

## Legal News

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#### I. Amendments to the Electronic Document Law

The Albanian Parliament passed on 23.09.2015 the law no. 101/2015 (hereinafter, the “Law”) on some additions to the law no. 10273, dated 29.04.2010 “On the electronic document”.

The Law introduces for the first time the definition of the “two-dimensional code” that represents a graphic logo, readable by computer systems, which contains encoded data and/or information, in digital, alphanumeric and binary format.

Additionally, the Law provides that the hard copy of the electronic document might be obtained by placing therein one or more two-dimensional codes, which enable the verification of compliance of such copy with the original electronic document.

#### II. Amendments to the Metrology Law

The Albanian Parliament approved recently the law no. 100/2015, dated 23.09.2015 (the “Amending Law”), on some amendments and additions to the law no. 9875, dated 14.02.2008, “On metrology” as amended (the “Metrology Law”). The Amending Law was published with the Official Gazette no. 178, dated 15.10.2015 and is effective 15 days following the publication date.

The Amending Law provides that the measuring instruments bearing CE marking shall neither undergo the type approval process nor the preliminary verification, but shall be subject only to the subsequent verifications.

It, also, redefines the rules on registration of manufacturers and importers of prepacking and measurement utensil bottles, as well as those on the approval and monitoring of the quantitative control system of prepacking manufacturers.

Regarding tariffs for the services, the Amending Law sets out, *inter alia*, that the entities authorized by the General Directorate of Metrology, as well as the national laboratories on etalons falling out of the authority of the latter, should not use tariffs higher than the relevant capped ones applicable for metrological services, as approved by the instruction of the minister responsible for the economy.

In addition, the Amending Law redefines the applicable fines regarding the infringement of the provisions of the Metrology Law.

### III. New Law on the Natural Gas Sector

On 23.09.2015, the Albanian Parliament passed the law no. 102/2015 “*On natural gas sector*” (the “**New Law**”). The New Law shall enter into force 15 days following its publication with the Official Gazette (i.e. publication date 15.10.2015, Official Gazette no. 178).

The New Law, repealing the law no. 9446, dated 30.06.2008 “*On natural gas sector*” as amended (the “**Repealed Law**”), is fully approximated with the Directive 2009/73/EC of the European Parliament and of the Council, dated 13.07.2009 “*Concerning common rules for the internal market in natural gas and repealing Directive 2003/54/EC*”.

This instrument provides for the rules regarding the organization and functioning of the natural gas market, the access thereof, and the criteria and procedures applicable on the approval of the transmission, distribution, trading, storage, supply, as well as for the establishment and operation of natural gas infrastructure, excluding exploration and production of the natural gas.

The New Law addresses several key issues of the sector, as listed below.

- Full focus on supply security matters and protection measures in relation thereto. To this effect, the Council of Ministers approves the emergency plan where shall be set out the minimum standards on natural gas supply security, as well as the rules on guaranteeing a secure and effective supply.
- Approval by the Council of Ministers of the conditions and procedures for construction and operation of pipelines and natural gas infrastructures. This approval is granted for up to 30 years, with possibility of renewal but not transferable. The obtaining of the approval for

construction and operation does not exclude the investor from the obligation to obtain all the necessary licenses and permits pursuant to the Albanian legislation in force. The relevant investor can make use of one or more rights over the property, were the gas infrastructure will be constructed, such as the right of use, easement, expropriation and/or the right on placement of the gas systems’ installations.

- The Energy Regulatory Entity (“ERE”) is the regulatory authority in charge for the natural gas sector related activities (i.e. natural gas transmission, distribution, supply and trade, as well as the operation in the natural gas storage space, operation of LNG facilities, etc.). In this view, ERE is responsible for the issuance, modification and removal of the licenses for these activities. The licenses for activities of natural gas transmission, distribution, storage and the operation of LNG facilities are granted for a maximum period of 30 years with possibility of renewal. Whilst, for other activities the license term cannot exceed 10 years, with possibility of renewal. The transfer of the license or licensee’s assets used for the performance of the activities might take place upon prior approval of ERE.
- The natural gas transmission represents an activity of public interest and is carried out by the Transmission System Operator(s) (“TSO”). The TSO should be certified and, thereafter, licensed by ERE, prior to commencing its activity, which should be performed separately from other natural gas sector related activities. The TSO license shall be granted to a sole legal entity, for a specific territory. Exception is made only in cases when the Council of Minister decides that other transmission infrastructures of a strategic national importance should operate on the same territory. The license granted prior to enactment of the New Law is deemed as temporary license, authorizing the performance of the transmission activities up to 01.06.2016. The New Law obliges the TSO to submit to ERE, within 12 months from the entry into force of this law, a 10 years plan on development of the transmission network, which should contain the effective measures for guaranteeing the compliance of the network and supply security. Additionally, the TSO should create a conformity program, which contains the necessary measures for ensuring the non-discriminatory behavior, as well as the method

for monitoring the conformity with this program. Such program is subject to approval by ERE and should be monitored by an independent official, appointed by the TSO.

- The distribution of the natural gas is carried out by the Distribution System Operator(s) ("DSO"). The license for the natural gas distribution can be granted to legal entity, for a specific territory. Exception is made only in cases when the Council of Minister decides that other distribution infrastructures of a strategic national importance shall operate on the same territory. The DSO prepares a 10 years plan on network development and investments, which should be adapted on yearly basis and contain short-term, mid-term and long-term indicators. The provisions on the approval of the conformity program and appointment of the relevant official applies also to the DSO. The DSO should harmonize, *inter alia*, the internal organization and company's structure, in the line with the New Law, within 18 months from the entry into force thereof.
- A sole operator might carry out the combined operation of the transmission and distribution systems including LNG and storage facilities, if the operator is independent, from the legal, organizational and decision making point of view, from other activities that do not relate to the combined ones.
- A natural gas company, having no access in the transmission or distribution system, which plans the conclusion of a natural gas supply contract with a certain customer, can built a direct line upon approval of the Council of Ministers. The operation of the direct line is not subject to licensing requirements.
- In the ambit of the consumer rights protection the New Law provides for the approval by ERE of the Standard Supply Contract (i.e. to be entered into with the household customers and small non-household ones) and Natural Gas Supply Contract (i.e. to be entered into with end customers). There are also several provisions dealing with the protection of customers in need, obligations toward costumers' supply and disputes resolution.
- New main infrastructures of natural gas, including interconnection lines, LNG and

storage facilities, might request ERE to approve their exemption from the application of the provisions of the New Law regarding, *inter alia*, the application of tariffs, separation of activities and access of third parties in the transmission/distribution lines and/or LNG and storage facilities. The exemption is subject to the fulfillment of the relevant conditions provided for under the New Law. The decision of ERE on exemption of the large gas infrastructures, in accordance with article 40 of the Repealed Law, shall be considered valid and as granted in accordance with, and for as long as such decision has not lost its legal effect as per, the relevant provision of the New Law.

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