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**LAW**  
**No. 133/2015**

**ON THE TREATMENT OF PROPERTY AND FINALIZATION OF THE PROCESS OF  
COMPENSATION OF PROPERTY**

*(repealed articles by the Constitutional Court decision no.1, dated 16.1.2017)*

Pursuant to articles 41, 78, 83, paragraph 1, and article 181 of the Constitution, with the proposal of the Council of Ministers,

**THE NATIONAL ASSEMBLY OF THE REPUBLIC OF ALBANIA**

**DECIDED:**

**CHAPTER I**  
**GENERAL PROVISIONS**

**Article 1**  
**Object of the Law**

The object of this law is:

- a) the regulation and provision of a just compensation on the property rights issues raised from the expropriations, nationalizations or confiscations pursuant to the criteria of Article 41 of the Constitution, and Article 1 of Protocol No. 1 of the European Convention for the Protection of Human Rights and Fundamental Freedoms;
- b) the establishment and management of the Compensation Fund, which shall be used for the compensation of properties;
- c) the establishment of the procedures for the treatment of property and finalization of the process of compensation of properties, as well as the administrative bodies in charge of the application thereof.

## **Article 2**

### **Purpose**

The purpose of this law is:

- a) to finalize, pursuant to this law, the process of treatment of property through recognition and compensation, for entities whose properties have been expropriated, nationalized or confiscated, under any legal/secondary acts, criminal court decision or expropriated by any other unfair means by the state from 29.11.1944;
- b) to regulate and fairly reward on property compensation, to enforce the final decisions on compensation, as well as finalize the process of compensation, within the deadlines specified in this law, through the compensation fund.

## **Article 3**

### **Scope of Application**

1. This law shall act on all applications that are under consideration at the ARCP, on the day of entry into force, as well as on all those applications, which will be submitted within the deadlines of this law, regarding the recognition of the right to property.
2. Furthermore, this law shall extend the effects also on the financial evaluation for:
  - a) the execution of all decisions which have not yet been implemented the recognition of the right to compensation, issued by administrative or judicial bodies, in our country;
  - b) including the cases currently under examination in courts of all instances, in the High Court, as well as in the European Court of Human Rights, pertaining to their financial evaluation.

## **Article 4**

### **Properties that are exempt from treatment**

The following shall not be subject to the provisions of this law:

1. Properties obtained as a result of the implementation of Law no.108 dated 29.08.1945, on the "Agrarian reform", with the subsequent amendments;
2. Expropriations against a fair compensation pursuant to the provisions in force at the time of expropriation.
3. Properties donated to the state for which official documents are available.

## **Article 5**

### **Definitions**

For the application of this law, the terms herein shall have the following meaning:

1. "Property Management Agency (PMA)" is a public legal entity, dependent on the Minister of Justice, which exercises the duties given thereto under this law and the legislation into force.

2. "Financial Fund of Compensation" is a special fund within the meaning of Article 7 of Law no. 9936, dated 26.06.2008 on the "Management of the budgetary system in the Republic of Albania", which is used for the financial compensation of the expropriated subjects, who have been recognized the right to compensation.
3. "Land Fund" is the physical property fund with a state owned legal status, which by a decision of the Council of Ministers or the PMA, is made available for the physical compensation of expropriated subjects possessing a final decision on compensation.
4. "Value map" means the decision of the Council of Ministers "On adoption of the immovable property value for each Region of the Republic of Albania", which is applicable at the moment of entry into force of this Law.
5. "Compensation" means just compensation provided for according to the procedures defined in this law. The compensation means are "Financial compensation", "Physical compensation from the Land Fund" and "Compensation in nature in the property recognized to the expropriated subject".
6. "Physical compensation within the boundaries of the property recognized to the expropriated subject" is the surface of the property that by a final decision will be awarded to the expropriated subjects.
7. "Building/Facility" is any object that is built or installed in the territory, with an immovable or temporary placement, and which is built under and/or on the ground, pursuant to the legislation in force.
8. "Property" is an immovable property under the definitions provided for in the Civil Code.
9. "Expropriated Subject" means legal or natural persons or their heirs whose property was nationalized, expropriated, confiscated or taken in any other unjust way by the state.
10. "Responsible structures" are all bodies established by the legislation in force at the time, responsible to act in the area of property restitution and compensation.
11. "Land" means the agricultural land, forestland, forests, meadows and pastures, barren land and the land plot.
12. "Agricultural land" means land that is located outside the boundaries of cities and residential areas at the time of expropriation, and as such appears in the cadastral records of the state, occupied by crops, orchards, vineyards and olive groves, wherever located and that has fertility as an essential feature.
13. "Land plot" is the land located within the boundaries of cities and residential areas at the time of expropriation. When the residential area had no boundaries, a land plot is considered the surface of land occupied by a building constructed thereon and the functional yard. The surface of the latter is calculated as three times the surface of the building, however not more than 500 square meters.
14. "Industrial plot" is the land surface which was outside the boundaries of cities and residential areas at the time of expropriation, on which were built permanent construction facilities for economic purposes or for the purposes that serve to their functions.
15. "Alienation" is the assignment of a property title or other real rights from a natural or legal person to another, as provided for under the Civil Code.

16. "Evaluation" is the financial evaluation that the PMA performs on the final decision on compensation, pursuant to the provisions herein.

17. "Final decision" within the meaning of this law, is any administrative or judicial decision, which is not subject to a control and review procedure by a higher administrative or judicial authority, including here enforceable decisions, and when the latter have undergone recourse, the decision of the High Court will be considered as final.

18. "Decision on restitution/compensation" are the decisions of the former Commissions on Restitution and Compensation of Property, the Regional Local Commissions on Restitution and Compensation of Property and the Agency on Restitution and Compensation of Property.

19. "Cadastral index" is any kind of property and the record indexes covered herein, which are land plot, agricultural land, forest, meadow and pasture.

20. "Cadastral area" means the division of properties under the map of the Immovable Property Registration Office.

## **CHAPTER II RULES ON COMPENSATION**

### **Article 6 Evaluation Methodology**

*(Paragraph 3 and 5 of Article 6 are repealed by the Decision No. 1 of the Constitutional Court, dated 16.01.2017.)*

1. In order to implement, all final decisions on the restitution and compensation of property, the following shall be subject to evaluation by the PMA:

a. The property recognized for compensation shall be evaluated under the cadastral index it had at the time of expropriation.

b. The restituted property shall be evaluated by determining the differences that will result between its value pursuant to the current cadastral index and the value of the property pursuant to the cadastral index at the time of expropriation.

2. Final decisions that have recognized only the right to compensation shall be financially evaluated according to the cadastral index the property had at the time of expropriation pursuant to letter "a" of paragraph 1 of this article.

3. *(repealed)*

4. The evaluation of final decision recognizing the right of compensation shall be performed taking as reference the cadastral index of the origin of the property, located nearest to the property that will be compensated, based on the land value map at the time of entry into force of this law. If next to the property there are areas within the same distance but with different values, the area with the highest price shall be taken as reference for the calculation.

5. *(repealed)*

6. The value of shares, bonds, financial compensation or any other form of compensation, including the value of the property gained by provisions of the Law for the allocation of

agricultural land, that the subject or the heirs were previously awarded shall be deducted from the evaluated amount of compensation.

7. For the decisions on compensation determined in value and still unenforced, for the period from the time of recognition of the right to compensation to receiving the actual compensation, the expropriated subjects shall benefit from indexation according to the official value of inflation and banking interest, according to the annual means issued by the Bank of Albania at the time of entry into force of this law.

### **Article 7**

1. All the final decisions that have recognized the right to compensation, and those that will be taken until the conclusion of the process pursuant to this law, shall be enforced while respecting the provisions of this law.

2. The financial evaluation of the final decisions on compensation shall be performed by financially evaluating the property recognized for compensation under Article 6 of the law, pursuant to the following procedure:

a. if the evaluation of the property restituted through a final decision is higher than the estimate of the land recognized for compensation, then the expropriated subject is considered as compensated in full;

b. if the evaluation of the property recognized for compensation is greater than the evaluation of the restituted land, then the subject is compensated for the difference, pursuant to the provisions of this law;

c. in the event that a final decision has not held on restitution, then the financial evaluation of the property recognized for compensation is performed based on the cadastral index, which the property had at the time of expropriation, pursuant to paragraph 3 of Article 6. d. in the event that a final decision has not recognized the right to compensation of property, then the decision and the relevant documents are archived in line with the rules stipulated in the legislation on the archives.

### **Article 8**

#### **Compensation and Evaluation Forms**

1. Expropriated subjects shall be subject to the compensation procedures pursuant to the provisions of this law, based on the final decisions on recognition and compensation;

a) in monetary value;

b) in another immovable property of any kind, with equal value, owned by the state;

c) with shares in companies with state owned capital, or where the state is co-owner, with an equal value to the immovable property.

ç) with the value of facilities, subject to privatization

2. The process of evaluation of the property to be compensated under this article shall have as a subject:

- a) the land;
  - b) the buildings/facilities.
3. The base Indicators on the value of property shall be assigned separately for land and buildings/facilities. When a property is a merger of the land and the building/facility, its value is calculated per unit, as the summary of the values of the facility and the land on which it is built.
4. The value of the property to be compensated, shall be calculated pursuant to the provisions of this law based:
- a. for the land, on the value map;
  - b. for facilities, on the decision of Council of Ministers on the assessment methodology for immovable properties in the Republic of Albania.

### **CHAPTER III**

#### **THE COMPENSATION FUND AND PROPERTY RESTITUTION PROCEDURE**

##### **Article 9 Properties Compensation Fund**

1. The properties compensation fund is a fund available for the compensation of the final compensation decisions, as defined herein, which comprises:
- a) The Financial Compensation Fund;
  - b) The land fund.
2. The Compensation Fund shall be untouchable. No administrative or judicial authority may dispose of the fund, apart from the subjects mentioned in this law for its administration.

##### **Article 10 Financial Compensation Fund**

1. The Financial Compensation Fund shall be considered a special fund, in the meaning of Article 7 of Law no. 9936, dated 26.06.2008 "On management of the budget system in the Republic of Albania". The procedures for the proposal and adoption of the budget thereof are the same as the ones applicable to the law on State Budget and are presented to the National Assembly altogether for approval.
2. The property compensation fund shall be used for the financial compensation of expropriated subjects whose compensation right is recognized through a final decision.
3. The sources of the property compensation fund are:
- a) income from the State Budget for the compensation of owners;
  - b) income from the sale at auction of state-owned properties which are part of the land fund;

- c) proceeds received from the transfer of ownership of the building parcels, pursuant to Law no. 9482, dated 03.04.2006, "On the legalization, urbanization and integration of illegal constructions", as amended;
  - ç) other incomes which, under special laws or bylaws are transferred to the account of the property compensation fund and;
  - e) incomes from various donors.
4. The property compensation fund shall be managed by the Properties Management Agency in a special Treasury account at the Bank of Albania. The resources constituting the properties compensation fund, under paragraph 3 of this Article, are cashed and administered, as per their nature, through the treasury system.
  5. Notwithstanding the rule provided for under Article 5 of the Law no. 9936, dated 26.06.2008 "On management of the budget system in the Republic of Albania", the balance of monetary values, unused in the property compensation fund at the end of a budget year, in the separate account in the Bank of Albania, is deferred in the account for the subsequent year.
  6. The accounts of the Property Compensation Fund shall be reported to the National Assembly as part of the annual consolidated reporting on the State Budget implementation.
  7. The expropriated subjects holding a final compensation decision shall benefit compensation from the Compensation Fund to the extent and under the manner defined herein.
  8. The method and procedures for managing the Financial Compensation Fund and rules for the collection and management of resources, which constitute the fund, shall be regulated pursuant to the legislation in force.

### **Article 11**

#### **Allocation of the Financial Compensation Fund**

1. The State budget shall approve annually a financial fund, according to the chart in Appendix 2 of this law, but not less than 50 billion ALL in 10 years, which shall be administered by the Agency for the implementation of the property restitution process.
2. The PMA shall publish in its official website, in the Official News Bulletin and /or in the media a list of entities that benefit from the property compensation fund in the respective period, guiding the subjects to open bank accounts at one of the banks of the second level.
3. The PMA shall open accounts at the banks of the second level, where it deposits the funds made available for the compensation of properties.
4. The beneficiaries shall notify the PMA of their bank account information, where the payments on the compensation shall be conducted.
5. Following the opening of the individual bank account at the bank by the eligible subjects, the PMA orders the bank for the performance of payments from the PMA's account to the account of the beneficiary. The order sent to the bank shall contain the name of the beneficiary, the amount awarded as well as the beneficiary's bank account number.

6. Based on the order of the PMA, the bank performs the transfer of the amount to the respective accounts of the benefiting subjects.

7. The bank account opened on behalf of the PMA, where the amounts specified for the compensation shall be deposited, is excluded from the decisions on blocking and seizures issued by judicial bailiffs.

## **Article 12** **Land Fund**

1. The Land Fund consists of:

- a. the Physical Property Fund in each district made available through a Decision of the Council of Ministers;
- b. the Physical Property Fund, which through a decision of the PMA, pursuant to paragraph 5 of Article 6 of this law becomes a part of the land fund based on the rules established in this law;
- c. surfaces remaining free, in the territories with informal constructions;
- ç. other surfaces made available through the means provided for with the law or sublegal acts.

2. The land fund shall be financially evaluated by the PMA based on the value map at the time of entry into force of this law, within 30 days for the funds made available by the Decision of the Council of Ministers and immediately for the fund, which is transferred through a PMA decision.

3. The data on this fund shall be published at the PMA premises and on the official website, right after the evaluation procedure is carried out.

## **Article 13** **Physical compensation through auction**

1. The PMA shall organize an auction for the sale of a property, which is a part of the land fund, to increase the financial resources for the real properties compensation fund. All owners holding a compensation decision financially evaluated by the PMA can participate in the auction. The entities holding an assessment on a final compensation decision can participate in the auction if they express their will to benefit from the physical compensation fund. The PMA shall announce the winner in accordance with the legislation in force for public auction, based on the highest bid. In case the bids are of equal value, priority shall be given to the bids within the district, where the property is recognized for compensation and if there are several such offers, priority shall be given to the earlier final decision.

2. In case the auction for the sale of property fails twice, for the subjects holding a final decision on the compensation, the PMA performs a public auction for the sale of such property. The PMA organizes the auction in compliance with the legislation in force on public auctions. During the auction procedure, the PMA shall not, in any case, sell the property with the prize value lower than its initial assessment made pursuant to paragraph 2 of Article 12.



3. The incomes gained from the sale of the properties in the auction of the properties, which are a part of the land fund, shall be transferred to the Financial Compensation Fund and shall be used for the financial compensation of subjects, according to the provisions of this law.

#### **Article 14**

##### **Other cases of physical compensation**

1. Providing that after the public auction, according to the provisions of Article 13 herein, the property is not sold, it shall be used for the physical compensation of subjects holding a final compensation decision.

2. The PMA shall publish on its official website and in the Official News Bulletin, for a 45-day period, the property to be used for physical compensation, and during such period it shall wait for applications from the subjects holding a final decision on compensation. Upon the expiration of such 45-day term, the PMA shall announce, within 30 days, the beneficiary, who has applied, according to the highest bid in order of priority specified in paragraph 3 of Article 15 of this law and shall continue with the procedures for the physical compensation to the beneficiary.

3. The subject shall attach to the application for physical compensation a declaration in which he waives the remainder of compensation if he is declared a beneficiary.

4. Providing that at the end of this procedure the physical compensation fund is not used entirely, the PMA disposes directly with a physical compensation decision pursuant to the norms of Chapter IV "Examination of untreated applications".

5. The rules and procedures for the implementation of this Article shall be determined by the Council of Ministers.

#### **Article 15**

##### **Deadlines on the financial evaluation of the compensation decisions**

1. Within a period of 3 years from the entry into force of this law and pursuant to its stipulations, the PMA shall financially evaluate, all untreated final decisions recognizing the right to compensation.

2. If the Agency does not meet the obligation within this period of 3 years, according to paragraph 1 of this Article, the subjects may address the Tirana Administrative Court of First Instance, to carry out the evaluation pursuant to this law.

3. Priority on the financial evaluation shall be given to final decisions in chronological order starting from the earliest decision.

#### **Article 16**

##### **Procedures on registration and enforcement of compensation decisions**

1. The PMA, within 6 months from the date of entry into force of this law, shall publish a register of all final decisions recognizing the right to compensation of property for expropriated subjects. The register shall contain information on the missing documents in the decision folder. The register shall be published on the website of the PMA, the Official News Bulletin and/or the media. The rules on the creation, maintenance and administration of the register are determined by the Council of Ministers, on the proposal of the PMA.
2. The interested parties may complement the documentation requested by the PMA, necessary for the financial assessment of the decision on compensation within a period of 6 months from the date of the publication of the registry.
3. Providing that the final administrative decisions have technical/mapping flaws or obvious material errors, then through a request of the subject, the PMA may remedy the defect or correct the error without affecting the contents of the decision, pursuant to the Code of Administrative Procedures of the Republic of Albania.
4. The compensation decision shall be assessed financially with the minimum price specified in the value map for that administrative unit and for that category of property, if:
  - a) the interested subjects do not submit any documentation necessary for the financial evaluation of the decision within the time-limit defined in paragraph 2 of this Article and;
  - b) it is objectively impossible for the PMA to evaluate the property based on the available documentation.
5. The subjects' compensation shall start after the decision on the financial evaluation becomes final. The evaluation becomes final:
  - a) when the deadline stipulated in section 3 of article 19 of this law has expired and there has been no appeal;
  - b) when the State Advocate's Office and the interested subjects declare that they will not appeal;
  - c) or in cases there is an appeal, and the examination in courts of all instances including the High Court has been completed.
6. The process of payment on all final decisions that have recognized the right of compensation shall be completed within a period of 10 years from the entry into force of this law.
7. The reward for compensation purposes is not subject to any taxes or deductions.

### **Article 17**

#### **Examination of specific requests for financial compensation**

1. No more than 1/3 of the annual budgetary fund for financial compensation referred to in Article 11, paragraph 1, can be used for cases of special applications for financial compensation.
2. The subjects who express willingness to be financially compensated through special applications, can benefit from this fund, as follows:

- a) when the subject requests to be financially compensated within 1 year, then he receives 20% of the compensation value and waives from the rest of this value;
  - b) when the subject requests to be financially compensated within 3 years, then he receives 30% of the compensation value and waives from the rest of this value;
  - c) when the subject requests to be financially compensated within 5 years, then he receives 40% of the compensation value and waives from the rest of this value.
3. Priority shall be given to applications submitted under letter "a" to applications submitted under letters "b" and "c", and applications submitted under letter "b" to applications submitted under letter "c" of paragraph 2 of this Article. In the applications under the same item, priority shall be given to the earliest final decisions.

### **Article 18**

#### **Treatment of cases with overlapping**

1. In cases where an overlapping of the right to compensation is found, the PMA shall make the appropriate assessment, pursuant to this law.
2. The PMA shall proceed with the procedures for the enforcement of the decision for the parts that do not overlap. For the overlapping parts, the Agency shall submit the relevant value in a separate bank account, which is paid to the subject, the after the overlapping is solved. The parties may settle the case of overlapping through agreement or through judicial means.

### **Article 19**

#### **Appeal against the financial evaluation**

1. Any interested party has the right to appeal against the financial evaluation of the PMA, which establishes the value of the property, to the Administrative Court of Appeal, within 30 (thirty) days from the day of the publication, only for the amount of compensation.
2. The PMA shall publish the evaluation pursuant to the provisions of the Code of Administrative Procedures.
3. Upon the termination of the 30 days period, providing the interested subject has raised no appeal, the assessment of the final compensation decision shall be enforced by the PMA pursuant to the provisions of this law.

## **CHAPTER IV EXAMINATION OF UNTREATED REQUESTS**

## **Article 20**

### **Untreated Requests**

Applications submitted before the entry into force of this law, as well as applications submitted within the time limits specified in this law, which are not categorized in the properties determined in Articles 4 and 25, shall be subject to the treatment of the property through the recognition of the right of the expropriated subjects by a decision of the PMA, and their compensation pursuant to this law. In any case, where possible, priority is given to compensation in nature at the property recognized to the subject, through a decision of the PMA.

## **Article 21**

### **Compensation in nature at the property of the expropriated subject**

1. Expropriated subjects shall be recognized the right of ownership and shall be physically compensated, without limitation, the free immovable property, within the recognized property, pursuant to the provisions of this law, except for agricultural land, which is physically compensated up to 100 hectares.
2. If the expropriated subject (his heirs) has benefited from the legal provisions for the allocation of agricultural land, then the value of land that is physically compensated in the recognized land or in any other way, shall be calculated as the difference between the value that he would have benefited in the conditions of not benefiting from the legal provisions for the allocation of agricultural land and the value for the surface that each of the subjects or their heirs have benefited from the implementation of this law.
3. In case that the alleged property is categorized as property that cannot be physically compensated and the expropriated subject (his heirs) has benefited from the legal provisions for the allocation of agricultural land, then the value of compensation under this law, shall not include the value of the property for the surface on which each of expropriated subjects or their heirs have benefited from the legal provisions for the allocation of agricultural land.
4. In any case, in determining the value of the property for compensation, every deductible benefit in the amount of compensation pursuant to this law, is taken into consideration.
5. The expropriated subjects are physically compensated, according to the criteria of this law, for the immovable properties, the land located within the tourist territories, when these properties are not occupied, as stipulated by paragraph 1 of Article 25 of this law. The determination of touristic territories, for the purposes of application of this law, is performed by the Council of Ministers.
6. The expropriated subjects are physically compensated for the immovable properties, under the administration or possession state institutions, that are outside the destination of their activity and do not have a public function, as well as when these properties are not occupied, pursuant to the provisions of paragraph 1 of Article 25 of this law.

7. The plot of land occupied by state-owned buildings, on which permanent and legitimate state-owned buildings have been constructed, shall be treated under the provisions of this law.

8. The expropriated subjects, whose properties were flooded by the construction of hydro energetic power plants are treated under the provisions of this law, unless they have benefited under the legislation for expropriations for public interest.

9. Expropriated subjects treated with restitution or compensation under the legal acts which have treated the process of restitution and compensation of the property during the years, are entitled to benefit from this law only for that part of the property which remains unrestituted or uncompensated.

10. In cases where one or more heirs have benefited from the legal provisions for the allocation of agricultural land, the PMA guides the subjects to conduct the division and positioning of their respectively owned parts through an agreement.

## **Article 22**

### **Right to Pre-Emption**

1. In cases where the ownership or management of state objects built on the land recognized for compensation with a final decision determining the right of pre-emption is transferred to another state institution, the right to pre-emption shall not be dismissed.

2. For immovable properties occupied by state objects, the expropriated subjects shall have the right to first pre-emption for these objects, when they are privatized. The expropriated subjects shall have the right to waive the right of pre-emption towards compensation, according to the rules specified in this law, within 1 year from the publication of the Register, pursuant to this law. This time limit is preclusive.

3. The right to pre-emption is registered at the Immovable Properties Registration Office.

## **Article 23**

### **Granted lands in use**

The granted lands in use, leased or in any other forms by the state, when free in the meaning of Article 25 of this law, shall be compensated to the expropriated subject pursuant to the conditions and criteria set forth in this law. The beneficiary is, in any case, obliged to respect the existing legal relationships.

## **Article 24**

### **Treatment of property in lands occupied with buildings**

1. For applications submitted under Article 21 of this Law, in the areas declared as informal through primary and secondary legislation, the applicants shall be recognized the right to compensation for the occupied property, pursuant to the criteria of this law. Within the territories declared as informal compensation in nature is not allowed.

2. The PMA, in other territories with objects, as far as possible, shall treat with compensation in nature, within the property recognized to the applicants, for the part of the property, which is free. Compensation in nature is not permitted under the land of the buildings and in a surrounding functional space necessary to serve the object.
3. The PMA and ALUIZNI shall act in their decision-making on the same map, unified and published electronically, which becomes operational within 3 months from the entry into force of this law. The PMA, in each case, verifies the property in the terrain where it is.
4. The proceeds received from the transfer of ownership of the construction plot of land, pursuant to Law no. 9482, dated 03.04.2006, "On the legalization, urbanization and integration of illegal constructions", as amended, shall be transferred to the account of the PMA, which distributes them according to the value of the approved compensation.
5. The Council of Ministers, upon the proposal of the Minister of Finance, on the basis of the incomes received, pursuant to letter "c", paragraph 3 of Article 10 of this Law, shall approve the amount available to the subjects, referred to in point 5 of this Article as well as the time period for the benefit of this amount.
6. Subjects, who have been granted the right to compensation in accordance with law no. 9482, dated 03.04.2006, on the "Legalization, urbanization and integration of illegal constructions", as amended, shall receive compensation, depending on the income received from the transfer of ownership of construction plots of land, pursuant to paragraph 4 of this article.
7. Following the payment of the compensation value, the remainder of the fund shall be transferred to the financial compensation fund for expropriated subjects, pursuant to paragraph 3/"c" of Article 10 of this law.

## **Article 25**

### **Properties not subject to physical compensation**

1. The following immovable properties shall not be subject to physical compensation:
  - a. the properties which serve to a public interest, pursuant to limitations provided for by the law;
  - b. the properties which serve to the fulfilment of the obligations of the Albanian state, which arise under the treaties and conventions where our country is a party;
  - c. the unalienable public properties pursuant to law and secondary legislation;
  - d. the occupied properties pursuant to the legal acts, provided for in Annex 1 of this law.
2. In case the properties, referred to in paragraph 1 of this article, are proposed to be alienated, they shall be transferred to the expropriated subjects when the latter are not compensated for that property. In these cases, the properties are compensated pursuant to this law.

**CHAPTER V**  
**STATE BODIES IN CHARGE OF THE PROPERTY TREATMENT PROCESS**

**Article 26**  
**Property Management Agency**

1. The Property Management Agency, a legal public entity, dependent on the Minister of Justice, hereinafter referred to as the PMA, with the headquarters in Tirana, shall be in charge of the implementation of this law. The PMA shall carry out the following tasks and duties:

a) to finalize within the legal deadline the examination of the applications of the expropriated subjects on the treatment of property for which no decision has been rendered, while checking, evaluating and confirming:

i. the entire documentation submitted by the expropriated subjects and the compliance thereof with the criteria provided under this law;

ii. the accuracy of the documentation submitted by the expropriated entities, by checking thereof with the laws and bylaws or judicial decisions, in compliance with article 2 herein, which have been used as a basis for the expropriation, nationalization, confiscation or unfair appropriation of the property by the state.

Following the control, assessment and examination of claims, pursuant to the definitions of the above letter "a" clause "1", the Director General of the PMA issues a decision within the term defined in Article 33 of this law on: - the dismissal of the claim; - the recognition, as appropriate, of the right of ownership, physical compensation within the boundaries of the recognized property or compensation from the land fund or the financial compensation for the property and other real rights, pursuant to this law.

b) to accept, examine and assess the applications to benefit the recognized right to compensation, according to this law and bylaws in force;

c) to verify and calculate the financial obligations of the state towards expropriated subjects or third parties, under the provisions of this law.

ç) to file for registration at the registers of immovable property all the decisions dealing with property.

d) any other duty provided for by this law and the sublegal acts issued for its implementation

2. The Council of Ministers, within 30 days from the entry into force of this law, shall adopt the list of documents required for the process of the treatment of property under this law.

3. Within 6 months of the entry into force of this law, the Council of Ministers shall adopt, through a decision, the establishment of an Inter-institutional commission presided by the Vice Prime Minister with the representation from the Ministry of Justice, Ministry of Urban Development, Ministry of Economic Development, Tourism, Trade and Enterprise, Ministry of Defense, Ministry of Agriculture, Rural Development and Water Management, Ministry of Internal Affairs, Ministry of Environment. The Commission shall lead the work on the

identification of state property that can be transferred and become part of the property compensation fund. The Commission shall carry out the identification of the properties and shall propose to the Council of Ministers the transfer of these properties to the Land Fund. The PMA shall establish and lead a Technical Secretariat to support the commission's work. The organization and functioning of this process shall be provided for by the Decision of the Council of Ministers for the establishment of the Commission.

4. The PMA reports annually to the Parliamentary Committee on Legal Issues, Public Administration and Human Rights about the implementation of this law. If necessary, the representative institutions in the inter-institutional Commission, established under paragraph 3 of this Article shall also report before this Parliamentary Committee.

5. The organization and functioning of the PMA shall be established through a decision of the Council of Ministers, within 1 month of entry into force of this law.

6. The tariffs for the procedures of compensation of properties shall be established under a joint order of the Minister of Justice and of the Minister of Finance.

#### **Article 27** **Treatment of applications**

1. The PMA shall examine the submitted applications, which are untreated pursuant to the norms of this law. Within the preclusive period of 90 (ninety) days from the date of entry in force of the law, the interested subjects may apply for the recognition of the property. This deadline cannot be extended or reinstated by the judiciary or any other administrative authority.

2. The PMA shall examine all applications for compensation under the procedures and terms provided for in Chapter III of this law.

3. Pursuant to this law, all applications based only on the certification of the legal fact, in terms of Article 388 of the Civil Procedure Code, shall be rejected by the PMA through a decision.

4. During the examination of the untreated applications, the PMA applies the rules established by this law and during the treatment it shall carry out the evaluation of the property pursuant to Articles 6 and 7 of this law.

5. The Director General of the PMA, pursuant to the responsibilities delegated to him by this law, holds through decisions. The decisions given by the Director General of the Agency, under this article, shall be in writing, reasoned, signed by the head of the institution and shall fulfill the requirements on the administrative act, provided for by the Code of Administrative Procedures of the Republic of Albania. When the decision is not appealed within the deadline provided for by this law, it constitutes an executive title.



## Article 28

### **Procedures for collection, processing and administration of the acts of the expropriated subjects during the processing of the applications**

1. The collection, processing and management of the expropriated subjects' acts during the process for the treatment of the requests, shall be performed according to these procedures:
  - a. for the new applications, which are deposited from the date of entry into force of this law until the expiration of the preclusive period of 90 (ninety) days, the expropriated subjects shall complete the following requirements:
    - i. the form for applying for recognition and compensation, which shall be signed by the expropriated subject or his authorized representative. The form contains a warning that the law assigns responsibility to the applicant in case of the declaration of false facts or of filing forged documents.
    - ii. the legal documentation
    - iii. the cartographic documentation pursuant to the requirements to be set for their submission.
  - b. for the applications submitted for handling before the entry into force of this law and with no decision, the PMA immediately begins their examination as follows:
    - i. within 30 days of the entry into force of this law, it shall create the register of applications which lack a decision based on the chronological order of their application to the responsible structures, at the time of their submission based on the regional level.
    - ii. within 90 days of the entry into force of this law, it shall start the process of the notification of the expropriated subjects on the documentation that shall be completed according to the requirements set forth by the decision of the Director General of the PMA pursuant to the priority specified in paragraph 3 of Article 15 herein.
    - iii. the procedures for the collection, processing and managing of the acts of the expropriated subjects during the treatment of the applications are subject to the provisions of the Code of Administrative Procedures.
2. The Director General of the PMA, within 30 days of the entry into force of this law, shall adopt the standard form referred to in paragraph 1/a/i of this Article, and within 60 days shall adopt the requirements for the completion of the untreated applications under paragraph 1/b/iii of this Article.
3. Every expropriated subject has the right to be issued, by the Office of Protocol of the PMA, the relevant certification for the protocol number of the registered file, which shows the date of the submission of the application and its documentation.
4. The applications of the expropriated subjects, which are deposited through the postal service and have flaws in their accompanying documentation, which makes it impossible to evaluate them, shall be returned to the applicant at the provided address, requesting the detailed complement of the documentation. The application, which lacks the correct postal address, shall be deemed as not grounded and shall be reactivated only upon the interest of

the applicant at the offices of the PMA. After the finding, the relevant structures of the PMA shall make a public announcement at the premises of the PMA and the local government units, where the property subject to a claim is situated. The application of the interested subject is accepted within 3 months from the date of the finding, otherwise the application of the subject is not accepted, through a decision of the Director General of the PMA.

5. The PMA shall receive and administer the applications of the expropriated subjects towards the tariffs determined by the joint order of the Minister of Justice and Minister of Finance.

## **Article 29**

### **Appeal**

The interested parties and the State Advocate Office have the right to file an appeal with the Court of Appeal against the decision of the PMA on the recognition of the right, within 30 days from notification of such decision, pursuant to the rules of the Civil Procedure Code of the Republic of Albania.

## **Article 30**

### **Registration of the decision**

1. When the decision taken under this law becomes final, the Agency or any interested party shall address it to the Immovable Property Registration Office for registration.

2. With regard to the decisions that have not been provided with a final form due to amendments to the law, the Agency makes the necessary verifications if there has been an appeal within the legal deadline, otherwise these decisions are considered final.

3. The decisions on the right of pre-emption, which have been verified by the Agency following the completion of the register, shall be sent to the Immovable Property Registration Office within a month from the date of the verification and in any case within 18 months from the entry into force of this law. The Office shall record them without applying any fines, interests or charges. The interested entities shall be responsible for the submission of the relevant necessary documents required by the Immovable Property Registration Office to support the registration of the decision. The same shall apply to the compensation decisions.

4. Any court decision amending the PMA decision on the restitution/compensation or the value of compensation shall be notified to the Agency and shall be recorded in the relevant register of decisions, which is kept by the Agency. This register is coordinated with the current register of decisions of the PMA and other previous agencies responsible for the restitution and compensation of the property.

## **Article 31**

### **Administrative offences**

1. For the purposes of this law, the following offenses, whether they constitute or do not constitute a criminal offense, constitute an administrative offense and shall be punishable as follows:

- a) the violation of the laws and regulations for the administration of the compensation fund shall be punished with an administrative fine from 200,000 (two hundred thousand) to 800,000 (eight hundred thousand) ALL;
  - b) the violation of the legal provisions and regulations on the compliance with the deadlines and procedures for the physical compensation through auction, other cases of physical compensation, the financial evaluation of decisions on compensation, compensation in nature in the property of the expropriated subject, the examination of untreated applications and every deadline and other mandatory procedures provided for in this law, shall be punished with an administrative fine from 50,000 (fifty thousand) to 300,000 (three hundred thousand) ALL.
2. The fine shall be determined, in each case, in proportion to the established nature of the offense, responsibility and participation in the decision-making of the officer or of the offender and whether the offender is a recidivist. In case of the repetition of the offense, the offender shall be punished with a fine of twice the value.
  3. The power to review the administrative offenses provided for in this article belongs to:
    - a) The Director General of the PMA when the violation was committed by his subordinates;
    - b) The Administrative Court when the offense was committed by the Director General of the PMA.
  4. The procedures on the identification of the violation, the notification of the offender, the decision, appeal and other administrative measures against the violations of this law, as well as the execution of the sentence, shall be regulated by the law in force on administrative offenses.

## **CHAPTER VI FINAL PROVISIONS**

### **Article 32 Transitory provision**

1. With the entry into force of this law, the Agency on Restitution and Compensation of Property shall be transformed into the Property Management Agency.
2. The ARCP shall continue to operate under the existing structure, until the approval of the manner of organization and functioning of the PMA, as provided for in paragraph 4 of Article 26 of this law and the approval of the organizational structure pursuant to the legislation in force.
3. The administrative documentation files, which are under the examination and follow-up by the ARCP, shall be transferred for their administration and further follow-up by the PMA.
4. The archives, the means of work and logistics of the ARCP offices, established and administered according to the law, shall be transferred under the administration of the PMA.
5. The budget funds planned for the Agency on Restitution and Compensation of Property, upon the entry into force of this law, shall be transferred to the accounts of the PMA. 6. The

PMA shall digitalize the cartographic information of all final decisions on the restitution and compensation of property.

### **Article 33**

#### **Applications for treatment of the plots left untreated through previous decisions due to legal limitations of the time**

The submitted applications, based on article 22 of Law No. 9235, dated 29.07.2004 on "The restitution and compensation of property", shall be managed in the manner, form and conditions provided for by this law.

### **Article 34**

#### **Deadline for the finalization of the process**

1. The process of the examination of the files submitted before the entry into force of this law and which are still under examination by the Agency shall be finalized within 3 years from the entry into force of this law. The process of allocation of property compensation fund shall continue until, pursuant to the provisions of this law, all the former-owners holding a final compensation decision are compensated, and pursuant to the deadline provided for in paragraph 6 of Article 16 herein.

2. If the PMA does not comply with the obligation to address the applications specified in paragraph 1 of this Article, within 3 years, the subject may address the Court of First Instance, on their applications, pursuant to this law.

### **Article 35**

#### **Retention of Documents**

The documentation for the process of recognition and compensation of property is retained under the legislation in force on archives. Upon the termination of the process, pursuant to Article 33 of this law, such documentation is submitted to the General Directorate of Archives.

### **Article 36**

#### **Inter-institutional Cooperation**

1. The Agency, for the purpose of the property recognition and compensation process, shall coordinate its activity with the Immovable Property Registration Office, the Agency for the Legalization and Urban Planning of Informal Areas and Buildings, the Directorate of Management of Public Property, the State Advocate Office, the State Authority for Geospatial Information (ASIG), the State Archive, the Central Technical Building Archive, the local government institutions and any other state institutions whose activity is responsible for this process. Any state institution, whose activity is relevant, or which is responsible for the process of the recognition, restitution and compensation of property, shall be obliged to cooperate and provide free of any fees, information or documentation required by the

Agency and also to communicate the grounds of the failure for not meeting a required or recommended measure.

2. The Council of Ministers, through decision, defines the detailed rules on the procedure of cooperation and coordination of the activity of the Agency with other state institutions.

### **Article 37** **Bylaws**

Within 6 months from the entry into force of this law, the Council of Ministers shall issue the bylaws necessary for its implementation. Until the issuance of these acts, the existing sublegal acts remain in force, for as long as they do not contradict this law.

### **Article 38** **Repeals**

Upon the entry into force of this law, Law no. 9235, dated 29.07.2004 "On restitution and compensation of property", Law No. 10239, dated 25.02.2010 "On creation of the special fund for compensation of property", and any other provisions contrary to this law shall be repealed.

### **Article 39** **Entry into force**

This law shall enter into force 15 days after its publication in the Official Gazette.

C H A I R M A N ILIR META

Adopted on 5.12.2015

### **ANNEX 1**

1. Law No. 7501, dated 19.07.1991, "On Land";
2. Law No. 7512, dated 10.08.1991 "On sanctioning and protection of private property and free initiative, private independent activities and privatization";
3. Decree of the President of the Republic no. 378, dated 2.12.1992 "On granting of studios to painters and sculptors";
4. Law No. 7652 dated 23.12.1992 "On privatization of state dwelling places";
5. Law No. 7665 dated 21. 1 1993 "On development of areas with tourism priority";
6. Law No.8312, dated 26.03.1993 "On undivided agricultural land";
7. Law No. 7698 dated 15.04.1993 "On restitution and compensation of property to former owners";

8. Law No. 7980, dated 27.07.1995 "On acquisition of lands";
9. Law No. 7983, dated 27.07.1995 "On acquisition of agricultural land, pastures and meadows";
10. Law no. 8053, dated 21.12.1995, "On assigning the property of agricultural land free of charge";
11. Law no.8337, dated 30.04.1998 "On assigning the property of the agricultural land, pastures and meadows";
12. Decision of the Council of Ministers No. 452, dated 17.10.1992, "On Restructuring of Agricultural Enterprises";
13. Law No. 8743, dated 22.02.2001, "On the State's immovable property";
14. Law No. 9482, dated 03.04.2006, "On the legalization, urbanization and integration of illegal constructions", as amended.

## ANNEX 2

<b>Budgetary year</b>	<b>year 1</b>	<b>year 2</b>	<b>year 3</b>	<b>year 4</b>	<b>year 5</b>	<b>year 6</b>	<b>year 7</b>	<b>year 8</b>	<b>year 9</b>	<b>year</b>	<b>Totali</b>
Billion/ALL	3,00	3,33	3,69	4,10	4,54	5,04	5,59	6,20	6,88	7,63	50

The values provided in this appendix are in billions of ALL.