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Brulc Gaberščik & Partners, Law Firm, Ltd.: Luka Gaberščik & Marjetka Kenda

Spain
Monereo Meyer Abogados: Monika Bertram & Patricia Rivera Almagro

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Switzerland
Homburger: Balz Gross & Nina Rabaeus

Taiwan
Winkler Partners: Christine Chen

Tanzania
Breakthrough Attorneys: Vintan Willgis Mbiro & Kheri Rajabu Mbiro

Thailand
R&T Asia (Thailand) Limited: Supawat Srirunguang & Saroj Jongsaritwang

Turkey
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United Arab Emirates
Hamdan AlShamsi Lawyers and Legal Consultants: Hamdan Al Shamsi

United Kingdom
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USA
Hughes Hubbard & Reed LLP: Ned Bassen & Sophie Moskop

Zambia
Eric Silwamba, Jalasi & Linyama Legal Practitioners: Lubinda Linyama & Joseph Alexander Jalasi

Zimbabwe
Wintertons Legal Practitioners: Ruvimbo T.L. Matsika & Tatenda Nyamayaro
1 Terms and Conditions of Employment

1.1 What are the main sources of employment law?

The main pieces of legislation governing the employment relationship in Albania are the Labour Code and the Law on Civil Servants. Herein below are other sources along with the aforementioned acts, listed in hierarchal order:

(i) Albanian Constitution.
(ii) Conventions governing employment matters as ratified by the Republic of Albania.
(iv) Law no. 152/2013, dated 30.05.2013 “On the Civil Officer”, as amended (“Law on Civil Servant”).
(ix) Law no. 10221, dated 04.02.2010 “On Protection Against Discrimination”.
(x) Law no. 9970, dated 24.07.2008 “On Gender Equality”.
(xii) Law no. 60/2016 “On Whistleblowing and Protection of Whistleblowers”.
(xiii) Secondary legislation (i.e., decisions of the Council of Ministers and various instructions or orders issued for the implementation of the above).

Another important source is the unifying decisions of the Unified Colleges of the Albanian Supreme Court that serve as mandatory case law for disputes deriving from the employment relationship.

1.2 What types of worker are protected by employment law? How are different types of worker distinguished?

A general distinction can be made among employees engaged in the employment relationship governed by the Labour Code: private sector employees and employees in certain categories of the public sector; and public sector employees. The latter refers to civil servants engaged in an employment relationship regulated by the Law on Civil Servants. There is no clear-cut division based on the public and private sector criteria, since the Labour Code also governs the employment relationship of certain employees working in the public sector. The applicable legislation may provide for additional protection (i.e., with regard to work conditions) regarding certain types of employees (i.e., employees working in the mining sector).

The following types of employment contracts are regulated under the Labour Code:

- full-time and part-time contracts;
- limited and unlimited duration contracts;
- employment agency contracts;
- individual and collective employment contracts;
- home-based employment contracts;
- commercial agent contracts; and
- apprenticeship/internship contracts.

1.3 Do contracts of employment have to be in writing? If not, do employees have to be provided with specific information in writing?

As a general rule, employment contracts are concluded in writing, however in specific cases when, for justified reasons, the contract has not been concluded in writing, the employer must, within a period of seven days from the date when the employee is hired, sign the contract in writing. Failure to comply with this requirement may result in a fine for the employer of up to 30 times the value of the minimum monthly salary.

1.4 Are any terms implied into contracts of employment?

All the mandatory provisions of the Labour Code on the non-renounceable rights of the employee are applicable. Some rights are/may be specifically provided in the employment contract, while for others this information is provided by reference to the provisions of the Labour Code, the decisions of the Council of Ministers or a collective agreement (i.e., rights to compensation, time-off, various leaves, safety at work, etc.). In addition, the obligations of loyalty, due diligence and care are applicable to employees without the need to specifically address them in the contract.

1.5 Are any minimum employment terms and conditions set down by law that employers have to observe?

The employer shall observe the non-discrimination obligation, the right of the employees to be organised in unions, the protection of employees that denounces corruption, the minimum age
of employees, health and safety at work, safety/protection of the employee personality, protection of pregnant women and the applicable facilities, minimal salary, overtime limits, annual holidays/paid leave, other permits/other paid and unpaid leave, etc.

1.6 To what extent are terms and conditions of employment agreed through collective bargaining? Does bargaining usually take place at company or industry level?

The collective contract contains provisions on employment conditions, on content and termination of the individual employment contracts, provisions related to disciplinary measures and on relationships between the contracting parties. The collective contract cannot contain less favourable provisions for the employee than provided for in the applicable legislation. Furthermore, in case of provisions not anticipated in the individual employment contract, reference is made to collective bargaining. The collective bargaining usually takes place at company level.

2 Employee Representation and Industrial Relations

2.1 What are the rules relating to trade union recognition?

The Labour Code provisions govern the establishment and the rights of the trade unions and professional organisations of employers and employees. It must also be noted that freedom of association is a right guaranteed by the Albanian Constitution.

Trade unions and professional organisations should submit the act of incorporation and the bylaws to the First Instance Court of Tirana in order to acquire legal personality. The act of incorporation and bylaws of the trade union should be signed by a minimum of 20 founding members, whilst the professional organisation should have a minimum of five founding members. Legal personality is acquired 60 days after the filing, unless the court rules on the rejection of such request.

2.2 What rights do trade unions have?

Trade unions represent their members in negotiations of the collective contracts with the employers, as well as in negotiations regarding the change of terms and conditions of the existing collective employment contracts. Trade unions are further entitled to protect the interests of their members before the courts, in order to oblige the employer to observe the provisions of the employment legislation, collective employment contract or individual employment contracts.

These organisations may be of a larger size such as federations (i.e., the voluntary union of at least two trade unions) and confederations (i.e., voluntary union of at least two federations), and may become members of international professional organisations. Based on the Labour Code provisions, only trade unions may organise and announce strikes.

2.3 Are there any rules governing a trade union’s right to take industrial action?

The right to strike is also guaranteed by the Albanian Constitution. The Labour Code defines that only trade unions have the right to organise and announce strikes. In practice, such industrial action is used as a last resort by trade unions to achieve their economic and social goals.

The strike is considered legally compliant when organised by a legally founded trade union; it aims to reach either the conclusion of a collective contract or (if that already exists) the fulfilment of those requirements deriving from the employment relationship but not set forth in the collective contract, with parties (trade union and employers) having made all efforts to solve the issue through mediation and reconciliation.

The Labour Code provides protection for the striking employees during the strike period, inclusive of the prohibition of the employer to dismiss or replace the participants in the strike with new employees.

2.4 Are employers required to set up works councils? If so, what are the main rights and responsibilities of such bodies? How are works council representatives chosen/appointed?

The Labour Code does not provide regulations for the establishment of works councils. Law no. 9901, dated 14.04.2008 “On Entrepreneurs and Commercial Companies”, as amended, provides that the council of employees may appoint representatives to the board of a joint-stock company, if agreed with the management of the company. No other provisions deal with such issues.

The establishment of a safety council and relevant criteria are provided under the Law no. 10237, dated 18.02.2010 “On Security and Health at Work”. This type of council represents the employees solely in relation to health and security issues at the workplace.

2.5 In what circumstances will a works council have co-determination rights, so that an employer is unable to proceed until it has obtained works council agreement to proposals?

This is not applicable.

2.6 How do the rights of trade unions and works councils interact?

This is not applicable.

2.7 Are employees entitled to representation at board level?

Please see our answer to question 2.4 above.

3 Discrimination

3.1 Are employees protected against discrimination? If so, on what grounds is discrimination prohibited?

Article 18 of the Constitution of the Republic of Albania provides that we are all equal before the law. No one may be discriminated for reasons such as: gender; race; religion; ethnicity; language; political opinions; religious or philosophical beliefs; their economic, educational, or social status; or parental ethnicity. Exceptions are made in cases where there is a legal and objective reason for such discrimination.

Furthermore, article 9 of the Labour Code provides that while exercising the right to employment and exercising
their profession, employees are protected against any form of discrimination as provided in the Labour Code or any other sectorial legislation. The same principles for the protection of employees against any discrimination have also been provided by Law no. 10221, dated 04.02.2010 “On the Protection Against Discrimination”.

The prohibition of discrimination aims to guarantee equal chances in employment to persons who are in objectively similar situations.

3.2 What types of discrimination are unlawful and in what circumstances?

Discrimination means any kind of distinction, exclusion, restriction or preference, based on: race; skin; colour; ethnicity; language; gender identity; sexual orientation; political opinions; religious or philosophical beliefs; economic, educational or social status; pregnancy; parentage; parental responsibility; age; marital or family status; residence; health status; genetic predispositions; any kind of disability; HIV/AIDS; joining or belonging to unions; affiliation with a particular group; or in any other case, that has the purpose or effect of preventing or making impossible the exercise of the right to employment and occupation, in the same conditions as other employees.

3.3 Are there any special rules relating to sexual harassment (such as mandatory training requirements)?

Pursuant to article 32 of the Albanian Labour Code, the employer is liable to respect and protect the personality of their employee. There is a general obligation on the employer to prevent any action that constitutes sexual harassment towards the employees, and to not allow such actions to be performed by other employees. In addition, the employer should take all necessary measures to stop the moral harassment committed by him/her and/or other employees.

Provisions on moral and sexual harassment and the relevant sanctions should be placed by the employer in a visible spot in the working environment.

There are no other specific rules relating to sexual harassment (such as mandatory training) provided by Albanian applicable law.

3.4 Are there any defences to a discrimination claim?

The employer against whom the employee has raised discrimination claims has the burden of proof and should present the relevant evidence that the discriminatory situation does not exist.

3.5 How do employees enforce their discrimination rights? Can employers settle claims before or after they are initiated?

Article 15 of Law no. 10221, dated 04.02.2010 “On the Protection Against Discrimination” provides that every employee has the right to complain to the employer, the Commissioner for the Protection Against Discrimination or the court if he/she believes that he/she has been discriminated against. This provision does not limit the right of appeal to special institutions created at different employment sectors. With such regard, the employee and employer may settle the claims between them before starting any administrative or judicial procedure.

During the examination of the complaint, the employee has the right to continue working as per the terms of the respective employment contract. The parties may reach an understanding/settlement even after raising the relevant discrimination claims.

If the employer does not take action to investigate and resolve a complaint of discrimination, the employee who raised the complaint has the right to stop working, without losing the salary, for as long as it is necessary to be protected from such discrimination. The employee must return the salary received as above if the court, through a final decision, decides against the existence of the claimed discrimination.

3.6 What remedies are available to employees in successful discrimination claims?

Pursuant to the abovementioned law, if the discrimination claims of the employee are based in law, he/she may require to be reinstated in their previous position or may require indemnification for material or non-material damages or any other appropriate measures.

3.7 Do “atypical” workers (such as those working part-time, on a fixed-term contract or as a temporary agency worker) have any additional protection?

“Atypical” employees are entitled to the same rights for protection against discrimination as any other full-time employee.

3.8 Are there any specific rules or requirements in relation to whistleblowing/employees who raise concerns about corporate malpractice?

Law no. 60/2016 “On Whistleblowing and Protection of Whistleblowers” provides the rules on whistleblowing, whistleblowing procedure, the rights and protection of whistleblowers and the obligations of public and private entities regarding whistleblowing.

According to article 10 of the said law, public employers with more than 80 employees, and private employers with more than 100 employees, are obliged to appoint a responsible official/structure to register and perform an administrative investigation, and examine the alleged malpractices.

Further, the employer must take all necessary measures to protect the documents of whistleblowing from being removed, altered or forged.

Additionally, the employer must also protect the whistleblower from any harmful action and take all necessary measures to prevent any harmful consequences or action.

4 Maternity and Family Leave Rights

4.1 How long does maternity leave last?


Pursuant to article 104 of the Labour Code, it is prohibited for pregnant women to work 35 days before and 63 days after birth. When a woman is pregnant with more than one child, the first period becomes 60 days.

Furthermore, the Social Security Law, article 27, provides that pregnant women shall benefit from maternity leave payment from the social security contribution scheme for a period of 365 calendar days in total, including a minimum of 35 days before
and 63 days after childbirth. In line with article 104 of the Labour Code mentioned above, for women pregnant with more than one child, the benefit period shall be a total of 390 calendar days, including a minimum of 60 days before childbirth.

Therefore, the maternity leave period is a minimum of 98 days and a maximum of 365 days, or otherwise a minimum of 125 days and a maximum of 390 days if the woman carries more than one child.

According to article 105.4 of the Labour Code, after completing the minimum mandatory maternity leave, after the 63-day period following childbirth, a woman may decide by herself if she wants to work or benefit from the social security payment and therefore avail of the maximum period of maternity leave, as indicated above.

In any case, the right to maternity leave payment is granted to women who have paid social security contributions for at least 12 months in total. Exception to the requirement of the 12-month insurance period is made in cases when the right for the next maternity leave begins within 24 months from the date of birth of the previous child.

Furthermore, with the latest amendments to the Labour Code as well as Social Security Law, special treatment has been introduced for adoptive parents with regards to leave and benefits, similar to those attributed to biological parents.

As such, article 106 of the Labour Code stipulates that, in the case of adoption of a newborn child, the employee has the right to a period of leave defined by the legislation on social security. Leave for adoption may be used by only one of the adoptive parents.

Article 27 of the Social Security Law stipulates the period of the parenting leave in the case of adoption. Pursuant to this disposition, the adoptive mother of a child, aged up to one year old, that has paid social security contributions for at least 12 months, has the right to parenting leave, starting from the day of adoption, not earlier than the 63rd day after childbirth and for a maximum of 330 days after childbirth. In any case, the minimum adoptive leave is 28 days.

The biological mother is entitled to maternity leave benefits until the adoption date, in cases where the child has been adopted during the maternity leave period. In any case, the maternity leave benefits for the biological mother shall be calculated for a period not exceeding 63 days from the date of birth.

4.2 What rights, including rights to pay and benefits, does a woman have during maternity leave?

The Social Security Institute grants to women the following benefits and payments under the social security contributions scheme:

(i) The right to maternity leave payment for each case of pregnancy, for women who have paid social security contributions for at least 12 months. An exception to the requirement of the 12-month insurance period is made in cases when the right for the next maternity leave begins within 24 months from the date of birth of the previous child (article 27 of the Social Security Law).

The payment for maternity leave for insured women is calculated as below:

a) 80% of the daily average net assessment base of the last 12 months, starting from the date the right of payment before birth has started and 150 calendar days after birth.

b) 50% of the daily average net assessment base of the last 12 months starting from the date the right of payment before birth has started, for the period thereafter.

(ii) A woman insured for at least 12 months, that pursuant to a decision of the competent medical committee, has changed workplace because of her pregnancy, has the right to obtain compensation for any reduction of income incurred because of this change, provided that she has paid social security contributions for at least 12 months (article 28 of the Social Security Law).

(iii) Remuneration for childbirth is granted to an insured mother that has paid social security contributions for one year prior to childbirth. This remuneration is a one-time payment, equal to 50% of the minimum monthly wage (article 29 of the Social Security Law).

In addition, special protection is granted to pregnant or lactating women, through articles 104.2 and 108 of the Labour Code, providing that they cannot be employed to carry out hazardous or dangerous work as well as work during night shifts that can harm either their own or their child’s health.

4.3 What rights does a woman have upon her return to work from maternity leave?

Article 105.4 of the Labour Code provides that, after completing maternity leave, the employee has the right to return to the same work position or an equivalent one under no less favourable working conditions, and benefit from any improvement of her working conditions that would have been of benefit during her absence. The same provision is also applicable for a parent benefiting from adoption leave.

More specifically, according to article 105 of the Labour Code, in case the decision of the mother is to return to work after the 63-day period following childbirth, in agreement with the employer and for the purpose to feed the child until he/she reaches the age of one year old, she has the right to choose between:

(i) a paid break of two hours within normal working hours; or

(ii) daily normal working hours reduced by two hours, payable as if it is a working day of normal duration.

The Labour Code offers special protection regarding the working conditions for a mother. In this regard, after returning to work from childbirth, the employer shall ensure that the working conditions are suitable and safe, and in accordance with the provisions of the legislation for health and safety at work. In this regard, the employer shall take any necessary measures for the interim adaptation of the working conditions and working hours, for the purpose of avoiding any risk towards the employee and the child. In case such adaptation is not possible for technical reasons and a possible transfer in a similar job is impossible, the employee shall benefit from the protection offered by the legislation on social security contributions (maternity leave and payment as per points (i) and (ii) of question 4.2 above).

Furthermore, article 108 of the Labour Code stipulates requirements and conditions regarding night-shift work for mothers, until the child reaches the age of one. In this regard, it is provided that the employer cannot require a mother to carry out night-shift work, in case a medical report certifies that such work may endanger the health of the mother and child. The same protection and benefits as those attributed to mothers working under hazardous working conditions as provided in the above paragraph, are also applicable to night-shift work.

4.4 Do fathers have the right to take paternity leave?

The latest amendments to the Labour Code and Social Security Law have introduced additional rights for the male parent.
Article 96.3 of the Labour Code provides that a father, being a spouse or a partner living with the mother, is entitled to three days of paid leave.

Furthermore, the Social Security Law, under point 7 of article 27, provides that the right of maternity leave after the period of 63 days after birth, can also be granted to the father or adoptive male parent if he is insured, in cases where the mother does not fulfill the necessary insurance requirements or does not wish to exercise such right.

### 4.5 Are there any other parental leave rights that employers have to observe?

Article 132.1 of the Labour Code determines other parental leave rights. Under such provision, an employee, who has more than a year of continuous employment with the same employer is entitled to unpaid leave of no less than four months, until the dependent child reaches the age of six years. The right to request parental leave for each parent is individual and not transferrable, except when one of the parents dies. The leave may be granted partially, but in any case, for no less than one week a year. The duration is determined through a written agreement between the employer and employee.

In case of adoption, such parental leave is granted within six years from the date of adoption of the child, but no later than when the child reaches the age of 12 years.

In addition, the Labour Code provides for special protection with leave benefits for a mother during pregnancy, as below:

(i) In case the job position consists of standing or leaning for a long time, paid breaks of 30 minutes for every three hours of work are given.

(ii) In agreement with the employer, the pregnant employee has the right to paid breaks for carrying out medical examinations during working hours.

### 4.6 Are employees entitled to work flexibly if they have responsibility for caring for dependants?

With regard to flexibility on working hours because of childcare, the Labour Code does not provide any specific provisions. However, under article 132 of the Labour Code, employees that take care of dependents have several benefits, as follows:

(i) up to 12 days of paid leave per year;

(ii) when the dependent children are up to three years old, up to 15 days of paid leave per year, provided that the sickness of the children is proven by a medical report; and

(iii) additional sick leave for up to 30 days unpaid.

The right of sick leave for the dependents is granted within six months from the date of adoption of the child, but no later than when the child reaches the age of 12 years.

In addition, the Labour Code provides for special protection with leave benefits for a mother during pregnancy, as below:

(i) In case the job position consists of standing or leaning for a long time, paid breaks of 30 minutes for every three hours of work are given.

(ii) In agreement with the employer, the pregnant employee has the right to paid breaks for carrying out medical examinations during working hours.

### 5 Business Sales

#### 5.1 On a business sale (either a share sale or asset transfer) do employees automatically transfer to the buyer?

According to article 138 paragraph 2 of the Labour Code, the partial or complete business sale (share sale or asset transfer) would not affect the rights and obligations deriving from the employment contract in force up to the moment of transfer. The same paragraph stipulates that the employee is obliged to work for the new employer up to the termination of the notice period, even if he/she is against the transfer.

#### 5.2 What employee rights transfer on a business sale? How does a business sale affect collective agreements?

As indicated under question 5.1, all rights and obligations arising from employment contracts in force at the moment of transfer will pass to the new employer.

#### 5.3 Are there any information and consultation rights on a business sale? How long does the process typically take and what are the sanctions for failing to inform and consult?

Both the transferor and the transferee have the duty to inform the trade union (recognised as the representative body of the employees) or, in its absence, the affected employees on the transfer, of the transfer’s reason, the legal, economic and social consequences and measures that will be carried out for them. The obligation on information and consultation should be carried out regardless of whether the decision on the transfer is made by the employer or another controlling entity. The notification should be made at least 30 days from the transfer date. Consultations regarding the measures affecting the employee during the transfer should be carried out within the same period.

#### 5.4 Can employees be dismissed in connection with a business sale?

Generally, the dismissal of employees based on business sale grounds is considered as null and void. However, there are some exceptions such as dismissals based on the economic, technological or structural reasons, which do require changes in the employment plan. In the latter case, the procedure and rules as detailed in the following section 6, Termination of Employment, must apply.

#### 5.5 Are employers free to change terms and conditions of employment in connection with a business sale?

The Labour Code stipulates that the transferor and transferee are obliged to observe the obligations deriving from the employment contract until the end of the notice period or the term set out in the employment contract.

#### 6 Termination of Employment

#### 6.1 Do employees have to be given notice of termination of their employment? How is the notice period determined?

During the first three months of employment, considered the probation period, each party may terminate the employment contract upon a notification delivered to the other party at least five days in advance.

Furthermore, pursuant to article 143 of the Labour Code, the following notification periods are applicable for each party (i.e., employer or employee) that intends to terminate the employment contract after the probation period:

(i) two weeks during the first six months of employment;

(ii) one month for between six months and two years of employment;

(iii) two months for two to five years of employment; and

(iv) three months for more than five years of employment.
Such terms are suspended during disability, maternity leave or during holidays given by the employer, and resume upon expiration of such suspension. Additionally, during the notice period, the employee shall benefit from at least 20 hours of paid leave per week, in order to seek another job.

The employment relationship terminates at the end of the notice period; however, the parties may agree that the employee, although being “formally” under contract, is released from the obligation to discharge his/her duties.

There are different levels of protection, spanning from the grounds of termination, to the procedure of termination itself. As for the grounds of termination, article 144 paragraph 3 of the Labour Code stipulates that the decision of the employer on termination should be on grounds related to the employee’s performance or behaviour or the operational needs of the company. Moreover, the employee cannot be dismissed for so-called unreasonable grounds listed under article 146 of the Labour Code. With regard to the procedure to be followed, the employer is bound to follow the termination procedure detailed under question 6.6 below. The employee is considered dismissed in cases where the employer has terminated the employment contract (i.e., with the elapsing of the notice period or with immediate effect in case of dismissal for justified grounds).

Generally, no third-party consent is required for an employee’s dismissal; however, an exception is made in cases of employees that are representatives of trade unions. In the latter case, the employer should request consent of the trade union, and the latter might withhold its consent should the dismissal heavily impair or make impossible the operation of the trade union or violate the principle of equal treatment.

According to the provisions of the Labour Code, the employer cannot terminate the employment contract on:
(i) employees benefitting from allowances for temporary disability from the employer or Social Security Institute, for a period of up to one year;
(ii) employees during the period of benefitting from the Social Security Institute, in the event of maternity or adoption leave; and
(iii) employees on vacation granted by the employer.

The employer is entitled to dismiss for reasons related to performance, behaviour or the operational needs of the company. In this case, the employee is entitled to the following:
(i) notice period (as per question 6.1 above);
(ii) seniority bonus in cases where the employee has served at least three years. The seniority bonus is not less than the employee’s salary for 15 days for each employment year calculated on the salary at the moment of the termination of the employment contract;
(iii) accrued annual leave; and
(iv) end-of-year bonus granted to the employee for three consecutive years without expressing any objections.

Should the employment contract terminate before such bonus is awarded, the same is granted proportionally with the period of work performed.

On the other hand, in case the employee has been dismissed with immediate effect for justified causes, which do not allow the continuation of the employment on a good faith basis, the latter will be entitled to receive only the accrued leave. In any case, the grounds leading to termination with immediate effect will be checked by the judge, should the employee bring the case in front of the courts.

Article 144 of the Labour Code determines the procedure that the employer has to follow for the termination of the contract. Firstly, the employer should deliver a prior notification to the employee, requiring a meeting to discuss their intentions to terminate the employment.

At least 72 hours from the delivery of the notice, a meeting must take place in order to discuss the intention of terminating the employment. In the meeting, the employee presents his/her counterarguments (if any). Should the employer fail to comply with such procedure of termination they might be liable to pay to the employee a penalty equal to two monthly salaries.

The decision for termination of the employment is notified in writing to the employee 48 hours to one week before the date of the meeting.

The employee can address the court and challenge the dismissal for procedural breaches and/or material breaches. Should the employer fail to comply with the termination procedure, the employee must be indemnified with two monthly salaries. On top of that, in case of termination without reasonable cause, the employee can be indemnified with up to one year’s salary, the salary that the employee should have received during the notice period, plus the accrued annual leave and relevant seniority bonus (if applicable). In any case, it is the employer’s responsibility to prove compliance with the termination procedure provided by the legislation in force.

Moreover, for cases of immediate termination of employment without justifiable cause, the employee is entitled to the salary he/she should have received during the notice period or until the end of the employment contract (in cases of contracts of limited duration). An indemnification not exceeding one year’s salary, plus the relevant seniority bonus (if applicable), will be added to the foregoing. The same will apply for breaches of the notice period.
Yes, employers can settle claims both before and after they are initiated.

Pursuant to article 148 of the Labour Code, a collective dismissal of employees occurs when the employer terminates the employment for reasons that are not related to the employee. It is considered as collective employment termination when within 90 days, the employer dismisses at least: 10 employees for enterprises with up to 100 employees; 15 employees for enterprises with 100–200 employees; and 20 employees for enterprises with more than 200 employees.

When the employer intends to collectively dismiss the employees, they should notify in writing the employees’ trade union, which represents the employees or, in the absence of such union, the employer should publish a notification in the working place, with the aim of notifying the interested parties. Such notification should indicate, especially:

(i) the reasons for termination;
(ii) the number of the employees to be dismissed;
(iii) the total employees employed; and
(iv) the period when these terminations shall occur.

Further, such notification should also be delivered to the competent ministry for employment.

The employer should meet and consult with the employees’ union in order to achieve an agreement, or if there is no such union, with the respective employees. Such consultations are held for at least 30 days, starting from the notification date, except in cases where the employer agrees for a longer duration. Upon conclusion of the consultations with the employees’ union or the employees, the employer should notify the competent ministry on such conclusion and send a copy of the notice to the interested party. In case the employer and the union or the employees have not reached any agreement, the ministry should assist the parties in reaching an agreement within 30 days from the date the ministry is notified of the conclusion of the consultations with the employees’ union or employees. The ministry cannot halt collective dismissal.

In cases where no agreement is reached, the employer may continue with the collective dismissal procedures. The notice period indicated under question 6.5 above will apply.

The employer failing to respect the procedure of the collective dismissal from work is obliged to pay the employee damages, which equal up to six months’ salary (eventual other damages and compensation of up to one year’s salary are due in case the employer fails to respect the notice period).

It is to be noted that the employer should give priority to the re-employment of the employees dismissed from work for reasons not to do with the employees, if they employ employees of comparable qualification.

With regards to mass dismissals, employees may address the competent court and ask for damage relief.

Based on the provisions of the Labour Code, during the employment period, the employee cannot perform paid work for third parties, which would harm or compete with the work of the employer.

Furthermore, article 28 of the Labour Code stipulates for the possibility to enter into a non-compete agreement by which the employee undertakes, following conclusion of the relationship with the employer, the obligation not to compete and, especially, not to establish, work for, or have any interest in a competitive enterprise. The non-compete agreement is not applied when the employer terminates the employment contract for unjustified causes or when the employee terminates it with a justified cause related to the employer.

Such non-compete agreements are valid only if the work conditions have granted the employee the possibility of being informed of trade secrets or information regarding the activity of the employer, the use of which could cause considerable damage to the employer. The employer may require the execution of the non-compete agreement only if during such period they offer the employee a payment of at least 75% of the salary he/she would have obtained if he/she continued to work for the employer.

The agreement must explicitly define the prohibition of competition for the place, time, type of activity, in order not to harm the economic future of the employee.

Notwithstanding the terms of the agreement, the non-compete obligation terminates when it is proven that the employer no longer has legitimate interest.

As indicated in the first paragraph of question 7.1 above, the employee is prohibited from working for third parties or undertaking work that harms or competes with that of the employer, during the entire period they are under contract with the employer. In order for a non-compete agreement to be enforced, the following conditions should apply:

(i) the employee is at least 18 years old;
(ii) the employee has knowledge of manufacturing/business secrets;
(iii) the employee should receive a remuneration of at least 75% of the salary, he/she would have received in case of continuation of the employment; and
(iv) the agreement is valid only for one year.
8 Data Protection and Employee Privacy

8.1 How do employee data protection rights affect the employment relationship? Can an employer transfer employee data freely to other countries?

The protection of employees' personal data and privacy is guaranteed by the Albanian Constitution, the Labour Code, Law no. 9887, dated 10.03.2008 “On Personal Data Protection and Freedom of Information” as amended (“Law on Personal Data Protection”) and respective secondary legislation (jointly, the “Legislation on Personal Data Protection”).

To this effect, article 35 of the Albanian Constitution sets out, *inter alia*, that the collection and public disclosure of personal data is allowed only upon approval of the data subject (i.e., the employee), unless provided for otherwise by letter of law.

Furthermore, according to article 35 of the Labour Code, the employer, during the employment relationship, has, *inter alia*, the following obligations with regard to protection of employees' personal data and/or information:

(i) the employer should not process employees' information (i.e., data), except when such information is related to the professional capabilities of the employee or is necessary for the applicability of the employment contract;

(ii) the employer should take the relevant security measures on protection of employees' personal data, especially sensitive data (i.e., employees' data on provenance, race, ethnicity, political opinions, adherence in trade unions, religious or philosophic beliefs, criminal conviction, health and sexual life), in accordance with the legislation on personal data protection;

(iii) the employer must protect the confidentiality and credibility of employees' personal data. Such data should not be divulged, unless otherwise provided for by letter of law. Such obligation survives the duration of the employment relationship and is not limited by time; and

(iv) the employer should retain the personal data processed in the employee's file up until the termination of the employment relationship. Personal data processing in excess of such term is allowed only upon consent of the employee.

Additionally, the legislation on personal data protection reinforces the obligation of the employer (i.e., in the quality of the data controller) to obtain an employee's consent prior to processing his/her personal data.

In addition, such legislation sets out, through several acts of the Commissioner for Freedom of Information and Personal Data Protection (“Commissioner”), the obligation of the employer to take precautionary measures regarding the safety of the personal data of the employee.

With regards to the cross-border transfer of employees' personal data, the Labour Code does not contain any specific provision dealing therewith.

However, article 35 paragraph 3 of the Labour Code stipulates that the employer is not entitled to disclose the information (including the personal data) of the employee to any third party (inside and/or outside the country), unless consented to by the employee him/herself or as provided for otherwise by the letter of law.

To such an end, the general rules on personal data cross-border transfer as per the legislation on personal data protection, shall apply in the ambit of employment relationships as well.

According to articles 8 and 9 of the Law on Personal Data Protection, the cross-border transfer of personal data (to countries with and/or without adequate level of personal data protection – as determined in virtue of Commissioner's decision) is allowed, *inter alia*, in the following cases:

(i) if consented to by the employee;

(ii) where the transfer is necessary for: the purpose of realisation of the relevant contract in place between the data controller and the data subject; the purpose of implementation of the pre-contractual measures, taken upon request of the data subject; or the fulfilment or realisation of a contract in place between the data controller and a third party, which is in the interest of the data subject;

(iii) where it is necessary for the protection of the vital interests of the data subject;

(iv) where it is necessary or constitutes a legal requirement for an important public interest or for the exercising and protection of a legal right;

(v) where it is done through a public register; and/or

(vi) where it is authorised by the Commissioner (as per the procedure set out through the acts of the latter).

As per the above, the cross-border transfer of personal data of the employee should take place in compliance with the applicable legislation.

8.2 Do employees have a right to obtain copies of any personal information that is held by their employer?

Yes, according to article 35 of the Albanian Constitution, everybody is entitled to be informed about their personal data being processed by any third party, and to request the correction or deletion of untrue, incomplete or unlawfully processed personal data.

Furthermore, according to article 12 of the Law on Personal Data Protection, any data subject is entitled to receive from the data controller, free of charge and upon written request addressed to the latter, *inter alia*, the following information:

(i) the confirmation whether or not any of his/her personal data is being processed, information about the processing's scope, the categories of processed data, as well as the data receivers and categories thereof; and

(ii) the personal data and available information about the source thereof.

Additionally, any data subject is entitled to request the blocking, correction or deletion of his/her data, free of charge, whenever becoming aware that such data is incorrect, untrue, incomplete or has been processed in violation of the provisions of the law (article 13 of the Law on Personal Data Protection).

8.3 Are employers entitled to carry out pre-employment checks on prospective employees (such as criminal record checks)?

According to the Commissioner’s Instruction no. 42, dated 22.07.2014 “On processing of personal data of employment candidates”, the employer is entitled to process the personal data of employment candidates, *inter alia*, only if its use is lawful and to the extent that such data are necessary in the scope of recruitment (article 2).

When processing the personal data of (i.e., performing pre-employment checks on) the candidates, the employer is obliged to inform the latter, through the written declaration on recruitment privacy policies, about the requirements of the applicable legislation regarding the protection of personal data (articles 2 and 7). This means that the employer might perform the pre-employment checks, personally, to the relevant candidates, and in compliance with the provisions of the legislation.
on personal data protection (including, but not being limited to, through obtaining the consent of the candidates).

The employer is not entitled to process the personal data of individuals, if there is no vacancy at all (at the moment of publication of the relevant announcement), or by having the scope of data processing solely for the testing of the labour market (article 4).

In addition, article 7 of the Law on Personal Data Protection stipulates that the processing of sensitive data (including, but not being limited to, criminal records) might take place, inter alia, upon consent of the data subject.

Save the above, the processing of criminal records should be also assessed in view of the legislation, “On Protection Against Discrimination”.

To this effect, article 12 of the Law no. 10221, dated 04.02.2010 “On Protection Against Discrimination”, in harmony with article 5 of the Labour Code, prohibits any form of discrimination (i.e., any distinction, exclusion, restriction or preference based on, inter alia: gender; race; ethnicity; economic, educational or social state; political opinions; or any other cause (i.e., criminal background), which has as its purpose or cause the hindering of, or making impossible, the exercising of the employment right) in relation to the recruitment of employees.

Such distinctions, exclusions, restrictions or preferences shall not be considered as discrimination if, due to the nature of the professional activities or the conditions under which the profession or the activity (of the employer) is being performed, such characteristics (i.e., criminal background) form a true and professionally necessary requirement for the employment. This is on the condition that the different treatment is lawful and in accordance with the principle of proportionality.

In light of the above, the criminal background check, in the pre-hiring phase, might be conducted in accordance with the mandatory provisions of all of the abovementioned legal acts, especially if this is justified in the scope of the recruitment.

### 8.4 Are employers entitled to monitor an employee’s emails, telephone calls or use of an employer’s computer system?

The Albanian legislation does not deal explicitly with matters of employers monitoring employees’ emails, telephone calls or use of their computer system. Moreover, to the best of our knowledge this has not yet been tested before any public authority and/or court.

However, this might be assessed on the basis of the rights and obligations that the employer and employee have in virtue of the applicable legislation (including, but not being limited to, the Labour Code).

The Labour Code sets out several obligations that the employee should accomplish during the employment relationship; such accomplishments might also be subject to monitoring on the part of the employer.

In this view, according to article 23 of the Labour Code, the employee must perform his/her tasks as per the orders and/or instructions of the employer and to the best interest of the latter.

The employee should carry out his/her job diligently, with due care, and in accordance with the rules set out by the employer, and the equipment, devices and other means made available by the employer (article 24).

Moreover, the employee is obliged to protect the best interest of the employer and, especially, preserve the secrecy of facts and information received by the employer, as requested by the latter (article 26).

Additionally, as mentioned in question 8.1 hereinabove, the employer is allowed to collect, during the employment relationship, any information about the employee that relates to professional capabilities or applicability of the employment contract.

Therefore, it might be considered a lawful and reasonable right of the employer to monitor, supervise, and become aware of, (including through the communication means made available to the employee by the employer themselves) the compliance of the employee with the employment contract and the abovementioned provisions of the Labour Code. In any case, it is crucial for the lawfulness of the monitoring process that the employee is aware of such employer activity.

On the other hand, article 36 of the Albanian Constitution stipulates that the freedom and confidentiality of the correspondence and any other communication means is guaranteed.

To such an end, article 123 of the Criminal Code sets out, inter alia, that the intentional monitoring (placement under control) or interception of telephone calls or any other communication means constitutes criminal contravention and is punishable by a fine or up to two years’ imprisonment.

In light of the above, the employer is entitled to exercise their monitoring rights (inter alia, through the communication means and/or equipment that the latter has made available to the employee) without violating the privacy rights of the employee. Otherwise, the monitoring process would be unlawful.

### 8.5 Can an employer control an employee’s use of social media in or outside the workplace?

The matter of employers controlling an employee's use of social media, as with question 8.4, is not explicitly regulated by labour legislation and has not yet, to the best of our knowledge, been tested before any public authority or court.

Social media represents a fully private domain of an employee’s life and it is exclusively his/her right to use such communication means as the latter might consider appropriate. The use of communication means is, in general, related to the freedom of speech, which constitutes a constitutional right of any citizen (article 22 of the Albanian Constitution) and the freedom and confidentiality of the correspondence of communication means (article 36 of the Albanian Constitution).

Based on the above the employer cannot control how an employee uses his/her social media, both inside or outside of the workplace. Notwithstanding the foregoing, the employer would be entitled to restrict the use of such media through the equipment and/or devices that are their property, and which have been made available to the employee by them, for the purpose of performance of his/her contractual tasks.

Additionally, the employer might set out specific rules in connection with the use of social media, emphasising the various obligations of the employee (duty of care, protecting the interest of the employer, etc.) in the ambit of the employment relationship.

### 9 Court Practice and Procedure

#### 9.1 Which courts or tribunals have jurisdiction to hear employment-related complaints and what is their composition?

Any dispute related to employment relationships involving private parties shall be subject to the jurisdictions of the District Civil Courts of the Republic of Albania. As a rule, at the First Instance Court, the cases are judged by a single judge.

The court may be composed of a panel of three judges, should the dispute amount be higher than ALL 20 million
The general court fees vary from ALL 1,000 to ALL 20 million; whereas the general court fees for claims in the Appellate Court and the High Court vary from ALL 2,000 to ALL 10 million.

The defendant has the right to request to pay the respective court fees in proportion with the refused part of the claim, even when a discontinuation of the trial has been decided (article 106 of the Civil Procedure Code).

9.3 How long do employment-related complaints typically take to be decided?

Employment-related complaints typically take six months to be decided in the civil court and approximately three months in the administrative court.

9.4 Is it possible to appeal against a first instance decision and if so, how long do such appeals usually take?

First instance court decisions are challengeable before the competent civil or administrative courts of appeal. The decision may take approximately one year.
Sabina Lalaj is a Local Legal Partner at Deloitte Legal Sh.p.k. She joined the practice in 2015 from a leading law firm in Albania. She specialises in employment law, corporate law, project finance, real estate, public procurement, mergers and acquisitions, concessions, privatisations, energy, banking and construction law. Sabina is continuously involved in providing legal advice both in Albania and Kosovo. She is the author of several papers and chapters in international legal publications such as The International Comparative Legal Guide series and International Law Office. Sabina graduated in Law from Tirana University in Albania (2000) and obtained a Master of Arts Degree in South East European Studies at the National & Kapodistrian University of Athens, Greece (2001). Sabina has been a member of the Albanian Bar Association since 2003.

Deloitte Legal Sh.p.k.
Rruga Faik Konica
Ndërtesa nr. 6 Hyrja nr. 7
1010, Tirana
Albania

Tel: +355 4 45 17 927
Email: slalaj@deloittece.com
URL: www2.deloitte.com/al

Edita Poro began her collaboration with Deloitte in the Tirana office in March 2019 as a Senior Associate. She provides legal assistance and advice to companies on all issues related to start-up activities and daily business management, including corporate governance, M&A, litigation, and liquidation. Edita also has experience in PPP projects. She has been a member of the Bar Association of Tirana (Albania) since 2012.

In 2011, Edita graduated from UET University of Tirana (Albania), Law Faculty, with a Degree in Public and European International Law. In 2009, Edita graduated from Luarasi University of Tirana (Albania), Law Faculty, with a Law Degree.

Deloitte Legal Sh.p.k.
Rruga Faik Konica
Ndërtesa nr. 6 Hyrja nr. 7
1010, Tirana
Albania

Tel: +355 4 45 17 927
Email: eporo@deloittece.com
URL: www2.deloitte.com/al

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