar month **by the 14th day of the following month**, and pay any net VAT due by the same date.

The return is due whether or not there were supplies in the period. **Nil returns must still be filed**, and penalties for non-filing apply independently of whether tax was payable.

Place of supply and foreign clients

Where a service is supplied to a client established outside Albania, with no residence or place of business in Albania, the supply is generally **outside the scope of Albanian VAT**.

This matters a great deal to Albanian-registered consultants, developers, outsourcing operations and other service providers whose clients are all abroad: their supplies may fall outside the charge notwithstanding that turnover exceeds the registration threshold. The analysis turns on the place of supply rules and on the status and establishment of the customer, and is not safely resolved by assumption.

For domestic business-to-business transactions in specified categories, a **reverse charge** mechanism may apply, shifting the accounting obligation to the recipient.

Input tax and refunds

A registered person may generally recover VAT incurred on purchases used for making taxable supplies, subject to the conditions and exclusions in the statute. Recovery depends on holding valid documentation, which in the Albanian system means invoices properly issued through the fiscalisation system. **Purchases evidenced by non-compliant documents are a recurring source of disallowed input tax.**

Where input tax exceeds output tax a refund position arises. Refund claims are subject to verification and businesses should plan cash flow on the assumption that a refund takes time. For capital-intensive projects in a construction phase, the accumulated VAT credit can be significant and its recovery timetable should be built into the financial model.

Excise duties

Excise is governed by **Law No. 61/2012 “On excise duties in the Republic of Albania”**, as amended, and administered by the customs authority. It applies principally to energy products, alcohol and alcoholic beverages, tobacco products, and certain other categories.

Excise is levied on production and on importation, with suspension arrangements for goods held in authorised warehouses pending release for consumption. Operators require authorisation and must maintain records and provide guarantees.

Note the amendment made by normative act No. 1 of 3 April 2026, approved by Law No. 47/2026 and discussed in Chapter 4. **The operative date for compliance is 3 April 2026**, not the June publication of the approving law.

Customs and trade

Customs is administered by the General Directorate of Customs under the Customs Code, which is substantially aligned with the EU customs framework. The tariff follows the Harmonised System, and standard customs procedures — release for free circulation, transit, warehousing, inward and outward processing, temporary admission — are available.

Albania's preferential trade access is extensive:

the **Stabilisation and Association Agreement** with the European Union, providing tariff-free access for the great majority of industrial goods;

CEFTA, covering the Western Balkans;

bilateral agreements with **Turkey** and the **EFTA** states;

regional arrangements under **Open Balkan** and the Berlin Process.

Preferential access depends on satisfying **rules of origin** and holding the correct documentary proof. For a manufacturer importing components and exporting finished goods to the EU, the origin analysis is commercially central and should be settled before production begins rather than at the point of the first export.

Fiscalisation and electronic invoicing

Albania's fiscalisation system requires invoices to be transmitted to the tax administration in real time and covers business-to-business, business-to-consumer and business-to-government transactions.

The practical consequences run throughout this guide: the certificate and software must be in place before the first invoice; invoices issued outside the system are irregular and are not cured by later fiscalisation; and input VAT recovery depends on holding fiscalised documentation. For a foreign investor accustomed to issuing invoices from a group ERP system, integration with the Albanian fiscalisation platform is a real implementation task and should be scoped early.

Local taxes

Municipalities levy a range of local taxes and tariffs, the principal ones being:

immovable property tax, levied on buildings and land, calculated by reference to value or area with rates varying by category and municipality;

infrastructure impact tax on new construction, calculated on the value of the investment and payable at the permitting stage — a significant cost item for development projects;

local business tax ("simplified profit tax" for small businesses in some categories);

signage, occupation of public space and other tariffs.

Rates and bases vary between municipalities. For a development project the infrastructure impact tax in particular should be modelled at the outset, since it is levied on the investment value rather than on profit.

12 — Taxation of Individuals

Residence and scope

Article 8 of Law No. 29/2023 determines whether an individual is an Albanian tax resident. There are two alternative tests, and satisfying either is sufficient.

The 183-day test. An individual present in Albania for a total of 183 days or more during the tax year is resident. The days need not be consecutive; travel in and out does not reset the count; and days of arrival and departure are counted.

The permanent home and centre of vital interests test. An individual with a permanent home in Albania is resident, and the centre of vital interests criterion looks to where the person's principal family connections, principal residence, principal economic activity and habitual occupation are located. This test can be satisfied on **fewer than 183 days**, and it is assessed on the totality of the circumstances.

Two consequences deserve emphasis. **An active residence permit is not required for either test to apply** — presence alone suffices, so a foreign national can become an Albanian tax resident without ever having applied for anything. And the second test defeats the common planning assumption that keeping presence below 183 days is by itself sufficient.

Residents are taxable on **worldwide income**. Non-residents are taxable only on income sourced in Albania.

A residence permit is not a tax status. Migration status is granted by the border and migration authorities under Law No. 79/2021. Tax residence is determined by the tax administration under Article 8 on the facts. The two frequently coincide, which is why the distinction is so often missed, but they are established separately and either can exist without the other.

The rate structure

Law No. 29/2023 taxes the three categories of personal income under separate rate structures rather than aggregating them.

Employment income is taxed progressively, with a nil band at the lower end and rates of **13%** and **23%** above it. The monetary bands are set by the legislation, are applied monthly in payroll rather than annually, and have been amended since the statute came into force. Published figures differ between secondary sources; **the current bands should be taken from the consolidated text of the law and the payroll instructions in force** rather than from summaries, and confirmed before any payroll calculation is relied upon.

Business income of self-employed persons and sole traders falls within the transitional regime in Article 69: annual gross income up to ALL 14,000,000 is taxed at 0% until 31 December 2029, with progressive rates applying above that.

Investment income is taxed at **8%** on dividends and profit distributions and **15%** on other investment income, including interest and capital gains.

Reclassification of business income

A provision deserving particular attention from freelancers and consultants: under **Article 12** of Law No. 29/2023, where a very high proportion of a person's business income derives from a single client, or from a very small number of clients, the tax administration may treat the income as **employment income** rather than business income.

The distinction matters because the two categories are taxed under different structures. A self-employed person with one dominant client who has structured on the assumption of the 0% rate may face a materially different outcome on reclassification.

This also bears on the common arrangement in which a foreign employer engages an individual in Albania as a contractor rather than an employee. Reclassification exposure exists on the face of the statute, independently of any analysis of the working relationship.

Deductions, allowances and exempt income

The statute provides for defined personal deductions and allowances, including in respect of dependants and certain education and health expenditure, subject to income limits. Certain categories of income are exempt or benefit from favourable treatment, and benefits in kind are generally taxable with prescribed valuation rules.

Foreign pension income receives favourable treatment, which is a significant part of Albania's appeal to European retirees. The scope of the relief and the conditions attaching to it should be established from the current text of the legislation and the individual's circumstances rather than from general description — and, critically, the home state's position under the applicable treaty must be established separately. This is developed in Chapter 16.

Social and health insurance contributions

Contributions arise under the social insurance legislation and are collected by the tax administration.

Borne by	Social insurance	Health insurance	Total
Employer	15%	1.7%	16.7%
Employee	9.5%	1.7%	11.2%

Contributions are computed on a base subject to a floor and a ceiling. From **1 January 2026** the minimum monthly base is **ALL 50,000** and the maximum is **ALL 186,416**. Salary below the floor is nonetheless assessed at the floor; salary above the ceiling attracts contributions only up to the ceiling.

The national monthly minimum wage from 1 January 2026 is **ALL 50,000**.

These figures are revised annually, most commonly with effect from 1 January, and should be confirmed each January.

Annual declaration

Individuals meeting the statutory criteria — including those with income from more than one source, income above defined thresholds, or foreign income — must file an annual personal income declaration. The deadline follows the general annual cycle and filing is electronic.

An individual whose only income is employment income taxed correctly at source may fall outside the filing obligation, but the position should be checked rather than assumed, particularly where foreign income or foreign assets are involved.

Expatriates and cross-border employees

For a foreign national working in Albania, the analysis proceeds in three stages: whether the individual is an Albanian tax resident under Article 8; what the applicable double taxation treaty provides, including its tie-breaker rules where the individual is resident in both states under domestic law; and whether relief is available for tax paid in the other state.

Albania applies the credit method, so tax paid in a treaty state on the same income is credited against the Albanian liability rather than the income being exempted. Becoming Albanian resident therefore does not necessarily produce an Albanian tax cost where the foreign tax is higher — but it does produce an Albanian filing obligation and an Albanian analysis.

Social security is a separate question from income tax and follows its own rules. Where a bilateral social security agreement exists between Albania and the home state, it may permit continued home-state coverage for a posted worker. Where it does not, contributions may be due in both states.

13 — Profit Extraction and Cross-Border Tax

The three routes

Profit reaches the owner of an Albanian company in one of three ways: as a distribution of profit, as remuneration for services, or through arrangements between the company and connected persons such as loans, rent or intra-group charges. Each is treated differently and the choice has a material effect on the total cost.

Dividends

Dividends and profit distributions are subject to tax at **8%** under Law No. 29/2023. The tax applies at the point of distribution and, for a resident individual shareholder, ordinarily represents the final tax on that income.

A distribution is a corporate act, not a withdrawal. It requires distributable profit, established by reference to approved financial statements, and a decision of the general meeting taken in accordance with Law No. 9901/2008 and the company's statute. Sums extracted without that process are not dividends and are liable to be characterised by the tax administration as something less favourable — commonly as employment income or as a loan to a connected party.

The combined cost

The effective rate on distributed profit depends entirely on the company's corporate income tax position, and the difference is substantial.

Company position	Effect on distributed profit
Turnover above ALL 14,000,000	15% corporate income tax on profit, then 8% on the distribution — an effective burden on distributed profit of approximately 21.8%
Turnover not exceeding ALL 14,000,000	0% corporate income tax until 31 December 2029, then 8% on the distribution — an effective burden of 8%

This is the practical significance of the Article 69 threshold for an owner-managed business. It is not merely that the company pays less tax; the whole cost of getting money to the owner falls from roughly a fifth to under a tenth. It is also a further reason why the threshold deserves attention before the year end rather than after it.

Salary

Remuneration is deductible for the company, reducing taxable profit. It attracts personal income tax at the progressive employment rates and social and health contributions of **16.7%** borne by the employer and **11.2%** by the employee, computed between the statutory minimum and maximum monthly bases.

For a company already within the 0% band, salary has **no corporate tax advantage to offer**, because there is no profit tax to reduce. The deduction is worthless and the contributions are a real cost. On tax grounds alone, distribution is generally the more efficient route in that situation.

Why salary is still often necessary. Tax efficiency is not the only consideration. A foreign owner-manager who requires an Albanian residence permit on the employment ground needs a genuine employment contract with a declared salary and a contribution record. A person building an entitlement to Albanian social insurance benefits needs contributions. A company seeking bank facilities is assessed differently where its management is paid. And a shareholder who takes no salary while working full-time in the business invites the argument that distributions are remuneration in substance.

The usual answer is a combination: a genuine salary at a defensible level, with the balance distributed.

Non-resident shareholders and treaty relief

Where the shareholder is resident outside Albania, two further questions arise.

Does the applicable treaty reduce the Albanian withholding rate below the domestic 8%?

Albania has an extensive treaty network — some 46 agreements signed, the greater part in force — and treaty rates on dividends vary and are frequently conditional on the size of the shareholding.

How is the distribution treated in the shareholder's own country? This is the more often neglected question and Albanian law does not answer it. A dividend taxed lightly in Albania may be taxed heavily on receipt, and the Albanian planning is then wasted. Where the shareholder is a company, participation exemptions in the parent's jurisdiction may produce a very different answer from the position of an individual shareholder in the same state.

Treaty relief is not automatic. It generally requires evidence of the recipient's residence and compliance with the procedural conditions Albanian law imposes, and these should be in place before the distribution rather than reconstructed afterwards.

Loans and connected party arrangements

Owners sometimes extract funds as loans from the company, intending to regularise the position later. This requires care. Loans to connected parties attract scrutiny, may be recharacterised as

distributions where they lack commercial substance or are not serviced, and engage the transfer pricing and interest limitation provisions of Law No. 29/2023.

The same applies to rent, management charges and licence fees paid by the company to its owner or a connected entity. Each is capable of being a legitimate deductible expense, and each is capable of being disallowed where it is not at arm's length or not supported.

Controlled foreign companies in practice

Article 19 is most commonly encountered not by groups but by individuals. The pattern is familiar: an entrepreneur relocates to Albania, becomes an Albanian tax resident under Article 8, and retains an operating company incorporated elsewhere — a United States LLC, an Estonian OÜ, a United Kingdom company — leaving profits in it.

Where that individual controls the foreign entity and it bears substantially less tax than it would have borne in Albania, its undistributed profits may be attributed to them as personal income **in the year they are earned**. The foreign company is not outside the Albanian system merely because it is registered abroad.

Anyone relocating to Albania while retaining a foreign operating company should have the position reviewed **before** becoming an Albanian tax resident rather than after the first tax year closes.

Double taxation treaties

Albania has around 46 signed double taxation agreements, the greater part in force, covering most of Europe and a number of other jurisdictions. A current list is at Appendix A.

Where a treaty applies it allocates taxing rights between the two states and contains tie-breaker provisions for persons resident in both under domestic law. Albania applies the **credit method** rather than exemption.

Treaties are also the mechanism by which several of the questions raised throughout this guide are answered: the rate of withholding on dividends, interest and royalties; whether a foreign pension remains taxable in the paying state; whether a construction project creates a permanent establishment; and which state has the primary right to tax employment income.

A sequence for the decision

Establish whether the company is within or above the ALL 14,000,000 threshold for the year.

Establish whether the owner requires a salary for migration, social insurance or banking reasons, and at what level.

Confirm that distributable profit exists and that financial statements support it.

Identify the shareholder's own tax residence and the applicable treaty.



Model the combined Albanian and foreign cost of each route before deciding, not after distributing.
Document the corporate decision properly.

14 — Employment and Labour Law

Employment is the area in which foreign-owned companies most frequently incur penalties in Albania, and rarely because the rules are difficult. The obligations begin before the employee starts work, recur monthly, and are not avoided by labelling the relationship a consultancy.

The framework

The employment relationship is governed by **Law No. 7961, dated 12 July 1995, “The Labour Code of the Republic of Albania”**, as amended. Taxation of employment income falls under Law No. 29/2023, and social and health contributions arise under the social insurance legislation and are collected by the tax administration.

Registration of a company at the QKB simultaneously registers it with the tax administration and the insurance schemes, so no separate employer registration is required. What is required is the declaration of each individual employee.

Before the employee starts

An employee must be declared to the authorities before commencing work.

This is the single most commonly breached obligation among newly established foreign-owned companies, usually because the employer assumes the declaration accompanies the first payroll run at month end. It does not, and the penalty for undeclared work does not depend on whether the employer intended to declare later.

A **written employment contract** is required, addressing the matters the Labour Code prescribes: the identity of the parties, position and duties, remuneration, working time, place of work, duration, notice, and any probation period.

Types of contract

Contracts may be for an **indefinite** or a **definite** term. The indefinite contract is the default; a fixed-term contract requires objective justification, and successive fixed-term contracts for the same role beyond the statutory period are liable to be treated as indefinite.

Probation periods are permitted, subject to the statutory maximum, during which the notice requirements are reduced. Part-time, remote and flexible arrangements are permitted and are increasingly used, particularly in the outsourcing sector.

Working time and overtime

The standard working week is **40 hours**, generally over five days. Daily and weekly maxima apply, together with minimum daily and weekly rest periods and a minimum break during the working day.

Overtime is permitted within statutory limits and attracts premium pay, with higher premiums for work performed at night, on weekly rest days and on public holidays. Certain categories of employee — particularly those in senior or autonomous positions — may fall outside parts of the working time regime, but the exemption is narrower than employers often assume.

Minimum wage and pay

The **national monthly minimum wage from 1 January 2026 is ALL 50,000**. It is revised periodically, most commonly with effect from 1 January.

Wages must be paid in lek at the agreed intervals, and payslips issued. Deductions from wages are permitted only in the cases the law allows.

Contributions and payroll

Borne by	Social insurance	Health insurance	Total
Employer	15%	1.7%	16.7%
Employee	9.5%	1.7%	11.2%

Contributions are computed between a minimum and maximum monthly base, which from 1 January 2026 are **ALL 50,000** and **ALL 186,416** respectively.

The employee's share is withheld by the employer, which accounts for both shares to the tax authorities monthly. **The employer's share is a cost additional to gross salary**: a salary quoted gross to a candidate understates the employer's cost by roughly a sixth. Any workforce budget should be built on gross salary plus 16.7%.

Monthly obligations comprise calculating gross pay, withholding income tax and the employee's contribution share, filing the payroll declaration, paying the withheld tax and both contribution shares by the statutory date, issuing payslips, maintaining payroll records, and declaring joiners before they start and leavers on departure.

Leave and holidays

Employees are entitled to **paid annual leave** of not less than the statutory minimum, calculated by reference to service in the calendar year, and to paid leave on **public holidays**. Albania observes a substantial number of public holidays, including secular, Christian and Muslim observances, several of which fall on dates that vary from year to year.

Sick leave is paid in accordance with the social insurance scheme, with the employer bearing an initial period and the scheme taking over thereafter, subject to medical certification.

Maternity, parental and family leave

Maternity leave is provided for a statutory period spanning the period before and after birth, with benefit paid through the social insurance scheme rather than by the employer, subject to a qualifying contribution record. Protection against dismissal applies during pregnancy and maternity leave.

Provision also exists for paternity and parental leave and for leave in defined family circumstances. Employers with staff in Albania should establish the current entitlements from the Labour Code and the social insurance legislation, since these provisions have been amended and further alignment with EU standards is anticipated.

Termination

This is where foreign employers most often go wrong, and the exposure is material.

Albanian law distinguishes between **ordinary dismissal with notice** and **termination for cause**. Ordinary dismissal does not require misconduct, but it does require the Labour Code's procedure to be followed — characteristically a meeting with the employee, convened on prescribed prior written notice, at which the reasons are discussed, followed by the notice of termination within a defined window after that meeting.

Failure to follow the procedure attracts compensation in its own right, independently of whether the underlying reason was good.

Separately, a dismissal may be challenged as **unreasonable**. Where a court finds that the termination was without reasonable cause, the employer may be liable for damages of up to a year's salary, in addition to pay for the notice period. The employee has a substantial window in which to bring a claim.

Two practical points follow. **Documentation matters more than the merits**: an employer with a good reason and a defective procedure loses. And a disciplinary meeting is not a termination consultation — convening one and treating it as satisfying the other is a common and expensive error.

Notice periods vary with length of service. **Severance** is payable in defined circumstances, principally on termination after a qualifying period of service.

Collective dismissal

Where an employer proposes to dismiss a number of employees within a defined period, collective dismissal procedures apply, requiring notification to and consultation with the employee

representatives and the labour authorities, with a waiting period before the dismissals may take effect. The thresholds are set by reference to the size of the workforce.

Contractor arrangements

Foreign employers frequently engage individuals in Albania as self-employed contractors, on the view that this avoids payroll, contributions and employment protection. **Two provisions make that view unsafe.**

First, where the relationship has the substance of employment — direction and control, integration into the business, exclusivity, fixed hours — it may be treated as employment notwithstanding the label, with the consequences following retrospectively.

Second, **Article 12 of Law No. 29/2023** permits the tax administration to reclassify business income as employment income where a disproportionate share derives from a single client or a very small number of clients. A contractor whose income comes overwhelmingly from one engager is exposed to reclassification on the face of the statute, independently of any analysis of the working relationship.

Anti-discrimination and equal treatment

Albanian law prohibits discrimination in employment on grounds including sex, race, ethnicity, religion, political opinion, disability, age and sexual orientation, and provides for equal pay for work of equal value. The Commissioner for Protection from Discrimination has jurisdiction over complaints, alongside the courts.

Health and safety

Employers owe statutory duties in relation to workplace health and safety, including risk assessment, provision of information and training, provision of protective equipment where required, and reporting of accidents. The State Labour Inspectorate supervises compliance and has powers of inspection and sanction. Obligations are more demanding in construction, manufacturing and extractive activity.

Trade unions and collective bargaining

Freedom of association is constitutionally protected and employees have the right to form and join trade unions. Collective agreements may be concluded at enterprise or sectoral level. Union density is low in the private sector outside certain industries, but a foreign employer establishing a significant workforce should establish whether any sectoral agreement applies.

Employing foreign nationals

A foreign national employed in Albania requires authorisation to work. Under Law No. 79/2021 this is provided through the **Unique Permit**, which combines residence and work authorisation in a single document. The employer's payroll obligations are identical to those for an Albanian employee.

Where the foreign employee is an owner-manager employed by their own company, **the employment must be genuine**: a declared contract, a salary at or above the applicable minimum, and contributions actually paid. A nominal arrangement created solely to support an migration application is vulnerable on both the employment and the migration front.

15 — Working and Residing in Albania

The governing legislation

Entry, stay and residence of foreign nationals are governed principally by **Law No. 79/2021 “On Foreigners”**, which replaced the earlier framework and came into effect in October 2021. It has since been amended, including by Law No. 43/2025. The implementing detail — procedures, documentary requirements and the treatment of applications — is contained in **Decision of the Council of Ministers No. 858, dated 29 December 2021**.

Because both the statute and the subordinate legislation have been amended, and because a substantial amount of procedural detail is set by ministerial instruction rather than by the law itself, **requirements should be verified against the current position at the time of application** rather than assumed from published guidance. A further draft law on foreigners has been in public consultation, which may supersede parts of this framework.

Entry and when a permit is required

A residence permit is required where a foreign national intends to remain beyond the period permitted by the visa regime applicable to their nationality. For most nationalities this is **90 days within any 180-day period**. Certain nationalities benefit from substantially longer visa-free arrangements, set by government decision and periodically revised.

Two points are commonly misunderstood. A favourable visa-free arrangement **is not a residence status**: it permits presence, not settlement, and confers no right to work. And the expiry of a visa-free period is not a matter that can be regularised retrospectively.

EU citizens no longer need a residence permit at all

This is the most significant change of recent years and it postdates most published guidance. **Law No. 43/2025, dated 26 June 2025** inserted a new **Article 33/1** into Law No. 79/2021. Citizens of European Union member states now have the right to reside in Albania for periods longer than three months **without a residence permit and without a Unique Permit**, where they are employed or self-employed, or have sufficient resources for themselves and their family together with health insurance valid in Albania, or are enrolled at an accredited educational institution.

A **registration requirement** replaces the permit procedure: registration is made online with the border and migration authority no later than three months after arrival, and a **registration certificate** is issued. Family members who are not EU citizens receive a “Residence card of a family member of an EU citizen”, valid for five years. After five years of continuous lawful residence the right of

permanent residence arises, and earlier for defined categories — including those reaching pension age and those permanently incapacitated for work.

Swiss nationals are **not** covered, since Switzerland is not an EU member state. Because the provision is new, the state of the implementing rules and administrative practice should be confirmed before it is relied upon.

The structure of permits

Category	Character
Type A	Residence permit issued for a defined period and not renewable
Type B — Unique Permit	Renewable permit combining residence and work authorisation; the category into which most applicants fall on first application
Type C	Permanent residence, available after the qualifying period of continuous lawful residence

The significance of the **Unique Permit** (*Leje Unike*) is that it removed the previous separation between a residence authorisation and a work authorisation. A foreign national employed by an Albanian company, or self-employed in Albania, obtains a single document conferring both.

Grounds of application

The permit is granted on a stated ground, and the ground determines the evidence required and what the holder may lawfully do:

Employment — where the applicant is engaged by an Albanian employer;

Self-employment — where the applicant carries on economic activity in their own name;

Investment — under Article 39, letter (k), where the applicant makes an investment of a value determined by joint instruction of the responsible ministers, subject to conditions including a prescribed ratio of Albanian employees to foreign nationals and remuneration at not less than the average salary;

Ownership of real estate — under Article 39, letter (i), requiring evidence of registered title through the state cadastre;

Pension — under Article 39, letter (j), for foreign nationals in receipt of a pension from their home country;

Digitally mobile work — for remote workers serving foreign employers or clients;

Family reunification — for family members of a permit holder;

Study, research, humanitarian and other statutory grounds.

Law No. 79/2021 expressly introduced several categories that did not exist under the previous framework, including digitally mobile workers, pensioners, au pairs and stateless persons, together with the permit based on ownership of real property.

The ground of application is not a formality. It determines the evidence the authorities require, the conditions attaching to the permit, and what the holder may lawfully do in Albania. A pensioner's permit under Article 39, letter (j), for example, does not permit its holder to carry on economic or professional activity. An applicant who intends to work should not apply on a basis that forbids it, and correcting the position later means a fresh application rather than an amendment.

Procedure

Applications are made through the **e-Albania** portal and determined by the border and migration authorities. The initial permit is ordinarily issued for one year and is renewable, with renewal applications made before expiry.

Documents originating abroad — criminal record certificates, civil status documents, pension confirmations, corporate documents — require **apostille or consular legalisation and certified translation into Albanian**.

Why applications are refused

Refusals are far more often documentary than substantive. The applicant usually qualified; the file did not. The recurring causes are:

Missing apostille or legalisation. Processing in the home jurisdiction commonly takes one to three weeks, and certified translation several days more.

An expired criminal record certificate. These have limited validity, and the clock starts when they are issued, not when they are filed. Applicants routinely obtain the certificate first, spend weeks on apostille and translation, and submit a document close to or past its useful life.

Health insurance that does not cover Albania. Policies written as “worldwide excluding country of residence” do not qualify once Albania becomes the country of residence.

Accommodation evidence below the required standard. A lease generally needs to be notarised, and for certain grounds the property must meet a minimum floor area per occupant.

The wrong ground of application.

The most avoidable failure of all is applying so close to the expiry of lawful presence that a request for further information cannot be answered in time. The authorities routinely ask for a further document. If the applicant has three weeks of lawful presence left and the document takes four weeks to apostille abroad, the application fails for reasons that have nothing to do with whether the applicant qualified. Build the timeline backwards from expiry, with real slack in it.

Deadlines, absences and renewal

The statute is more precise on these points than most published summaries suggest, and the figures come directly from the consolidated text.

Initial application — under Article 37, within 30 days of entry, or within the period of lawful visa-free presence for those entering without a visa.

Renewal — within the **60 days before** the existing permit expires.

Decision — under Article 56, a Unique Permit application is examined and issued **within four weeks** where the criteria are met.

Absences — under Article 34, a permit may be refused or cancelled where the holder has spent **more than 180 days outside Albania within one year** of the permit. Article 36 permits an absence of up to 180 days for justified reasons, **provided the authorities were notified in advance of the reasons for departure**.

That advance notification is easily overlooked and belongs in the planning of any extended trip, particularly for retirees and remote workers who spend months at a time in their home country.

One further point that saves argument. Article 56, paragraph 2 provides that preparatory actions for opening a business or service activity are **not considered work**. A foreign national visiting to scout premises, meet advisers or incorporate a company is not thereby working without authorisation.

Permanent residence

Permanent residence becomes available after **five years of continuous lawful residence**. The years accumulate through successive temporary permits, and it is immaterial in principle which ground each permit was granted on.

Continuity is the point on which applications most often fail, and for two distinct reasons.

Absences. Extended periods outside Albania can break the continuity of residence. Retirees and remote workers are particularly exposed, since both frequently spend months each year in the home country.

Gaps between permits. Where a permit expires before the renewal is granted, the period between them may not be lawful residence at all, and the qualifying period may restart rather than pause. Renewal applications should be lodged well before expiry — three months is a sensible margin.

No notification is issued in either case. The position is discovered at the point of applying for permanent residence in year five, by which time the years cannot be recovered.

Visa-free time counts for nothing. Qualifying residence is residence held under a permit. Time spent in Albania lawfully but without a residence permit accumulates nothing toward the five years. This catches nationals of countries with generous visa-free arrangements, who sometimes spend a year or more in Albania before applying and assume that period counts. The five years begin on the date the first permit takes effect.

Citizenship

Albanian citizenship by naturalisation is governed by **Law No. 113/2020 “On Citizenship”**, as amended by Law No. 77/2023 and, most recently, by **Law No. 49/2026** discussed in Chapter 4.

Naturalisation requires a longer period of continuous lawful residence than permanent residence, together with the further conditions the citizenship legislation imposes — typically lawful means of support, absence of relevant criminal record, and connection to the country.

Applicants should also consider the position under their existing nationality. Whether Albanian naturalisation affects an existing citizenship is a question for the law of that other state, not for Albanian law, and the answer varies considerably.

16 — Migration Routes in Practice

This chapter takes the statutory framework of Chapter 15 and addresses how the principal routes actually work for the three groups who most often ask: business owners, retirees and remote workers.

The most consequential misunderstanding

Owning an Albanian company does not entitle a foreign national to live in Albania.

Under Law No. 9901/2008 a foreign national may hold and direct an Albanian company without residing here and without any Albanian migration status. Many foreign investors do exactly that, managing the business from abroad and visiting within their visa-free entitlement.

Corporate registration is effected by the QKB under commercial legislation. Residence is granted by the border and migration authorities under Law No. 79/2021, on separate criteria and separate evidence. **Nothing in the corporate file substitutes for an migration application.**

The damage this causes is not the misunderstanding itself but when it is discovered. The investor typically arrives, incorporates, begins operating, and addresses their status only when the visa-free period is close to expiry — at which point the company may not yet be banked, payroll cannot run, the employment ground is unavailable, and there is no time to obtain and legalise documents from abroad.

The business owner

Three grounds are relevant, all served through the Unique Permit.

Employment by one's own company

The most frequently used route for an owner-manager. The company enters into a contract of employment with the individual, declares the employment, operates payroll and accounts for social and health contributions, and the individual applies on the employment ground.

This route works because it produces exactly the evidence the authorities examine: a registered Albanian employer, a declared employment relationship, a salary at or above the applicable minimum, and a contribution record.

It also has consequences that should be understood in advance. Employment income is taxable in Albania and subject to withholding and contributions from the first month, and the arrangement must be genuine rather than nominal.

A sequencing problem. The employment route requires a functioning company — registered, banked, fiscalised and able to run payroll. Since the corporate bank account commonly takes two weeks or more for a foreign-owned entity, and payroll cannot sensibly run without it, the migration application sits behind the banking timetable. The corporate and migration timetables should be planned together from the outset.

Self-employment

A foreign national may register as a sole trader and apply on the self-employment ground. Registration is quick and inexpensive.

The form carries unlimited personal liability, cannot admit partners or investors, and is unsuitable for many institutional counterparties. Where the migration objective can be met equally through employment by an Sh.p.k., the company route is preferable on every non-migration ground.

The investor route under Article 69

Article 69 provides for the grant of a Unique Permit to investors. **The statute does not itself fix the investment threshold**; it is determined by joint instruction of the responsible ministers and is therefore capable of change without amendment of the law. Any figure quoted in published guidance should be verified against the current instruction.

The investment is not the only condition. The law contemplates that the activity will maintain a prescribed ratio of Albanian citizens to foreign nationals across the workforce and management, and that employees be remunerated at not less than the average salary. These conditions are frequently omitted from summaries of the route and they materially affect whether a given investment qualifies.

Albania does not operate a residence-by-investment programme in the sense that term carries in some other jurisdictions. Marketing material describing an Albanian “golden visa” should be treated with caution.

The retiree

Article 39, letter (j) provides a dedicated basis for foreign nationals entitled to receive a pension in their home country. The category was introduced by the 2021 reform and reflects a deliberate policy of attracting foreign retirees.

Requirements applied in practice — set by subordinate legislation and administrative instruction rather than by the statute, and therefore requiring confirmation at the time of application — include:

Requirement	Detail
Pension income	Evidence of an annual pension of at least ALL 1,200,000, approximately EUR 11,600. The figure is administrative and subject to revision.

Requirement	Detail
Banking	A statement from an Albanian bank confirming the pension is transferred to Albania
Accommodation	A notarised lease or evidence of owned property, meeting a minimum floor area per occupant
Health insurance	Cover valid in Albania for the period of the permit
Criminal record	Police clearance from the country of origin, apostilled and translated

The pension need not derive from a single source; state, occupational and private arrangements are generally capable of satisfying the requirement provided the entitlement is evidenced and the income is stable.

The condition that surprises people. A permit granted under Article 39, letter (j) does not entitle its holder to carry on economic or professional activity in Albania. A retiree who intends to consult occasionally, let property as a business, or take up part-time work is not covered by this permit and requires a different basis. Working on a pensioner's permit puts the permit itself at risk on renewal.

The tax question retirees should ask first

Albania's treatment of foreign pension income is favourable and is a substantial part of the country's appeal. It is also more complicated than "no tax on pensions" conveys, and it requires three separate questions.

Is the retiree an Albanian tax resident? Under Article 8 of Law No. 29/2023, a person with a permanent home in Albania, or present 183 days or more, is resident and taxable on worldwide income.

Does Albania tax the pension? Albanian law provides favourable treatment for qualifying foreign-sourced pension income; the scope and conditions should be established from the current text.

Does the home country still tax it? This is the question most often neglected, and Albanian law does not answer it at all. Many double taxation treaties allocate the taxing right over **government service pensions to the paying state**, so a former public employee may remain taxable at home irrespective of where they live. Private and occupational pensions are frequently treated differently from state pensions within the same treaty.

A destination offering favourable treatment of pensions is worth nothing if the treaty leaves the taxing right with the home state. This analysis belongs before the move, not after the first tax year has closed.

The remote worker

Albania does not have a document called a “digital nomad visa”. It has a category of foreign national — the **digitally mobile worker** — introduced by Law No. 79/2021 and served through the Unique Permit.

The category covers a person residing in Albania while performing work remotely for an employer established outside Albania, or for clients outside Albania. Evidence typically addresses the existence and continuity of the foreign engagement, income sufficient to support the applicant, accommodation, health insurance valid in Albania, and a criminal record certificate.

The twelve-month exemption, and what follows it

The feature distinguishing Albania from most competing jurisdictions is the treatment of tax residence. Under **Law No. 25/2022**, a foreign national holding a qualifying digital nomad permit benefits from a **twelve-month exemption from Albanian tax residence**.

During that period the individual is not an Albanian tax resident, and Albania has no claim to their worldwide income. For a remote worker whose income arises entirely outside Albania, this is a real and substantial benefit.

What happens in year two. The exemption is a twelve-month window, not a standing feature of the permit. Once it lapses, the ordinary tests in Article 8 apply, and a remote worker who has by then established a home and a day count in Albania becomes resident and taxable on worldwide income. Anyone planning a two- or three-year stay on the strength of the first-year position should model year two before it arrives.

Two further provisions bear on remote workers specifically. Where the individual controls a company incorporated abroad, **Article 19** may attribute its undistributed profits to them once they become resident. And **Article 12** permits reclassification of business income as employment income where it is concentrated in very few clients — a real exposure for a freelancer with one dominant engager.

Family members

Family reunification is a distinct ground under Law No. 79/2021, allowing family members of a permit holder to obtain permits of their own. Residence accumulated under a reunification permit is itself lawful residence and counts toward that person’s own qualifying periods.

Where a family’s long-term objective includes permanent residence or citizenship for more than one person, the sequencing of applications is worth planning at the outset, since each individual accumulates their own qualifying period from the date their own permit takes effect.

Practical points across all routes

Keep a **contemporaneous record of every entry and exit** from the first day. Reconstructing five years of movements from passport stamps is unreliable and sometimes impossible.

Diarise each renewal at least three months before expiry. Treat the expiry date as the deadline for the decision, not for the application.

Retain every permit, decision and supporting document. The permanent residence application requires evidence covering the whole period.

Take advice before a long absence, not after returning.

Review the tax position separately. Long residence and tax residence are established under different statutes, and the answers do not always coincide.

17 — Real Estate and Property Rights

Why Albanian property is different

Property title in Albania carries a more complicated history than in most European jurisdictions, and this is the single most important practical issue in Albanian real estate.

Private property was abolished entirely under the communist regime. After 1991 it was restored through a combination of restitution to former owners, privatisation to occupiers, distribution of agricultural land to cooperative members, and legalisation of informal construction. These processes ran in parallel, were administered by different bodies, and did not always produce consistent outcomes. The result is that a given parcel may carry competing claims arising from different post-1991 processes.

No Albanian property acquisition should proceed without title due diligence, and the diligence must go behind the current registration rather than relying on it.

The cadastre

The **State Cadastre Agency** maintains the register of immovable property, recording ownership, boundaries, encumbrances and rights in rem. Registration is constitutive for the transfer of ownership: a sale is completed on registration, not on signature of the contract.

The register has been substantially digitised and its reliability has improved considerably. It is not, however, a guarantee of good title in the way an English or German register is, and historic records remain incomplete in places.

Acquisition by foreign persons

Buildings and constructed property may generally be acquired by foreign natural and legal persons without restriction.

Agricultural land is subject to restriction. The position depends on the character of the land and the status of the acquirer, and structures involving an Albanian company are commonly used. Where an investment involves agricultural land, the position must be established before any commitment is given.

Land more generally may be subject to conditions, including in some cases a requirement that the acquirer undertake investment of a defined value. Coastal and border areas may carry additional restrictions.

The transaction

A transfer is effected by contract executed before an **Albanian notary** and registered with the cadastre. The notary verifies identity, capacity and the registered position, but the notary's role does not substitute for diligence on the history of title.

The principal diligence points are:

the chain of title and its origin in restitution, privatisation or legalisation;

competing claims by former owners or occupiers;

registered encumbrances, mortgages and easements;

boundaries and their correspondence to the physical property;

planning status and permitted use;

for buildings, whether construction was lawfully permitted or subsequently legalised;

outstanding local taxes and utility liabilities.

Taxes on property

Tax	Position
Transfer tax	Payable on transfer, calculated by reference to value or area depending on the category of property
Immovable property tax	Annual municipal tax on buildings and land
Infrastructure impact tax	Levied on new construction, calculated on the value of the investment and payable at permitting — a significant cost for development projects
Capital gains	Gains on disposal are taxable under Law No. 29/2023
Rental income	Taxable; treatment depends on whether the activity constitutes a business
VAT	Certain transactions in immovable property are exempt; new construction may be taxable

Construction and permitting

Development requires planning and construction permits from the competent authority, generally the municipality, under the territorial planning and construction legislation. The process involves conformity with the applicable local territorial plan, technical approvals, environmental assessment where required, and payment of the infrastructure impact tax.

Permitting timetables are a principal source of project risk, and coastal and tourism developments have additional layers, including environmental and, in protected areas, specific approvals.

Leasing

Commercial leases are governed by the Civil Code and by the parties' agreement, with relatively limited mandatory protection compared with some European jurisdictions. Key commercial points — term, renewal, rent review, service charges, repair, assignment and termination — are matters for negotiation and should be addressed expressly.

Leases of a defined duration and leases relied upon for residence permit applications require notarisation, and for residence purposes must meet the applicable floor area standard.

18 — Intellectual Property

Framework

Industrial property is governed by **Law No. 9947, dated 7 July 2008, “On industrial property”**, as amended — most recently by Law No. 88/2026, discussed in Chapter 4 — and administered by the **General Directorate of Industrial Property (DPPI)**.

Copyright and related rights are governed by separate legislation and administered through the copyright authority and the courts.

Albania is a party to the principal international instruments, including the Paris Convention, the Berne Convention, the Patent Cooperation Treaty, the Madrid Protocol for trade marks, and the Hague Agreement for industrial designs, and is a member of the World Intellectual Property Organization and the World Trade Organization, with the TRIPS obligations that follow.

Protectable rights

Right	Term	Notes
Patents	20 years from filing, subject to renewal fees	National filing, PCT national phase, or validation routes
Utility models	Shorter term	Lower inventive threshold
Trade marks	10 years, renewable indefinitely	National filing or Madrid Protocol designation
Industrial designs	Renewable in periods up to a statutory maximum	National or Hague designation
Geographical indications	Ongoing	Significant for agricultural and food products
Copyright	Life plus 70 years, generally	Arises without registration

Practical points for a foreign rights holder

Register early. Albania operates a first-to-file system for trade marks. A foreign brand entering the market without a prior Albanian registration is exposed to pre-emptive filing by a third party, and recovering the position afterwards is expensive and uncertain.

Extend international registrations. For most foreign groups, designating Albania under the Madrid Protocol is the efficient route for trade marks and the Hague Agreement for designs.

Consider the intra-group licence. Where an Albanian entity uses group intellectual property, the licence should be documented and, where appropriate, recorded. The pricing must be defensible

under the transfer pricing provisions of Law No. 29/2023, and royalties paid abroad attract withholding tax subject to treaty relief.

Watch the transitional provisions. Law No. 88/2026 amended the framework, and procedural amendments commonly carry transitional provisions for pending applications.

Enforcement

Enforcement routes comprise civil proceedings for infringement, including interim measures; administrative action, notably **customs border measures** permitting rights holders to record their rights and have suspected infringing goods detained at importation; and criminal proceedings for counterfeiting and piracy in defined cases.

Border measures are the most practically effective tool for a brand owner concerned about counterfeit goods, and recordal with customs should be part of any market entry plan for a consumer brand.

Civil enforcement is subject to the general observation about the pace of Albanian litigation made in Chapter 22.

19 — Accounting, Reporting and Audit

Framework

Accounting and financial reporting are governed by **Law No. 25/2018 “On accounting and financial statements”**, as amended by Law No. 87/2026, which is Albania’s alignment instrument for **EU Directive 2013/34/EU**.

Entities apply either the **National Accounting Standards** or **IFRS**, depending on their size category and the nature of their activity. Larger entities and those in regulated sectors are generally required to apply IFRS; smaller entities apply national standards, with a simplified framework available for the smallest.

Accounting records must be kept in Albanian and in lek, though parallel records in another language and currency are permitted for group reporting purposes.

Obligations

Every registered entity must:

maintain accounting books and **purchase and sales registers**;

issue invoices through the **electronic fiscalisation system**;

prepare **annual financial statements**; and

retain records for the statutory period.

These obligations apply irrespective of the rate of tax the entity pays, including to entities within the 0% band under Article 69 of Law No. 29/2023. This is a point on which foreign investors are regularly and expensively mistaken.

Filing and publication

Annual financial statements must be filed, and for entities above defined thresholds published. The filing cycle runs alongside the annual tax return, which is due by **31 March**.

Statutory audit

Audit is required for entities exceeding defined size thresholds — measured by turnover, balance sheet total and employee numbers — and for entities in regulated sectors and those applying IFRS, irrespective of size.

Audits must be conducted by statutory auditors registered in Albania, and the profession is supervised by the public oversight body. Group auditors from other jurisdictions cannot sign an

Albanian statutory audit without Albanian registration, which is a point of practical significance for foreign groups planning their audit arrangements.

Law No. 87/2026 may have moved the size thresholds, and any entity near one should establish the current position and the financial year from which the amendments apply.

Practical observations for foreign groups

The Albanian accounting year is the calendar year. A group with a different reporting year will need to reconcile.

Fiscalisation integration is a real implementation task, not a formality — the group ERP must either interface with the Albanian platform or the entity must operate a separate compliant invoicing process.

Local bookkeeping is generally outsourced by foreign-owned entities, and the quality of that provider matters disproportionately. Most tax penalties incurred by foreign-owned companies in their first years arise from bookkeeping and filing failures rather than from substantive tax positions.

20 — Competition and Merger Control

Framework

Competition is governed by **Law No. 9121/2003 “On protection of competition”**, as amended, and enforced by the **Albanian Competition Authority**. The framework is modelled on EU competition law, and the Authority’s practice draws on EU precedent.

Restrictive agreements and abuse of dominance

The prohibitions mirror Articles 101 and 102 of the Treaty on the Functioning of the European Union:

Restrictive agreements — agreements, decisions and concerted practices which have as their object or effect the prevention, restriction or distortion of competition are prohibited. Hard-core restrictions — price fixing, market sharing, output limitation, bid rigging — are treated as by-object infringements. Vertical agreements including distribution and franchise arrangements are assessed under a framework corresponding to the EU vertical restraints regime, with block exemption analogues.

Abuse of dominance — a dominant undertaking may not abuse its position, whether by excessive or predatory pricing, refusal to supply, tying, discrimination or exclusivity arrangements foreclosing the market.

Infringements attract fines calculated by reference to turnover, and the Authority has investigative powers including inspection of premises.

Merger control

Concentrations meeting the statutory turnover thresholds must be **notified to and cleared by the Authority before implementation**. The thresholds are set by reference to combined and individual turnover in Albania and worldwide, and should be checked against the current statute.

A concentration includes a merger, an acquisition of control, and the creation of a full-function joint venture. **Control** is assessed on the ability to exercise decisive influence, which may arise from less than a majority shareholding.

Two points regularly catch foreign groups.

Global transactions can trigger an Albanian filing. Where the parties have Albanian turnover meeting the thresholds, an Albanian notification is required even though the transaction has no Albanian dimension in any commercial sense. This should be checked in the transaction timetable, not discovered afterwards.

Implementation before clearance is prohibited. Gun-jumping attracts sanction independently of whether the transaction would have been cleared.

Sector regulators

Sector-specific regulators exercise competition-adjacent functions in their fields, including the Bank of Albania, the Financial Supervisory Authority, ERE in energy and AKEP in electronic communications. Coordination between the Competition Authority and sector regulators follows the framework legislation.

State aid

State aid is regulated under separate legislation aligned with the EU framework and supervised by the state aid authority. This is relevant to investors negotiating incentives with public bodies: an incentive that constitutes unlawful state aid is vulnerable, and the alignment obligations under the accession process are tightening scrutiny.

21 — Data Protection and Cybersecurity

Data protection

Albania's data protection regime was recast by **Law No. 124/2024 “On Personal Data Protection”**, which aligns Albanian law substantially with the **EU General Data Protection Regulation**. It replaced the earlier framework and took effect with transitional periods for compliance.

For a business already GDPR-compliant, the Albanian framework will be familiar. The principal features are:

Lawful basis required for processing, on grounds corresponding to Article 6 GDPR;

Data subject rights including access, rectification, erasure, restriction, portability and objection;

Controller and processor obligations, including written processing agreements;

Records of processing activities;

Data protection impact assessments for high-risk processing;

Data protection officers where the criteria are met;

Breach notification to the supervisory authority and, where required, to data subjects, within prescribed periods;

Restrictions on international transfers, with mechanisms corresponding to adequacy, standard contractual clauses and derogations;

Administrative fines at levels materially higher than under the previous regime.

The supervisory authority is the **Commissioner for the Right to Information and Protection of Personal Data**.

Practical points

Group policies need localisation, not translation. A foreign group extending its GDPR compliance framework to an Albanian subsidiary should verify that the Albanian requirements are met rather than assuming equivalence, particularly on registration, notification timescales and the position of the supervisory authority.

Employment data processing is a common area of non-compliance. Albanian employers process substantial personal data on employees and candidates, and the lawful basis, retention and information obligations apply in full.

International transfers matter to any group operating shared systems. Transfers from Albania to group companies abroad require a valid transfer mechanism.

Cybersecurity

Cybersecurity is governed by the cybersecurity legislation and supervised by the national cybersecurity authority. Operators of critical and important information infrastructure — in sectors including energy, banking, telecommunications, health and public administration — carry heightened obligations covering risk management, incident reporting and resilience. Further alignment with the EU NIS framework is anticipated as part of the accession process.

Electronic identity and trust services

Albania operates an electronic identity and electronic signature framework supporting the **e-Albania** platform. Qualified electronic signatures have legal effect, and access to a substantial proportion of government services requires an Albanian electronic identity.

For a foreign investor this is a practical gating item. Company filings, tax returns, permit applications and much correspondence with the state run through e-Albania, and the identity credentials must be obtained before those functions can be performed. It is a routine step, but it is a step, and it should appear on the implementation plan rather than being discovered at the point of the first filing.

22 — Dispute Resolution and Insolvency

The realistic position on litigation

Albanian civil and commercial litigation is slow. The judicial reform process begun in 2016, involving the vetting of judges and prosecutors, produced significant judicial vacancies and case backlogs which have not been fully worked through.

A foreign investor should plan on the assumption that a contested commercial claim will take years rather than months. This is not a reason to avoid Albania; it is a reason to give serious attention to dispute resolution provisions at the contracting stage, when the choice costs nothing.

Court structure

Civil and commercial disputes are heard by the courts of first instance, with appeal to the courts of appeal and, on points of law, to the Supreme Court. **Administrative courts** hear disputes with public authorities, including tax assessments, licensing decisions and procurement challenges, and operate under their own procedural framework with generally shorter timescales than the ordinary civil courts.

Judgments are enforced through the bailiff service, with both public and private bailiffs operating. Enforcement against a solvent defendant with identifiable assets is generally effective; enforcement against a defendant that has dissipated assets is a different matter, which is why interim measures deserve attention at the outset of a dispute.

Arbitration

Arbitration is available and is the recommended route for contracts of significance.

Albania is a party to the **New York Convention**, so that foreign arbitral awards are recognised and enforceable in Albania subject to the Convention's limited grounds of refusal. For a foreign investor this is the decisive point: an award obtained in a seat such as Vienna, Zurich, London or Paris is enforceable here without relitigating the merits.

Institutional arbitration under ICC, VIAC, SCC or similar rules is commonly chosen for cross-border contracts. Domestic arbitration is available but less developed.

Investor-state arbitration may be available under an applicable bilateral investment treaty or the Energy Charter Treaty, and under the ICSID Convention where the treaty so provides. This is a further reason to consider the holding jurisdiction at the structuring stage.

Mediation and alternative resolution

Mediation is provided for by statute and is mandatory or encouraged in defined categories of dispute. It is used more in family and small civil matters than in substantial commercial disputes, but it can be effective where a continuing commercial relationship is at stake.

Contractual drafting points

For any contract of significance with an Albanian counterparty:

Choose the governing law expressly, and consider whether Albanian law or a foreign law better serves the transaction.

Choose arbitration with an institution and seat outside Albania for material contracts, unless there is a positive reason to litigate here.

Provide for interim relief, and consider whether the tribunal or a court should have that power.

Address language — the language of the contract, of the proceedings, and which version prevails.

Consider security — guarantees, parent company guarantees, escrow or retention arrangements — because enforcement is where value is lost.

Insolvency

Insolvency is governed by **Law No. 110/2016 “On bankruptcy”**, as amended, which modernised the framework and introduced reorganisation procedures alongside liquidation.

Proceedings may be opened on the debtor’s own application or on that of a creditor, on grounds of illiquidity or over-indebtedness. An insolvency administrator is appointed and a moratorium applies, staying individual enforcement.

Reorganisation permits a going-concern restructuring under a plan approved by creditors and confirmed by the court. **Liquidation** results in realisation of the estate and distribution according to the statutory ranking, which places secured creditors, then defined preferential claims including certain employee and tax claims, then ordinary unsecured creditors, then subordinated claims and finally shareholders.

Transactions concluded in defined periods before the opening of proceedings may be challenged as preferences or as transactions at an undervalue.

Practical protection for creditors

The framework is modern; its practical operation reflects the general observations about the pace of proceedings. For a supplier or lender the effective protections are commercial rather than procedural:

take **security** where the value justifies it, and register it properly;

use **retention of title** in supply contracts, and ensure it is effective under Albanian law;

monitor counterparty solvency, bearing in mind that published financial information on private Albanian companies is limited;

act early on non-payment, since the practical prospects of recovery deteriorate quickly;

for significant exposures, consider **guarantees from a solvent parent in an enforcing jurisdiction** rather than relying on the Albanian entity alone.

23 — Sector Opportunities

This chapter surveys the sectors that attract most foreign investment interest, with the regulatory and tax points specific to each.

Energy and renewables

Electricity generation is overwhelmingly hydroelectric, which gives the Albanian grid an unusual carbon profile and makes generation weather-dependent. Solar has expanded rapidly through auctions and private development, and wind has attracted increasing interest.

The framework was recast by **Law No. 59/2026 “On the electricity sector”** (Chapter 4), aligning with **Directive (EU) 2019/944** and **Regulation (EU) 2019/943** under Albania’s Energy Community obligations. Existing licence holders should establish how their authorisations are treated under the transitional provisions.

The regulator is the **Energy Regulatory Authority (ERE)**. Generation, transmission, distribution, supply and trading are licensed activities. Projects may be developed on a concession or non-concession basis, and larger projects may qualify under the strategic investment framework.

Commercial points: the appreciation of the lek against the euro affects projects with euro-denominated financing and lek-denominated revenue; grid connection and curtailment risk require diligence; and hydrological variability is a material modelling assumption.

Tourism and hospitality

Tourism has been the standout growth sector, with visitor numbers exceeding ten million in 2024. Investment has concentrated on the coastal strip, with growing interest in mountain and cultural tourism.

The framework is **Law No. 93/2015 “On tourism”**, amended by Law No. 83/2026. **Certification under the tourism legislation is the gateway to the reduced 5% corporate income tax rate for agritourism operators** until 31 December 2029, and accommodation services attract the **reduced 6% VAT rate**.

Commercial points: land title diligence is critical in coastal areas; construction permitting in coastal and protected zones carries additional layers; seasonality is pronounced and season extension is the sector’s central strategic question; and the marina and tourist port framework was amended by Law No. 36/2026.

Business process outsourcing and ICT

Albania has built a substantial outsourcing sector serving Italian, English, German and Greek-language markets, exploiting the labour cost differential and the unusual foreign language capability described in Chapter 1.

The tax position requires care. The 5% software rate expired on 31 December 2025 (Chapter 10). Companies below the ALL 14,000,000 turnover threshold fall within the general 0% regime, which is more favourable. Above it, the standard 15% applies. Separately, services supplied to clients established outside Albania are generally outside the scope of Albanian VAT under the place of supply rules — a point of real importance to this sector.

Commercial points: wage inflation and recruitment competition are the principal constraints; data protection compliance under Law No. 124/2024 is central where the operation processes EU personal data; and reclassification risk under Article 12 applies where contractors are engaged rather than employees.

Agriculture and agribusiness

Agriculture employs a large share of the workforce at low productivity, which is both the sector's weakness and the investment case. Opportunities lie in consolidation, processing, cold chain, packaging and export logistics rather than in primary production alone.

Agricultural cooperation companies under Law No. 38/2012 benefit from the reduced **5% corporate income tax rate** until 31 December 2029. **Law No. 65/2026** introduced a framework for commercial receipts over agricultural products, of the kind used to allow stored produce to serve as security for financing.

Commercial points: restrictions on foreign ownership of agricultural land require structuring attention; land fragmentation complicates assembly; and EU market access under the SAA depends on meeting sanitary and phytosanitary standards.

Manufacturing and *façon*

The garment and footwear sector operating on contract for Italian and other European brands is long established and remains the largest manufacturing employer. Automotive components, plastics and construction materials have grown.

Commercial points: rules of origin determine whether output qualifies for preferential access to the EU under the SAA, and the analysis should be settled before production begins; customs procedures including inward processing are central to the *façon* model; and wage cost advantage relative to Central Europe has narrowed but remains material.

Real estate and construction

Construction has been a principal growth driver, in residential development in Tirana and in coastal tourism development. See Chapter 17 for title, permitting and tax.

Commercial points: the infrastructure impact tax is levied on investment value at permitting and is a significant line item; permitting timetables are a principal project risk; and title diligence must go behind the current registration.

Extractives

Albania has oil, chromium, copper and other mineral resources, with a mining sector operating under concession and licence. The framework is administered by the responsible ministry and the mining authority, with environmental permitting a significant component.

Financial services

The banking sector is foreign-dominated, well capitalised and consolidated. Entry is by licence from the **Bank of Albania**, with capital, governance and fit-and-proper requirements. Insurance, pensions and securities fall under the **Financial Supervisory Authority**.

Law No. 80/2026 introduced transparency obligations for issuers of securities (Chapter 4), and further financial sector modernisation legislation was in progress during 2026.

Electronic communications

Operators require authorisation from **AKEP** under the general authorisation regime. The sector covers fixed and mobile telephony, internet service provision, data transmission, satellite services and audiovisual transmission networks. A QKB-registered Albanian entity is a prerequisite for AKEP registration.

Appendix A — Double Taxation Treaties

Albania has concluded approximately **46 double taxation agreements**, of which the greater part are in force. The network covers most of Europe together with a number of other jurisdictions, and includes agreements with the principal sources of investment into Albania.

Treaties in force include agreements with, among others: Austria, Belgium, Bosnia and Herzegovina, Bulgaria, China, Croatia, the Czech Republic, Egypt, Estonia, France, Germany, Greece, Hungary, India, Ireland, Italy, Korea, Kosovo, Kuwait, Latvia, Luxembourg, Malaysia, Malta, Moldova, Montenegro, the Netherlands, North Macedonia, Norway, Poland, Qatar, Romania, Russia, Saudi Arabia, Serbia, Singapore, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Arab Emirates and the United Kingdom.

This list is indicative. The status of individual treaties changes as new agreements are signed and ratified, and the current position — including whether a signed treaty is in force and from which date — should be confirmed with the Albanian tax administration or the Ministry of Finance before reliance.

Albania applies the **credit method** for the elimination of double taxation.

Appendix B — Key Authorities and Sources

Institution	Function
QKB — National Business Centre	Company and branch registration; beneficial ownership register
e-Albania	Government services portal — filings, permits, declarations
General Directorate of Taxation	Corporate and personal income tax, VAT, fiscalisation
General Directorate of Customs	Customs, excise, border measures
Bank of Albania	Central bank; banking and payment institution supervision
Financial Supervisory Authority (AMF)	Insurance, pensions, securities markets
State Cadastre Agency	Register of immovable property
General Directorate of Industrial Property (DPPI)	Patents, trade marks, designs, geographical indications
Competition Authority	Competition enforcement and merger control
Commissioner for the Right to Information and Protection of Personal Data	Data protection supervision
Energy Regulatory Authority (ERE)	Electricity and gas sector regulation
AKEP	Electronic and postal communications
State Labour Inspectorate	Employment and health and safety supervision
Border and Migration Authorities	Residence and work permits
INSTAT	National statistics
AIDA / investment promotion body	Investment promotion and aftercare

Appendix C — Market Entry Checklist

Before committing

- ☐ Establish whether the intended activity is **regulated**, and what the sectoral regulator requires of any operator.
- ☐ Establish whether the investment involves **land**, and if so of what category.
- ☐ Map the **ownership chain** to the ultimate natural person; confirm the beneficial owner is content to be publicly registered.
- ☐ Identify whether any individual needs to **reside** in Albania, and on what statutory basis.
- ☐ Model the tax position **at, above and below** the ALL 14,000,000 threshold.
- ☐ Obtain advice in the **home jurisdiction** on the treaty position and on any exit taxation.
- ☐ Consider the **holding jurisdiction** in light of the Albanian bilateral investment treaty network.

Structuring and establishment

- ☐ Choose the structure — Sh.p.k., Sh.a., branch or representative office — on the sequence in Chapter 6.
- ☐ Assemble and **legalise** the document package: apostille and certified translation, before travel.
- ☐ Draft a **power of attorney** fit for the Albanian procedure if incorporating remotely.
- ☐ Draft the **statute** properly — pre-emption, deadlock, authority limits — rather than adopting a minimal standard text.
- ☐ Where there is more than one member, negotiate a **shareholders' agreement**.
- ☐ Prepare beneficial ownership data **before** submitting the incorporation application.
- ☐ Secure a verifiable **registered address** appropriate for commercial use.

Before trading

- ☐ Apply for the **corporate bank account** immediately on registration; allow two weeks or more.
- ☐ Obtain the **fiscalisation** certificate and compatible software before the first invoice.
- ☐ Appoint **accounting** support and establish the bookkeeping process.
- ☐ Obtain **e-Albania** electronic identity credentials.
- ☐ Obtain any **sectoral licence**.
- ☐ Register any **trade mark** before market entry; consider customs recordal.

People

- ☐ Declare each **employee before** they commence work.

-
- ☐ Budget gross salary **plus 16.7%** employer contributions.
 - ☐ Review any **contractor** arrangement against both the substance test and Article 12.
 - ☐ Plan the **migration** timetable alongside the corporate and banking timetables.
 - ☐ For any foreign national, confirm the **ground of application** matches what they intend to do.

Ongoing

- ☐ Monitor turnover against the **ALL 10,000,000** VAT threshold on a rolling twelve-month basis.
- ☐ Monitor turnover against the **ALL 14,000,000** profit tax threshold from mid-year.
- ☐ File monthly **payroll** and, where registered, monthly **VAT** returns by the 14th.
- ☐ File the **annual return by 31 March**, whether or not tax is payable.
- ☐ File **QKB changes**, including beneficial ownership changes, within the statutory deadlines.
- ☐ Confirm wage, contribution and threshold figures each **January**.
- ☐ Diarise residence permit **renewals three months** before expiry.

Appendix D — Principal Legislation Referred To

Instrument	Subject
Law No. 7764/1993	Foreign investments
Law No. 9121/2003	Protection of competition
Law No. 7961/1995	Labour Code
Law No. 9723/2007	Registration of business
Law No. 9901/2008	Entrepreneurs and commercial companies
Law No. 9920/2008	Tax procedures
Law No. 9947/2008	Industrial property (as amended by Law No. 88/2026)
Law No. 38/2012	Agricultural cooperation companies
Law No. 61/2012	Excise duties (as amended by Law No. 47/2026)
Law No. 92/2014	Value added tax
Law No. 48/2014	Late payments in contractual and commercial obligations (as amended by Law No. 81/2026)
Law No. 55/2015	Strategic investments
Law No. 93/2015	Tourism (as amended by Law No. 83/2026)
Law No. 110/2016	Bankruptcy
Law No. 25/2018	Accounting and financial statements (as amended by Law No. 87/2026)
Law No. 112/2020	Register of beneficial owners (as amended by Law No. 6/2022)
Law No. 113/2020	Citizenship (as amended by Laws No. 77/2023 and 49/2026)
Law No. 79/2021	Foreigners (as amended by Law No. 43/2025)
Law No. 25/2022	Digital nomad tax residence exemption
Law No. 29/2023	Income tax
Law No. 124/2024	Personal data protection
Law No. 84/2025	Voluntary tax arrangement
Law No. 42/2026	Freedom of establishment and provision of services
Law No. 59/2026	Electricity sector
Law No. 65/2026	Commercial receipts for agricultural products
Law No. 77/2026	European Cooperative Societies
Law No. 78/2026	Statute of the European Company

Instrument	Subject
Law No. 80/2026	Transparency requirements for issuers of securities
VKM No. 1088/2020	Register of beneficial owners — administration
VKM No. 858/2021	Foreigners — implementing provisions
VKM No. 753/2023	Income tax — implementing provisions
Constitutional Court Decision No. 52 of 27 June 2024	Annulment of the professional exclusion from the 0% regime

Appendix E — Glossary

AKEP — Electronic and Postal Communications Authority, the telecommunications regulator.

AMF — Financial Supervisory Authority, regulating insurance, pensions and securities.

Apostille — certification under the Hague Convention of 1961 authenticating a public document for use abroad.

Cliff edge — used here to describe the ALL 14,000,000 turnover threshold, which applies on an all-or-nothing basis rather than as a taper.

Degë — branch of a foreign company.

e-Albania — the government services portal through which most filings and applications are made.

ERE — Energy Regulatory Authority.

Fiscalisation — the electronic invoicing system transmitting invoices to the tax administration in real time.

INSTAT — the Albanian institute of statistics.

Leje Unike — the Unique Permit, combining residence and work authorisation.

NIPT / NUIS — the unique identification number issued on registration, serving as both commercial register number and tax number.

Person fizik — sole trader; a natural person registered to carry on business, with unlimited personal liability.

QKB — *Qendra Kombëtare e Biznesit*, the National Business Centre, which maintains the commercial register and the beneficial ownership register.

Sh.a. — *shoqëri aksionare*, joint stock company.

Sh.p.k. — *shoqëri me përgjegjësi të kufizuar*, limited liability company.

Statuti — the statute or articles of a company, containing its internal constitution.

UBO — ultimate beneficial owner; the natural person who ultimately owns or controls an entity.

VKM — *Vendim i Këshillit të Ministrave*, a decision of the Council of Ministers.

How Tridens Can Help

This guide sets out the framework. Applying it to a particular project requires advice on the facts, and that is what we do.

Our services

Market entry and establishment. Structure selection, incorporation of companies and branches, drafting of founding acts, statutes and shareholders' agreements, powers of attorney for remote incorporation, beneficial ownership registration, coordination of apostille and certified translation, registered office, and the bank account application.

Tax. Corporate income tax planning and compliance, management of the ALL 14,000,000 threshold, VAT registration and place of supply analysis, transfer pricing, profit extraction, double taxation treaty analysis, tax residence for individuals and entities, and representation before the tax administration.

Migration. Residence permits in all statutory categories, the Unique Permit, the investor and pensioner routes, digitally mobile workers, family reunification, permanent residence and citizenship, and the coordination of migration with the corporate and banking timetables.

Employment. Contracts, payroll obligations, contractor arrangements and reclassification risk, termination and its procedural requirements, and the employment of foreign nationals.

Real estate. Title due diligence, acquisition, development and construction permitting, and leasing.

Regulatory. Licensing across regulated sectors, including energy, electronic communications, financial services and tourism.

Dispute resolution. Contractual dispute resolution provisions, arbitration, and representation in commercial and administrative proceedings.

How we work

We advise in **English, German and Albanian**. We quote against the facts of the matter rather than against a headline figure, and we set out clearly what is included and what recurs. Where a question falls outside Albanian law — the treatment of a distribution in the shareholder's own state, the effect of a departure under home-country exit taxation — we say so and work alongside your existing adviser rather than guessing.

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