

Issue 01/16

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.

The new fines introduced by the latest changes to the Albanian Labor Code

Law no. 136/2015 "On Some Amendments to the Labor Code of the Republic of Albania" (the "Code") has introduced new fines in addition to those already provided therein.

Subject to article 202 paragraphs 1 and 2 of the Code, the fines introduced amount up to 30 or 50 times the minimum monthly wage. Currently the minimum monthly wage is set at Leke 22,000.

The new fines are applicable in case of infringement of the below provisions:

- Article 21, paragraph 5

According to this provision, in case the employee is requested to work abroad for a period longer than 1 month, the employer is obliged to notify the employee in writing on the following terms of employment abroad:

- duration of employment abroad;
- currency of the salary;
- remuneration in cash or in kind during employment abroad, if necessary;
- provisions governing the employee's home entry, if necessary.

In addition, if any other term of the existing employment contract will be amended as a result of the assignment in the foreign country, the amended terms should be included in the same document.

Infringement of the above provision is subject to a fine of up to 30 times the minimum monthly wage.

- Article 140 paragraph 2

Article 140 paragraph 2 provides for the requirement to stipulate definite term employment contract only if justified by objective reasons related to the temporary nature of the work in question. Breach of this clause does not affect the validity of the employment contract, but exposes the employer to the administrative fine up to 30 times the minimum monthly wage.

- Two additional fines were introduced regarding infringement of article 68 paragraph 3 (up to 50 times the minimum monthly wage) and article 32/1 (up to 30 times the minimum monthly wage).

The reference to Article 68 paragraph 3 and Article 32/1 is not accurate as these provisions do not exist in the Code.

Article 68 of the Code, has only 2 paragraphs, which are the following:

- If the collective protection measures are insufficient for the employees' safety, the employer must make available free of charge, individual protection equipments during work.*
- The employer must test and clean the work equipments before handing them to the employees. The equipments should be at any time in good condition for use and placed in non-polluted areas.*

Article 32 sets out the obligation of the employer to respect and protect the employees' personality during the employment relationship.

The employer must refrain from sexual harassment actions and must take necessary measures to ensure the mental and physical health safety and protection of employees, prevent moral harassment of the employee, or by the employee.

The employer must inform the employees on those provisions that rule and prohibit moral and sexual harassment and respective sanctions.

The employer must prevent any behavior violating employees' dignity.

Failure to comply with the above requirements, even if not caught by Article 202 of the Code, as a consequence of the incorrect reference, remain subject to fines imposed under Law no. 9634, dated 30.10.2006 "On Labor Inspection", as amended, which vary from 30 times up to 50 times of the minimum monthly wage.

BOGA & ASSOCIATES

If you wish to know more on issues highlighted in this newsletter, you may approach your usual contact at our firm or the following:

info@bogalaw.com

Tirana Office

Ibrahim Rugova Str.
P.O. Box 8264
Tirana, Albania
Tel +355 4 225 1050/225 1022
Fax +355 4 225 1055

Pristina Office

Nene Tereza str.
Entry 30, No. 5
Pristina, Kosovo
Tel +381 38 223 152
Fax +381 38 223 153

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Boga & Associates

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The firm maintains its commitment to quality through the skills and determination of a team of attorneys and other professionals with a wide range of skills and experience. The extensive foreign language capabilities of the team help to ensure that its international clientele have easy access to the expanding Albanian and Kosovo business environment.

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