

LAW no. 112/2020

FOR THE REGISTER OF BENEFICIARY OWNERS¹

Updated by normative act no 12 date 25.03.2021
and law no 6/2022 dated 27.01.2022

Pursuant to Articles 78 and 83, point 1, of the Constitution, on the proposal of the Council of Ministers,

THE PARLIAMENT OF THE REPUBLIC OF ALBANIA

DECIDED:

CHAPTER I GENERAL PROVISIONS

Article 1 Scope

This law regulates the definition of the beneficiary owner, the obligated entities, which must register the beneficiary owners, the creation, functioning and administration of the Register of Beneficiary Owners, the procedure and the manner of registration and keeping the registered data of the beneficiary owners, as well as punitive measures in case of non-registration of beneficial owners.

Article 2 Application areas

.1 This law applies to reporting entities, legal entities registered in the Republic of Albania as follows:

- a) limited liability companies;
- b) joint stock companies;
- c) collective societies;

- d) limited partnerships;
- e) representative offices and branches of foreign companies;
- f) savings and loan associations and their unions;
- h) mutual cooperation societies;
- i) agricultural cooperation companies;
- j) any other legal entity, which by law is obliged to register at the NBC;
- k) non-profit organizations, including foundations, associations, centers, as well as branches of foreign non-profit organizations, registered in the register of non-profit organizations in the Republic of Albania;
- l) legal entities and enterprises, whose shareholders, in addition to the central and / or local institutions of the Republic of Albania, are also other Albanian and / or foreign individuals / legal entities.

.2 This law does not apply to:

- a) natural persons, traders registered in the trade register;
- b) legal entities and enterprises, whose sole shareholder is one of the central and / or local institutions of the Republic of Albania;
- c) religious congregations;
- d) political parties.

Article 3 Definitions

For the purposes of this law, the following terms have the following meanings:

1. "Beneficiary Owner" means the individual who ultimately owns or controls the entity and / or the individual in whose name a transaction or activity is being conducted and includes at least:

1.1.1 An individual who ultimately owns or controls a legal person, through direct or indirect ownership of a sufficient percentage of the shares or voting rights or participation in the capital of that entity, including through the holding of shares, or through control through other means, or benefits from transactions carried out by the legal entity on its behalf

1.1.2. The founder or legal representative or the individual who exercises the ultimate effective control over the administration and control of non-profit organizations, including foundations,

¹ 1 This draft law is partially aligned with Directive (EU) 2015/849 of the European Parliament and of the Council, dated 20 May 2015, "On the prevention of the use of the financial system for money laundering or terrorist financing purposes, amending Regulation (EU) no. 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60 / EC of the European Parliament and of the Council and Commission Directive 2006/70 / EC ", as amended". CELEX number 32015L0849, Official Journal of the European Union, series L, no. 141, dated 5.6.2015, pg 73– 117.

associations, centers, as well as branches of non-profit organizations. The ultimate effective control is the relationship in which a person:

a) determines the decisions taken by the non-profit organization;

b) controls in any way the election, appointment and removal of most of the decision-making bodies and / or executive bodies of the non-profit organization.

1.2. In the case of a trust or other legal arrangement:

1.2.1 Creator of the trust, custodian / trustee, advocate, if any, and beneficiaries or where the persons benefiting from the legal agreement or entity have not yet been identified, the class of persons for whose primary interest the legal agreement or entity is established or operates; any other individual exercising ultimate control over the trust through direct or indirect ownership or other means.

2. "Direct ownership" is the ownership held by an individual of 25% or more of shares / equity shares or ownership interests in a reporting entity.

3. "Indirect ownership" is the ownership held or exercised by the same individual in one or more legal entities, which individually or jointly own 25% or more of the capital shares / quotas or ownership interests in a reporting entity.

4. "Reporting entity" is the legal entity registered in the Republic of Albania, according to article 2 of this law, which has the legal obligation to register the beneficial owners in the Register of Beneficiary Owners.

5. "Compulsory entity" are entities that are subject to the law on prevention of money laundering and terrorist financing.

6. "Person authorized to represent the reporting entity" is the person appointed by the reporting entity to represent him, according to the legal provisions in force.

7. "Competent state authorities" are:

.a General Directorate of Money Laundering Prevention

b. Bank of Albania.

.c General Directorate of Taxes;

d. Financial Supervision Authority;

.e General Directorate of State Police;

f. Prosecution;

e) Special Structure against Corruption and Organized Crime (SPAK).

8. "Register of Beneficiary Owners" is a state electronic database, in which are registered the data of the beneficial owners of the entities that have the obligation to report them, which collects in real time the data registered in the respective state registers administered by the relevant state institutions, as well as serves as the official electronic archive and ensures transparency in the field of beneficiary owners.

9. "Registration" is any registration, change, addition or deletion of mandatory data of beneficial owners in the Register of Beneficiary Owners.

10. "Data" are the facts, acts and information that are registered, notified or deposited in the Register of Beneficiary Owners, which identify the beneficial owners of the reporting entities.

11. "Trust" is a trust agreement, where ownership is held by the trustee on behalf of the beneficiary.

12. "Type of control" is the control or ownership of a legal person, trust or other legal arrangement.

13. "Minister" is the responsible minister in the field of economy.

CHAPTER II

ADMINISTRATION OF THE REGISTER OF BENEFICIARY OWNERS, OBLIGATION TO RECEIVE AND REGISTER DATA FOR BENEFICIARY OWNERS AND MANNER OF REGISTRATION OF DATA IN THE REGISTER

Article 4

Administration of the Beneficiary Owners Register

1. The Register of Beneficiary Owners is administered by the National Business Center.

2. The National Business Center is responsible for:

a) to record, administer, process and store in the register the data declared by the reporting entities;

b) to enable the availability of the data of the Register, in accordance with article 7 of this law;

c) issue extracts for the data registered in the register;

d) to take other actions in accordance with this law.

3. The Register of Beneficiary Owners contains the following data

:

3.1 General information about the reporting entity:

a) Unique identification number of the entity (NUIS)

b) name of the reporting entity.

3.2 Mandatory data for the beneficial owners of the reporting entity:

3.2.1 Identification data:

a) for Albanian citizens:

- name and surname;
- personal identification number; - date of birth;
- nationality
- residence address;

b) for foreign

citizens: - name and surname;

- personal identification number; - date of birth;
- passport number and issuing country;
- date of issue and expiration date of the

passport;

- nationality
- permanent residence address;

c) for refugees / persons without citizenship; - name and surname;

- travel document number; - date of birth;
- the state that issued the travel document;
- date of issue and expiration date of the travel

document.

-residence address;

3.2.2 Date of determination of the individual as beneficial owner.

3.2.3 Type and percentage of ownership:

3.2.3.1 Direct;

3.2.3.2 Indirect.

4. The data defined in point 3 of this article are further classified into primary data and secondary data, according to the provisions of the law on state databases:

4.1 Primary data:

- identification data for foreign citizens, non-residents; identification data for refugees /persons without citizenship;
- date of determination of the individual as beneficial owner;
- type and percentage of ownership.

4.2 Secondary data:

- entity identification number (NUIS) and name of reporting entity;
- identification data for Albanian citizens;
- identification data for foreign nationals, residents.

5. The Register of Beneficiary Owners is constructed in such a way as to guarantee data security measures, the principle of sufficiency and proportionality related to data processing, in compliance with the legislation on personal data protection.

6. The general data on the reporting entity, which are registered in the Commercial Register and the Register of Non-Profit Organizations, will be automatically transferred to the Register of Beneficiary Owners.

7. The rules for the procedure of registration of data in the Register of Beneficiary Owners, the manner of transfer of data from the Trade Register and the Register of Non-Profit Organizations as well as the functioning of the Register of Beneficiary Owners are approved by a decision of the Council of Ministers.

Article 5

Obligations of reporting entities and beneficiary owners

1. Reporting entities have the obligation to keep and maintain appropriate, accurate and up-to-date data and accompanying documents, on the basis of which the beneficial owners of the entity and the type of control of their beneficial owners are determined.

2. Beneficiary owners of reporting entities have the obligation to provide reporting entities with all necessary information, in order for reporting entities to fulfill the legal obligation set out in point 1 of this article.

3. The registration by the reporting entities of the data of the beneficial owners in the Beneficial Owners Register is done in the following deadlines:

a) in cases of initial registration of the beneficial owners by the reporting entities, which register in the commercial register, the registration is done simultaneously with the application for registration of the legal person in the commercial register;

b) in cases of refusal of the application for initial registration of beneficial owners by reporting entities, which register in the commercial register with indirect ownership, the registration is done within 40 (forty) calendar days from the date of refusal of the application;

c) in cases of initial registration of beneficial owners by reporting entities, which register in the register of non-profit organizations, the registration is done within 40 (forty) calendar days from the date of registration of reporting entities as a legal entity;

c) in the case of registration of changes in the data of the beneficial owners of reporting entities, the

registration is done within 90 (ninety) calendar days from the date of occurrence of the actual change

Article 6

The way of registration of the beneficial owners data

1. The initial registration of data in the Register of Beneficiary Owners is done by the person authorized to represent the reporting entity.

2. The update or change of the data registered in the register is done by:

a) the person authorized to represent the reporting entity;

b) The National Business Center, based on the data obtained from the competent state authorities, in cases when the data registered in the register do not match the data in the possession of the competent state authorities.

3. If a obliged entity finds that the data registered in the Register of Beneficiary Owners do not match the data held by this obliged entity for the beneficial owners then:

a) the obliged entity notifies the reporting entity and the National Business Center;

b) upon receipt of the notification from the obliged subject, the National Business Center within 2 working days publishes the notification in the register, as well as notifies in writing the reporting subject for the ascertainment notified by the obliged subject;

c) the reporting entity within 20 calendar days from the date of notification of the National Business Center must:

i. update in the register the data for their beneficiary owners, according to this law, if the ascertainment of the obliged subject is correct, or;

ii. confirm in the register the data for their beneficiary owners, previously registered, if the ascertainment of the obliged subject is not correct;

d) in case the reporting entity does not update or confirm the data on their beneficial owners within 20 calendar days from the date of notification of the National Business Center, the NBC and the authority responsible for maintaining the Register of Non-Profit Organizations will terminate their services for the reporting entities up to:

i. the update of the data on their beneficial owners in the register is performed and also payment of the penalty if this is the case,

ii. confirmation in the register of data on their beneficial owners, previously registered in the register.

4. The NBC approves or rejects the registration of data no later than two working days from the receipt of the application by the reporting entities.

NBC no later than 2 (two) working days from receiving the application from the reporting entities perform one of the following actions:

a) approves the registration of the data of the beneficial owner; or

b) suspends the application for initial registration, change or update of data, giving the reporting entity a period of 30 (thirty) calendar days to complete the deficiencies that prevent theregistration; or

c) refuses the registration if after the verification it finds that the data required to be registered are different from the registrable data, according to the provisions of this law. .

4/1. In the case of applications, according to letter "a" of point 3 of article 5, by the reporting entities with direct ownership, the NBC registers the data simultaneously with the registration of the entity in the commercial register.

4/2. If the deficiencies that hinder the registration are corrected within the deadline defined in letter "b" of point 4 of this article, the NBC is obliged to complete the registration no later than 2 (two) working days from the date of completion of the deficiencies. If the deficiencies are not corrected, the NBC refuses the registration no later than 2 (two) working days after the expiration of the deadline determined according to letter "b" of point 4 of this article.

5. The NBC registers the data no later than two working days from the receipt of the notification from the competent authorities, according to letter "b" of point 2 of this article.

6. The authorized person must register and update the data registered through the electronic counter by using a qualified certificate for electronic signature, according to the provisions of the legislation in force for electronic signature. In cases of applications according to letter "a" of point 3 of article 5, the application is made at the physical service window of the NBC.

7. The decisions of the NBC, according to this law, are notified through publication in the register. The date of notification is the date of publication in the register.

8. Procedures, rules, criteria and reasons for undertaking the action of suspension or refusal by the NBC for the registration of data of beneficial owners of the reporting entities are approved by the decision of the Council of Ministers.

9. The rules for the manner and deadlines of notification by the competent state authorities, in cases where the data registered in the register do not match the data they possess and the manner of updating or changing by the National Business Center, based on the above notifications, are approved by decision of Council of Ministers.

10. Rules on the manner and deadlines of notification by the obliged entities, in cases where the data registered in the register do not match the data they possess, as well as the manner of updating or confirming the data of beneficial owners by the reporting entities, based on notifications of above, are approved by a decision of the Council of Ministers.

ACCESS TO THE REGISTER OF
BENEFICIARY OWNERS, AS WELL AS THE
RIGHTS AND OBLIGATIONS RELATED TO
THE DATA OF REGISTRATION

Article 7

**Access to the Register of Beneficiary
Owners**

1. The data registered in the Register of Beneficiary Owners, which will be freely accessible and public are:

- a) name and surname of the beneficiary owner;
- b) citizenship
- c) year and month of birth;
- d) the date of determination of the individual as a beneficiary owner;
- e) type and percentage of ownership.
 - direct
 - indirect.

2. Other data of the beneficiary owners, registered in the Register of Beneficiary Owners and which are not freely accessible according to point 1 of this article, can be accessed by:

- a) persons authorized to represent the reporting entity only in the data registered in the register for the entity they represent;
- b) competent state authorities.

3 The competent state authorities will have free, direct and unrestricted electronic access to the data registered in the register, in order to fulfill their legal duties related to the inspection of the Register of Beneficiary Owners and the collection of data on the beneficiary owners.

4 Obligated entities may obtain information on the data registered in the register, which are not freely accessible and public, when this data is needed for the fulfillment of their legal duties.

5 Any person may obtain information about the data recorded in the register, which is not freely accessible and public, only if he proves that he has a legitimate interest in obtaining this information.

6 The entities defined in points 4 and 5 of this article, in order to obtain data on the beneficial owner of a certain reporting entity, must submit a written or electronic request.

7 The NBC, after examining the request and noticing that there is a legitimate interest of the person submitting the request for obtaining additional data of the beneficiary owners, according to point 6, and we are not in the conditions of restricting access to information based on reasonable reasons and, after verifying the payment on the requested information, provides the required data to these entities within 10 working days.

8 The NBC may reject the request of the entities defined in point 5 of this article, for obtaining data on the beneficiary owners of a certain reporting entity, in case the beneficiary owner is a minor or incapable of acting, or in the event that the provision of information would expose the beneficial owner to a disproportionate risk, to the risk of fraud, kidnapping, blackmail, extortion, harassment, violence or intimidation.

9. The rules on the manner of communication in electronic form and the exchange of data between the National Business Center and the responsible state bodies are approved by a decision of the Council of Ministers.

10. The respective value of the fee for providing information according to point 6 of this article, will be determined by a joint sub-legal act of the relevant ministers responsible in the field of economy and finance.

Article 8

**Extracts from the Register of
Beneficiary Owners**

1. Every person has the right to request the issuance of electronic extracts for registered data and that are public regarding the beneficial owners of a reporting entity.

2. The request for obtaining the extract defined in point 1 of this article, can also be made in writing.

3 The NBC evaluates the request defined in point 2 of this article for the cases of extracts in written form within 5 working days from the date of receipt of the request and issues the relevant document.

4. To the request for release of the extract, according to point 2 of this article, is attached also the certificate of payment of the relevant fee.

5. The Minister, upon the proposal of the head of the NBC, approves the format and content of the extract and the application forms.

6. The respective value of the fee for issuing the extract, according to point 2 of this article, is determined by a joint sub-legal act of the relevant ministers responsible in the field of economy and finance.

Article 9
Data retention and reporting

1. The data registered for the beneficiary owners are always stored in the Register of Beneficiary Owners, except for the case defined in point 2 of this article.

2. In case of cancellation of the registration of the reporting entity from the respective registers, the data registered for its beneficiary owners will be stored in the Register of Beneficiary Owners for another 10 years from the date of cancellation of the registration of the reporting entity.

3. The reporting entity, at the request of the competent state inspection authorities, makes available and submits to them the data and documents mentioned in point 1 of article 5 of this law.

4. State inspection / verification authorities in the field of taxation, within the control according to the legislation in force of the respective field, perform verification for the accuracy and compliance of the data reported in the register by the reporting entities with the data kept by the entity according to point 1 of article 5 of this law.

Article 10
The rights of the registered beneficial owner

1. A person who is registered as a beneficial owner of a reporting entity may file a lawsuit against the reporting entity in the competent court, in order to prove that he / she is not the beneficial owner of this entity.

2. At the end of the litigation, the court or the interested party submits to the NBC the decision, which has become final, and the NBC within 2 working days mainly corrects the data of the beneficiary owner.

CHAPTER IV
ADMINISTRATIVE COMPLAINT AND
COMPETENT AUTHORITY FOR THE REVIEW OF
ADMINISTRATIVE COMPLAINT

Article 11
Administrative complaint

1. Any interested party has the right to appeal administratively against the actions or omissions of the NBC for registrations and publications, according to the provisions of this law. The appeal is made within 30 calendar days from the date of publication in the Register of the decision for accepting or refusing the registration, according to this law.

2. Any interested person has the right to complain administratively when the NBC does not provide information under Article 7 of this law. The deadline of 30 calendar days for filing a complaint begins after 10 working days from the date of filing the request for information. In case of inaction by the NBC, the complaint is made according to the deadlines provided in the Code of Administrative Procedures.

3. Any interested person has the right to appeal administratively when the NBC does not issue extracts under Article 8 of this law. The administrative appeal is submitted not earlier than 7 calendar days and not later than 45 calendar days from the date of expiration of the deadline set according to the provisions of this law for the issuance of the extract.

Article 12
Competent body for administrative appeal

.1 The administrative appeal is addressed to the head of the NBC and is submitted, according to the forms and procedures defined by the Code of Administrative Procedures, at the headquarters of the NBC.

.2 The head of the NBC reviews the complaint, makes a decision and notifies the interested party within 10 working days from the date of filing the complaint.

3. In case of updating or changing the data registered in the register, according to letter "b" of point 2 of article 6 of this law, the complaint is reviewed by the competent state authorities, which have notified the new data to be registered in the register. In this case, the NBC registers the complaint and forwards it to the competent state authorities.

4. The decision given after the review of the administrative appeal or inaction can be appealed directly to the competent administrative court according to the Code of Administrative Procedures.

CHAPTER V
ADMINISTRATIVE OFFENSES

Article 13

Administrative offenses

1. The reporting entities and the persons authorized to make the registration are responsible according to the laws in force for the veracity of the facts, of the notified data and of the accompanying documents, deposited in the electronic register.
2. The following violations constitute administrative contraventions and are punished with a fine as follows:
 - a) initial non-registration of data on its beneficial owner within the deadline specified in letter "b" of point 3 of article 5 of this law is punished with a fine in the value of 50,000 (fifty thousand) ALL;
 - b) initial non-registration of data for its beneficial owner within the deadline specified in letter "c" of point 3 of article 5 of this law is punishable by a fine in the amount of 50,000 (fifty thousand) ALL;
 - c) initial non-registration of data for its beneficiary owner within 40 (forty)days after the expiration of the deadline specified in letter "b" of point 3 of article 5 of this law is punishable by a fine in the amount of 600,000 (six hundred thousand) ALL ;
 - ç) initial non-registration of data for its beneficiary owner within 40 (forty) days after the expiration of the deadline specified in letter "c" of point 3 of article 5 of this law is punishable by a fine in the amount of 600,000 (six hundred thousand) ALL ;
 - d) non-registration of any change in the registered data, which are deposited in the register, within the deadline specified in letter "ç" of point 3 of article 5 of this law is punished with a fine in the amount of 400 000 (four hundred thousand) ALL.
3. The fine is imposed by the head of the NBC, whose decision is appealed directly to the competent administrative court in accordance with the provisions of the Code of Administrative Procedures.
4. The NBC and the authority responsible for maintaining the Register of Non-Profit Organizations for reporting entities, which commit the violations provided in paragraph 2 of this article, will not provide services to them, except for the registration of changes in the data of the legal representative, and will change the status of the reporting entities from "active" status to "suspended" status in the commercial register and in the Register of Non-Profit Organizations until the payment of the fine and the registration of relevant data for the beneficial owners.
5. Non-fulfillment of legal obligations defined in point 1 of article 5 of this law constitutes administrative contravention and is punished with a fine in the amount of 50,000 (fifty thousand) ALL.
6. The fine, according to point 5 of this article, is decided by the state inspection / verification authorities in the tax field, defined in point 4 of article 9 of the law, whose decision is appealed

directly to the competent administrative court in accordance with the provisions of the Code of Administrative Procedures.

7. The procedures, deadlines and general rules of administration and interaction through the Beneficial Owners Register, the Trade Register and the Register of Non-Profit Organizations for the cases provided in point 4 of this article are approved by the decision of the Council of Ministers.

Article 14

Procedure for recording general data of existing reporting entities

1. The data provided in point 3.1 of article 4 of this law, which are registered in the Commercial Register or in the relevant Register for Non-Profit Organizations at the responsible institutions are transferred electronically to the Register of Beneficiary Owners.
2. The institution responsible for maintaining the Register of Non-Profit Organizations within 2 months from the entry into force of this law, provides electronically to the NBC, as the institution responsible for the administration of the Register of Beneficiary Owners, data on non-profit organizations registered in the Register of Non-Profit Organizations, as required by Article 4 of this law.
3. The Council of Ministers determines the manner of providing data from the Trade Register and the Register of Non-Profit Organizations to the Register of Beneficiary Owners.

Article 15

Final and transitional provisions

1. Existing reporting entities must, no later than 31.12.2020, identify the beneficial owners, as well as create and maintain relevant documents for the beneficial owners.
2. The Ministry of Finance and Economy and the National Agency for the Information Society will establish the Register of Beneficiary Owners no later than 31.1.2021.
3. Repealed.
4. The rules for the procedure for registration by existing reporting entities of data required by this law for their beneficial owners are approved by the Council of Ministers within 2 months from the date of entry into force of this law.

Article 15/1
Transitional provisions

5. 1. NBC, in cooperation with the National Agency for Information Society, within 30.6.2022, transfers to the Beneficial Owners Register the data of beneficial owners for reporting entities with direct ownership, which have been registered in the Commercial Register before the date of the establishment of the Beneficial Owners Register, which on the date of entry into force of this law have not fulfilled the obligation for the initial registration of their beneficial owners.

2. For reporting entities, whose data have been transferred according to point 1 of this article, the obligation for the initial registration of their beneficial owners is considered fulfilled on the date of this transfer. These reporting entities have the right to update at the NBC the data of their beneficial owners without facing administrative contravention.

3. Reporting entities registered in the Commercial Register with indirect ownership, as well as reporting entities registered in the Register of Non-Profit Organizations, which on the date of entry into force of this law have not fulfilled the obligation related to the initial registration of their beneficial owners, as well as with the changes of the registered data of the beneficial owners, must fulfill these obligations within the date 30.6.2022.

4. Non-fulfillment of the obligations defined in point 3 of this article within the date 30.6.2022 is punished with a fine in the amount of 400 000 (four hundred thousand) ALL.

5. The fine is imposed by the head of the NBC, whose decision is appealed directly to the competent administrative court in accordance with the provisions of the Code of Administrative Procedures.

6. The NBC and the authority responsible for maintaining the Register of Non-Profit

Organizations for reporting entities, which commit the violations provided in paragraph 4 of this article, will not provide services to them, except for the registration of changes in the data of the legal representative, and will change the status of reporting entities from "active" status to "suspended" status in the Commercial Register and the Register of Non-Profit Organizations

until the payment of the fine and the registration of relevant data for the beneficial owners.

7. Fines imposed before the date of entry into force of this law for non-timely fulfillment of legal obligations related to the initial registration, as well as changes in the registered data of beneficial owners, which were not paid before the date of entry into force of this law, are forgiven in the amount of 100 (one hundred) percent.

8. Reporting entities, which before the date of entry into force of this law have paid the fines

forgiven according to the above provisions and have fulfilled the relevant obligations for registration of their beneficial owners, have the right to apply to the NBC for a refund of the amounts paid.

9. The Council of Ministers approves the procedures for reimbursement of the amounts of fines

paid by the reporting entities according to the provisions of point 8 of this article.

Article 16

Bylaws in implementation of the law

The Council of Ministers is requested that within 3 months from the date of entry into force of this law to approve bylaws pursuant to point 7, article 4; of points 8, 9, 10 of article 6; of point 9, of article 7; of point 9, of article 13; of point 3, of article 14 and of point 4, of article 15, of the law.

Article 17

Entry into force

This law enters into force 15 days after its publication in the Official Bulletin.

Approved on 29.7.2020.

Promulgated by decree no. 11592, dated 10.8.2020 of the President of the Republic of Albania,

Illir Meta

