

SET UP COMPANY ALBANIA



LPA LEGAL Leading Law in Albania **COMPANY FORMATION IN ALBANIA**

Molestie ornare amet
vel id, rem volutpat
platea. Magnis vel,
lacinia nisl, vel nostra
nunc eleifend arcu leo.

ALBANIA has a great potential to implement business ideas and ambitions. A contributory factor is the fact that Albania is a full member of the NATO and is and candidate state for the European Union and an easy of doing business which was recognized not only by domestic but

also by foreign investors. More than 11 thousand foreign companies have been opened in Albania in the recent years.

Economic opportunities in ALBANIA

Albania is a member of United Nations, Organization for Security and Cooperation and the Council of Europe. The currency is stable, and the industrial production and tourism is continuously growing. Foreign investments are constantly encouraged to strengthen trade and business relations especially between Italy, Austria and Germany . This can only present numerous advantages to those who consider running a business and register a company in Albania.



Albania is a member of United Nations, Organization for Security and Cooperation and the Council of Europe

Opening and registration of a company in Albania is in compliance with EU standards

Legislation in Albania

Albanian legal framework is based on French and German models. The Constitution of the Republic of Albania guarantees free capital transfer and repatriation of profit free of charge to all investors, and Albanian law ensures equal rights for domestic and foreign physical and legal entities.

Opening and registration of a company in Albania is in compliance with EU standards. Accordingly, starting a business in Albania has never been easier and simpler.

Different types of businesses in Albania:

Limited liability company

General partnership

Joint-stock company



Limited liability company

It is a company in which one or more legal or physical entities want to do business under one common name. Accordingly, they invest in the capital together. This is generally the most common form of a company in Albania. It is important to mention that stocks i.e. basic investments in the limited liability company do not have to equal. Business stocks cannot be expressed in securities. The source fund of the limited liability company must be expressed in national currency of the Republic of Albania; albanian Lek ALL exchange rate 1 Euro = 124 Lek). Share capital cannot be less than 1 euro



General partnership

Company that has been founded by joining two physical or legal entities for the purpose of performing activities under one name and company. Every member of the company is personally liable to its creditors.

The share capital of the company is distributed to equal shares, i.e. all stocks are of the same value. But, without the consent of other members, a single member of the company cannot freely dispose of its share in the company

Joint-stock company

Presents a company where the share capital is distributed on stocks, and hte members (stockholders) can participate with their shares.

Joint.stock company can be founded by a single person, i.d. a company can have one stockholder

Joint-stock company can be entered into a court's register, after which it acquires a legal capacity. Stockholders (company members) are not responsible for company liabilities, while the company itself is responsible for all liabilities with its assets. The least share capital of the company is 25.000 Euro.

Company formation procedure in Albania

1. Selecting the name of the company: the name under which the company is to do business should be decided upon before the registration procedure. Considering the fact that a company must not have a name similar to an existing one, the name of the future company is something that needs special attention.

Notes regarding the selection of the company's name and activities:

General partnership must be different from a company of the same type entered into the NRC's register

All data about the company should be authentic; respecting the authenticity principle

The company must contain an additional note explaining the name of the company and its activities

In case of similar names of two different companies, further information should be added according to which these two companies will clearly be distinguished

The word "Albania" and its derivatives can be used as a part of the name

The company must not contain coat of arms, flags or names of other countries and international organizations.

A personal name or a part of the personal name can be used exclusively under the consent of the person included

A personal name of a historical person can also be used only under the consent of the person itself or its descendants (if the person is deceased) and only if used appropriately.

The company can be registered only if there exists an address where the company can be situated

The company can also be registered if translated into one or several foreign languages

2. Collecting all the necessary documents translated into the Albanian language
3. Registration with the Competent Authorities
4. Opening a bank account for investing share capital
5. Registration with Tax administration
6. Registration with Pension and Health insurance

What do you need to know before registering a company in Albania?

Albanian law states that companies need to have a person (either in-house or outsource accountant) that will submit tax declaration, communicate with the government, do payroll accounts, etc. Get to know the VAT system; VAT in Albania is 20% (or 6% depending on a list of activities) . If your company is registered in the VAT system, you are entitled to a tax refund Company's address: once you have registered a company in Albania, we advise you not to change its address. The change of address is done with LPA LEGAL help after which the process is regis with Albanian authorities.



**LEADING LAW
FIRM IN ALBANIA**



Our service of company formation in Albania

This service is dedicated to foreign companies or citizens that are interested in starting or expanding their business in Albania. We provide the assistance with setting up a limited liability company in just 2 days (upon receiving all needed documents from the client) and we familiarize our clients with Albanian tax regulations. Our program can be modified to every aspect of our clients' needs whether it is a project company or a branch company with prospects of expanding in the future.

Facts:

1. Founding capital needed for setting up a company is minimum 1 Euro for LIMITED LIABILITY COMPANY LLC or approximately 25.000 EUR For JOINT STOCK COMPANY JSC
2. used for all company activities once the process of setting up a company has been completed. In case of setting
3. Setting up a company can be done in 2 ways:
 - a) Upon client's arrival in Albania – the client's passport is needed for getting a tax number.

A client needs to appoint the director of a company. The owner, that is, a client is usually a person responsible, but director can also be the third party.

- b) Without a client being present in Albania – a copy of the client's passport and a special power of Attorney is needed.

Upon receiving a client's application, we send a special accreditation by mail, which must be notarized in the client's country along with two other documents to be signed. The client sends these documents by post back to us. Upon receiving these documents, the setting up of a company can begin.

3. The Service of setting up a company includes:

- a) name check
 - b) preparation of registration forms
 - c) notarization of Memorandum of Association and registration of a company with the Commercial NRC.

- d) opening a bank account
 - e) ordering official seal and applying for statistical registration number
 - f) registration with the tax authority (for VAT and employee income tax withdrawals)
 - g) registration with Albanian Pension Insurance Fund
 - h) preparation of Employment Agreement, Employee Nondisclosure Agreement, Employee Agreement
 - i) providing a head office address for a year
 - j) accounting services discounted fee for the first two months
- Setting up a Limited Liability Company in Albania
Setting up a branch in Albania

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