


BOGA & ASSOCIATES

NEWSLETTER

To keep you up to date with the latest legal and economic developments, this newsletter prepared by our Team provides information that may affect the operation of your business in Albania.



New amendments to the Law 112/2020
“On the Registry of Beneficial Owners”

New amendments to the Law 112/2020 “On the Registry of Beneficial Owners”

Due to the difficulties encountered during the implementation of Law 112/2020, the Ministry of Economy and Finance proposed some amendments in order to increase the number of the reporting of beneficial owners by simplifying the registration procedures. The amendments were approved by the Parliament on 27.01.2022.

The amendments relate to *(i)* procedures and deadlines for the registration of the beneficial owners (*article 5 and article 6 of the Law*), *(ii)* administrative offenses (*article 13 of the Law*) and *(iii)* extension of the deadline for the registration of the beneficial owner/s for entities that have not yet fulfilled this obligation and to pardon the fines already imposed.

Initial registration of beneficial owners by reporting entities with direct ownership

In cases of initial registration of companies with direct ownership, the application for registration of the beneficial owner is submitted at the same time with the application for registration of the company in the commercial register. The National Business Center registers the data on the beneficial owners simultaneously with the registration of the company in the commercial register. The application is filed with service desks at the National Business Center.

Initial registration of beneficial owners by reporting entities with indirect ownership

In cases of initial registration of companies with indirect ownership, the application for registration of the beneficial owner is simultaneously submitted with the application for registration of the company in the commercial register. The application is filed with service desks at the National Business Center.

The review of the application for the registration of the beneficial owner is conducted no later than two working days from the receipt of the application. In case of refusal, the reporting entity should resubmit the application within 40 calendar days from the date of refusal.

Failure to register the beneficial owner/s within 40 days is punishable by a fine in the amount of ALL 50,000.

Failure to register the beneficial owner/s within 40 days after the expiration of the deadline specified above is punishable by a fine in the amount of ALL 600,000.

Initial registration of beneficial owners by non-profit organizations

In cases of initial registration of non-profit organizations, the application for the registration of beneficial owners should be submitted within 40 calendar days from the date of registration of reporting entities as a legal entity.

Failure to register the beneficial owner/s within 40 days is punishable by a fine in the amount of ALL 50,000.

Failure to register the beneficial owner/s within 40 days after the expiration of the deadline specified above is punishable by a fine in the amount of ALL 600,000.

Registration of changes in the register of beneficiary owners

In the case of registration of changes in the data of the beneficial owner/s, the application should be filed within 90 calendar days from the date of occurrence of the change.

Failure to register the change, within the deadline specified above is punishable by a fine in the amount of ALL 400,000.

Suspension of the application

Upon the receipt of the application, the National Business Center within two working days decides to suspend the application for initial registration, change or update the data, giving the reporting entity a deadline of 30 (thirty) calendar days in order to complete the deficiencies that prevent registration. If the reporting entity does not

complete the deficiencies after the expiration of the 30-day deadline, the application will be refused.

Extension of the deadline until 30.06.2022

Reporting entities registered in the Commercial Register with indirect ownership and reporting entities registered in the Register of Non-Profit Organizations, which on the date of entry into force of these amendments, have not fulfilled the obligation about the initial registration of beneficial owners or have not registered the changes in the register of beneficiary owners, must fulfil these obligations within 30.06.2022.

Failure to comply with the above obligation within 30.06.2022 is punishable by a fine in the amount of 400,000 ALL.

Pardon of fines imposed, and reimbursement of fines paid

All the penalties imposed before the entry into force of these amendments, which were not paid, are pardoned in the amount of 100 percent.

Reporting entities, which before the date of entry into force of these amendments have paid the fines and fulfilled the relevant obligations for the registration of their beneficial owners, have the right to apply to the National Business Center for a refund of the amounts paid.





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TOP TIER ACHIEVEMENTS 2021-2022**

IFLR1000 2022: Ranked in Tier 1 in Financial and Corporate

Chambers Global 2022: Ranked in Band 1 in Corporate/Commercial

Chambers Europe 2021: Top Ranked in 4 practice areas

The Legal 500 2021: Top Ranked in Legal Market Overview

Benchmark Litigation Europe 2022: Top Ranked in Dispute Resolution

WTR1000 2021: Top Ranked in Trademarks

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Boga & Associates

Boga & Associates, established in 1994, has emerged as one of the premier law firms in **Albania** and **Kosovo**, earning a reputation for providing the highest quality of legal, tax and accounting services to its clients. From the year 2000 until May 2007, the firm was a member firm of KPMG International and the Senior Partner/Managing Partner, Mr. Genc Boga, was also the Senior Partner/Managing Partner of KPMG Albania.

The firm's particularity is linked to the multidisciplinary services it provides to its clients, through an uncompromising commitment to excellence. Apart from the widely consolidated legal practice, the firm offers the highest standards of expertise in tax and accounting services, with keen sensitivity to the rapid changes in the Albanian and Kosovo business environment. The firm delivers services to leading clients in major industries, banks and financial institutions, as well as to companies engaged in insurance, construction, energy and utilities, entertainment and media, mining, oil and gas, professional services, real estate, technology, telecommunications, tourism, transport, infrastructure and consumer goods.