

Issue 02/09

To keep you up-to-date with the latest economic and financial developments, this bulletin provides information that may affect the operation of your business in Albania.

Application of International Financial Reporting Standards in Albania

National Accounting Committee, which is the competent body to interpret the accounting regulations in Albania, has recently issued its official opinion on implementation of International Accounting Standards/International Financial Reporting Standards (IFRS) in Albania under Law no. 9228, dated 29.04.2004 "On Accounting and Financial Statements".

According to this opinion, under article 4, point 3.a of Law no. 9228, dated 29.04.2004 "On Accounting and Financial Statements":

- branches/affiliates of the publicly held Albanian companies, subject to consolidation of the accounts, and
- branches/affiliates in Albania of the publicly held foreign companies, subject to consolidation of the accounts

are obliged to apply IFRS, irrespective from the fact that the parent company applies IFRS or not.

Although not explicitly mentioned in the opinion of NAC, evidences showing the fact that the parent company is publicly held, must be available.

Apart from the above, under Law no. 9228, dated 29.04.2004 "On Accounting and Financial Statements" and respective Decision of Council of Ministers the following entities are also required to apply IFRS:

- second tier banks, financial institutions similar to banks, insurance and re-insurance companies, securities funds and all companies licensed to perform investment activity in securities, even if they are not publicly held companies;
- other big non publicly held economic units, when in the last two years their annual revenues have exceeded ALL 1,25 billion and the number of employees has been more than 100.

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