



# Legal News

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### I. Amendments to Law on Foreigners

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On 14.07.2016, the Albanian Parliament approved the law no. 74/2016, which amends law no. 108/2013 “On Foreigners” (“Law 74/2016”). The amendments published with the Official Gazette no. 146, entered into force on 20.08.2016.

The Law 74/2016 provided for several novelties including important interventions in the definitions, starting with the “key personnel” which the legislator defines the foreigners, being part of the following categories: business visitors, transferred employees within the company (managers, specialists and graduated interns).

Another novelty brought by Law 74/2016 is the definition of the business service providers, being natural persons, representatives of a service provider outside the territory of the Republic of Albania that are seeking temporary entrance in the Albanian territory, in order to negotiate the sale of services or entering into agreements to sell services on behalf of the service provider. They do not engage in direct sales to the public and do not receive remuneration from a source within the Republic of Albania.

The business service providers will be equipped with a certificate of employment registration valid for a period of stay up to 90 days within one year.



According to the Law 74/2016, the contractual service providers are natural persons employed by a legal entity outside the territory of the Republic of Albania. The legal entity is contractually engaged to provide services to a customer in Albania and for performance of the services it is required the presence of its employees in Albania (near a temporary branch), in order to fulfill the contract's obligations.

An important novelty brought by the Law 74/2016 is the raising of the bar on requirements set by the legislator on the big investors. From now on the foreigner, its family and the key personnel will be equipped with permanent residence permits only if the foreigner has performed an investment in the Republic of Albania, in strategic sectors, amounting to not less than EUR 2 million (opposed to the previous EUR 1 million) and the same should prove it has created over 100 (as opposed to the previous 10) job positions for a minimum period of 1-year.

Another amendment which is worth mentioning is the one establishing the right of the state authority responsible for employment to cancel the work permit before the termination of its validity, when the foreigner interrupts the employment contract, for various reasons, and leaves the workplace for which the permit is issued. In this case, the employer informs, within 2 weeks, the residence and work permit issuing authorities.

Amendments affecting the conditions for obtaining a work permit were made as well:

- **Type A/TN work permit (work permit for transferred employees)**

The categories of the transferred employees that can benefit an A/TN type work permit such as the foreigners transferred from a company outside the territory of the Republic of Albania in one of its branches (including departments or sectors) in the country must have been employed in this company for:

- a) 6 uninterrupted months prior to the transfer for the administrator, specialists;
- b) 3 uninterrupted months for graduated interns.

The initial period of validity of the work permit for transferred employees within the company, who act as managers or specialists, is equal to the length of time required to perform the work specified, starting from the time of his/her transfer to a maximum validity period of 5 years.

- **Type A/KL work permit (work permit for employees with high qualifications)**

The employment contract for the employee with high qualifications must now be valid at least for a period of 1 year as opposed to the 2 years provided before the amendment. With such regard, the initial minimum validity term of the type A/KL work permit has also been amended from 2 to 1-year with 2 renewal possibilities for a validity of 2 years.

- **Type B/L work permit (work permit for investors who exercise independent economic activities)**

Foreign investors, who exercise independent economic activities, are provided with a type B/L work permit with a 2-year validity term. The work permit for the foreign investor is renewed for a 3-year term, and for a permanent term afterwards if the conditions for which the initial work permit was issued have not changed. In case the foreign investor does not meet the conditions to be issued a permanent work permit as provided by the law, and if the conditions for which the last work permit was issued are still valid, he/her will be equipped with a type B/L work permit with a 2-year validity term, renewable for a 3-year term.

- **Type C/SHK work permit (work permit for contractual services)**

Additionally, Law 74/2016 further defines the specifications, professional experience, employment relation and its term and legal requirements for the issuance of work permits for contractual services, type C/SHK. The foreigner is equipped with a work permit for contractual services when performs an activity or offers a service based on a contract, entered with the recipient of the service in the Republic of Albania.

Pursuant to the law provisions, the foreigner is sanctioned with a fine from 20.000 ALL to 30.000 ALL, when:

- a) resides in the territory of the Republic of Albania without the required visa, travel document, residence permit or does not comply with the obligation to register or apply for a residence permit;
- b) is a paid employee or practices a profession without being entitled to paid employment;
- c) does not comply with the obligation to report or present near the relevant authorities to provide the relevant information.

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