



InterMarketing NN d.o.o & ZIG Consulting Sh.p.k

Incorporation in Albania of a limited liability company (Sh.p.k.)

Dear friends

with reference to Your request as to the incorporation of a new company on Albania (NewCo) or the establishment of a Branch of a foreign company in Albania, please find herewith a detailed indication of the documentation required and the procedures to be followed in order to incorporate a legal entity in the form of a limited liability company (“Sh.p.k.”) in Albania.

A. Incorporation of a legal entity in the form of limited liability company

A.1. Registration with the Commercial Registry

The first step in establishing the new limited liability company (hereinafter the “NewCo”) is the registration with the Commercial Registry in the First Instance Court of Tirana. Such procedure includes submission of the following documents:

1. Notarized Request to the Court for the registration of the NewCo signed by the Director/s of the NewCo or from any other person empowered by him/them through a Power of Attorney.

This document shall be drafted by ZIG Consulting Firm and notarized in Albania.

2. Drafting and signing from the founding member/s of the “Act of Incorporation” of the NewCo.
This document shall be drafted by TBI Law Firm and should be notarized in Albania by the founding member/s.

3. Drafting and signing from the founding member/s of the “Articles of Association” of the NewCo.

This document shall be drafted by ZIG Consulting Firm and should be notarized in Albania by the founding member/s.

4. Certificate issued by an Albanian local bank or an Albanian Notary Public attesting the subscription and payment of the share capital of the NewCo, which, according to current Albanian legislation, cannot be less than Lek 100.000 (equivalent to approximately Euro 850).

The payment should be made by the founding member/s in an Albanian bank or Notary Public. ZIG Consulting Firm shall assist in this transaction.



In case of a legal entity participating as founding member in the NewCo, a notarized and legalized copy of the resolution of the competent body of such legal entity (founding member) authorizing the participation in the establishment of the NewCo, designating the person/s in charge of signing all necessary incorporation acts of the NewCo. The Resolution of the legal entity participating as founding member in the NewCo should be notarized, legalized (in case of a foreign legal entity) and translated into English: after that, ZIG Consulting Firm will provide with translation into Albanian. ZIG Consulting Firm could also make (directly in English) a draft of such resolution.

6. In case of a legal entity participating as founding member in the NewCo, a notarized and legalized copy (in case of a foreign legal entity) of its Articles of Incorporation and Articles of Association.

The Articles of Incorporation and Articles of Association of the legal entity participating as founding member in the NewCo should be notarized, legalized (in case of a foreign legal entity) and translated into English: after that, ZIG Consulting Firm will provide with translation into Albanian.

7. In case of a legal entity participating as founding member in the NewCo, a recent original certificate/extract of Good Standing from the Commercial Office/Register of the country where the such legal entity carries out the business activity, stating its existence, registration, non-insolvency status, bodies and their respective powers.

The certificate/extract of the legal entity participating as founding member in the NewCo should be notarized, legalized (in case of a foreign legal entity) and translated into English: after that, ZIG Consulting Firm will provide with translation into Albanian.

8. Power of Attorney issued by the Director/s of the NewCo to a local representative (a member of our law firm) for the purpose of signing and/or submitting all documents required by Albanian authorities (court, tax, labor, social insurance office, etc).

This proxy is issued by the designated director/s of the NewCo, which shall be drafted by ZIG Consulting Firm and notarized in Albania.

9. Copy of the passport of the director/s of the NewCo + 2 passport photos of the director/s 37mm x 37mm.

10. Notarised Lease Agreement of the registered office of the NewCo.

Please note that the documents regarding the legal entity acting as founding member under above item 5 and 6 shall be either in original or in notarized true copy, and legalized whilst the signatures in the document under above item 5 should be duly certified by a Notary Public. From the other hand, the document under above item 7 should be in original and legalized.



In order to start the procedure as per above, we will need to receive from the interested parties the following informations:

- a) denomination of the NewCo;
- b) object of the NewCo;
- c) duration of the NewCo;
- d) identity of the founding shareholders (physical or juridical entities);
- e) registered office of the NewCo;
- f) system of administration.

The procedure for the registration of the limited liability company with the Commercial Registry will take approximately 3-4 weeks from the filing of the court request and relevant supporting documentation.

Following the registration in the court the Newco should be registered with other Albanian authorities such as Labor Office, Social Securities Office, Chamber of Commerce and Industry and national and local tax offices. The registration with these authorities will take approximately 2 weeks. More in details:

A.2 Registration with the District Labor Inspectorate

Once obtaining the registration court decision, the NewCo should be registered with the respective District Labor Inspectorate. Such procedure includes the submission of the following documents:

1. A notarized copy of the decision of the First Instance Court of Tirana on the registration of the NewCo; and
 2. A declaration on the person/s employed or to be employed by the NewCo.
- The procedure for the registration of the NewCo with the District Labor Inspectorate is completed within 2 days from the submission of the above documents.

A.3 Registration with the Social Insurance Institute

Further, the NewCo should be registered with the respective branch of the Social Insurance Institute. Such procedure includes the submission of the following documents:



1. A written request by the director/s on the registration of the NewCo with the respective branch;
2. A notarized copy of the decision of the First Instance Court of Tirana on the registration of the NewCo;
3. A copy of the passport of the director/s of the NewCo; and
4. The Registration Certificate issued from the respective branch of District Labor Inspectorate. The procedure for the registration of the NewCo with the respective branch of the Social Insurance Institute lasts for a period of approximately 2 days from the submission of the above documents.

A.4 Registration with the Chamber of Commerce and Industry

The NewCo should be registered with the respective Chamber of Commerce and Industry. Such procedure includes the submission of the following documents:

1. A written request by the director/s on the registration of the NewCo with the respective branch;
2. A notarized copy of the decision of the First Instance of Tirana on the registration of the NewCo;
3. 2 passport photos of the director/s 37mm x 37mm; and
4. An annual fee (from Lekë 20.000 – 35.000 equivalent to Euro 160 - 280).

The procedure for the registration of the NewCo with the respective Chamber of Commerce and Industry is completed within the same day of submission of the above documents. At the end, an annual Registration Certificate is issued to the applicant.

A.5 Registration with the tax offices

According to the Albanian fiscal legislation two kind of taxes should be paid by the taxpayers: (a) national taxes and (b) local taxes. In addition, the NewCo should be registered both to the local tax office (Municipality office) and District Tax Office.

When registering to the local tax office, the NewCo should pay the following taxes:

- Registration tax – 20.000 Lekë (equivalent to Euro 160) [once forever];
- Cleaning tax – 6.000 – 80.000 Lekë (equivalent to Euro 48 - 640) [annually];
- Table tax – 1.500 -3.000 Lekë (equivalent to Euro 12-24) [annually]; and



- Property tax – variable - Lekë/m², applied to any immovable property owned by the NewCo – if any – (annually).

After the payment of local taxes, the local authority issues a general statement attesting the payment of all local taxes.

The next step is the final registration with the Great Business Department of the respective District Tax Branch. Such procedure includes the submission of the following documents:

1. A written request by the director/s on the registration of the NewCo with the respective branch;
2. A notarized copy of the registration decision of the District Court of Tirana on the registration of the NewCo;
3. A notarized copy of the Act of Incorporation of the NewCo;
4. A notarized copy of the Articles of Association of the NewCo;
5. A copy of the agreement stipulated with the respective branch of the Social Insurance Institute;

The general statement attesting the payment of all taxes with the municipality's tax office;

7. A notarized copy of the Registration Certificate issued by the respective Chamber of Commerce and Industry;
8. Labor/Service Agreement stipulated between the NewCo and its accountant;
9. Declaration of the profit to be generated from the NewCo for the current fiscal year; and
10. 2 passport photos of the director/s 37mm x 37mm. The procedure for the registration of the NewCo with the respective District Tax Branch lasts for a period of approximately 7 days from the filing of the request and documentation in the above branch. At the end, NIPT (Identification Number of the Taxable Person) and the Fiscal Certificate are issued to the applicant.

A. 6 Opening of the NewCo's bank account

The next step to be undertaken by the NewCo is the opening of a current account in a bank within the territory of the Republic of Albania. Such procedure includes the submission of the following documents:

1. A written request by the director/s on the opening of the current account;



2. A notarized copy of the Act of Incorporation, Articles of Association and registration decision of the First instance Court of Tirana on the registration of the NewCo;
3. A notarized copy of the NIPT (Identification Number of the Taxable Person);
4. A notarized copy of the Fiscal Certificate; and
5. A notarized copy of the Registration Certificate issued by the respective Chamber of Commerce and Industry.

The opening of the current account is completed within the same day of submission of the above documents.

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Price

The total notary and administrative costs for the establishment and registration of the NewCo with the Commercial Registry will be approximately 20.000 Leke (equivalent to Euro 150 - 160), while the translation fee for the documents under 5, 6 and 7 of the section denominated "Registration with the Commercial Registry" shall be of 10 Euro/page.

Our fees applicable, both in case of incorporation of NewCo or the Establishment of a Branch will be Euro 2,500 not including any notary and/or administrative fee and/or tax applied by the Albanian authorities and/or legislation for the incorporation and registration of the NewCo. Finally, in order to start the procedure, we will need a Euro 1.200 advance payment in order to cover our expenses. Payment instructions will be provided to you upon acceptance of our fees as per above. We hope that the above will give you a precise indication of the steps to be taken in case of incorporation of a limited liability company in Albania, and remain at your complete disposal should you require any further clarification on the matter.

Sincerely yours,

InterMarketing NN