

Issue 03/14

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.

New Law no. 107/2014, dated 31.07.2014 "On Territory Planning and Development"

The Albanian legislator has recently developed significant legislations aiming at regulating territorial planning and has set up relevant rules and procedures on development and construction permits.

The main relevant legislation is Law no. 107/2014, dated 31.07.2014 "On Territory Planning and Development" that entered into force on October 1st, 2014. The newly passed law abrogated the Law no. 10119, dated 23.04.2009 "On Territory Planning" and the secondary legislation issued for its implementation. The secondary legislation for the implementation of the new Law no. 107/2014 is expected to enter into force within six (6) months.

The purpose of Law no. 107/2014 is to determine the basic principles, responsibilities, rules and procedures on territory planning.

The responsibilities of territory planning are divided accordingly into the central and local level. On the central level the responsible planning authorities are: the Council of Ministers, the National Territory Council, the ministry responsible for issues of territory planning and development.

Whereas on the local level, planning competencies are vested with the districts and the municipalities. In the districts the competent body is the District Council and in the municipality level is the Municipality Council and the Mayor.

These authorities exert their competencies on territory planning through the so-called central/local planning instruments such as policies, territory plans and regulations.

The national planning instruments determine and/or provide guidelines regarding any future development of the entire territory of the country or part of it, set out conditions on facilities' development and main national public infrastructure included thereto. A general national plan is expected to be approved by the Council of Ministers within twenty (20) months from the entry into force of the new law.

Entities aiming to perform construction works in the territory of the Republic of Albania are obliged to apply and obtain the relevant construction and development permit.

A novelty with regard to these permits is the application of the principle of "tacit approval", when following a regular application request, the competent authority does not reject nor approve/issue the permit within the period defined in the law.

Exemption from this rule is made for the permits that are subject to approval by the National Territory Council or permits granted for conducting construction works representing high risk.

The Law no. 107/2014 provides for the following permits:

(i) Development permit

The development permit is a document issued by the competent authority that determines developing conditions for a specific property. The development permit is required for each parcel and is issued upon the approval of the local detailed plan. For the parcels located in areas where there is not foreseen the approval of a detailed local plan, the permits are issued upon approval of a local general plan.

(ii) Construction permit

The construction permit is required for any construction, repair, restoration or demolition of existing buildings, installation or building temporary constructions, with the exception of the construction works that are conducted based only on the preliminary declaration.

(iii) Preliminary declaration

The development regulation to be approved shortly after the entry into the force of the law will specify a list of constructions, installations and works that, due to non-essential interventions at the facility, the temporary nature of the installations or due to a development control regulation of a permit or other authorization, issued based on specific sectoral legislation, do not require the approval of a construction permit and are subject only to a preliminary declaration of works.

The National Territory Council and the Mayors are the competent authorities for the territory development.

The competences of the National Territory Council include:

- a. Approval of the development and construction permits for the range of the developments that will be defined in a specific regulation and the developments that are related to areas, or objects of public and national interest or strategic investment. Such approvals are made based on the proposal of the ministry that covers the relevant sector.
- b. Issuance of the certificate of use for these developments when the construction process and the technical compliance controls are completed.

The competences of Mayors include:

- a. Approval of development and construction permit in the administrative territory of their Municipality.
- b. Assessment of compliance with the legal requests in cases of works carried out based on a preliminary declaration.
- c. Issuance of the certificate of use for the completed constructions.

The Municipality Council is in charge *inter alia* with the approval of the local planning documents.

[New Administrative-territorial Division of Local Government Units in The Republic of Albania](#)

The much discussed administrative and territorial reform in Albania is concluded with the approval of the Law no. 115/2014 "On the Administrative and Territorial Division of Local Government Units in the Republic of Albania" (the "Law"). The Law was approved by the Albanian Parliament on July 31, 2014 and entered into force on September 16, 2014, following its publication in the Official Gazette.

The Law provides significant changes to the administrative and territorial division of the local government units in Albania comparing to the division stipulated in Law no. 8653/2000 "On the Administrative and Territorial Division of the Local Government Units in the Republic of Albania" that entered in effect in 2000.

The Law provides for the division of the country only into 12 districts and 61 municipalities. The previous sub-division of municipalities in "communes" is abolished and this local government body is now referred to as "administrative subdivision" of the municipality.

The current bodies of the local government units will continue their operation under the structure defined by the abrogated Law no. 8653/2000 until the local elections of 2015. The forthcoming elections for local government will be organized and conducted on the basis of the administrative-territorial division as defined in the new Law.

The new administrative and territorial division aims to improve the efficiency of the local government and its role in the social and economic development.

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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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