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DECISION

No. 54, dated 5.2.2014

ON THE DETERMINATION OF CRITERIA, PROCEDURE AND METHOD OF LEASING, EMPHYTEUSIS OR OTHER CONTRACTS OF STATE PROPERTY

Pursuant to Article 100 of the Constitution, Article 5 of the normative act no. 4, dated 9.7.2008 of the Council of Ministers "On privatization and giving for use special enterprises or objects, the main facilities and turnover means of these enterprises to commercial companies and state institutions", approved by Law No. 9967, dated 24.7.2008, and Articles 784 and 801 of Law No. 7850, dated 29.7.1994 "Civil Code of the Republic of Albania", as amended, upon the proposal of the Minister of Economic Development, Trade and Entrepreneurship, the Council of Ministers

DECIDED:

I. STATE PROPERTIES GIVEN ON LEASE OR EMPHYTEUSIS, COMPETITION CRITERIA, THE RIGHT, COMPETENCES AND TERMS

(Amended by Decision No. 735, dated 5.11.2014)

(Amended by Decision No. 445, dated 20.05.2015)

(Amended by Decision No. 992, dated 9.12.2015)

(Amended by Decision No. 606, dated 31.8.2016)

(Amended by Decision No. 141, dated 13.3.2018)

1. State properties are given to third parties by transferring the right to lease or emphyteusis through the competition procedure.

2. State properties that are leased according to the definition of point 1 of this decision are the following: buildings, functional areas (not under the building), free land, machinery and equipment, production lines of state institutions, enterprises and commercial companies with 100% state capital and fruitless lands (hereinafter "state-owned companies"). State properties, given in emphyteusis according to the definition

of point 1 of this decision, are only immovable properties of state institutions, enterprises and state companies.

3. The competition criteria for the lease of state property are as follows hereunder:

- investment level;
- employment level;
- monthly rental offer.

Central and local institutions may also impose other additional criteria.

4. The competition criteria for giving in emphyteusis of state property are the following hereunder:

- investment level in immovable property for property improvement, which should be over 200 percent of the value of the property announced for competition;
- purpose and level of the entire investment in the property given in emphyteusis;
- employment level;
- monthly liability offer.

Central and local institutions may also impose other additional criteria.

5. The following are excluded from the competition:

- a) Leasing of up to 200 m² of land, which is given for a term of up to 1 year;
- b) separate machinery and equipment, which are given for a term of up to 1 year;
- c) leasing of state properties to entities possessing a license to use natural mineral resources, fishing, waters and other similar activities, when these properties are given to the entity, to help develop the activity for which it is licensed;
- ç) cases when mining agreements have been approved by law, the licensed entity has the right to conclude a contract for the use of the surface for the construction of the factories (this area is confirmed by the business plan submitted for obtaining a utilization permit), with the right of repetition until the end of the licensing period;
- d) leasing state facilities to state institutions when they are used for further state needs and activities;
- dh) leasing of state properties, state or private entities for the exercise of activities in the field of sport, culture, tourism and cultural heritage, for investments in state properties of over 100,000,000 (one hundred million) ALL;
- e) addenda to the contract for the areas required by the tenant to add or improve the activity, for a surface not more than 50% of the total rented area and only in cases when the additional area extends to the boundary of the contract area within the same cadastral zone.
- ë) extension of the term of the lease contract for the contracts concluded for a term less than the definitions in point 6 of this chapter, when the tenant entities have fulfilled the terms of the contract.
- f) addenda to the contract or a new contract, in the cases when in the administration of companies, state-owned enterprises or state institutions have remained state land properties, with a surface area of not more than 1000 (one thousand) m², which are unusable because they are fenced or bordered by the same owner or other owners and when this area is required to be rented by the same owner.

- g) leasing of state properties that are closely linked to the object of the public procurement contract against private entities that have been declared winners and have entered into a contract according to the provisions of Law No. 9643, dated 20.11.2006, "On Public Procurement", as amended.

6. The following are entitled to conclude a lease contract and to determine the lease terms:

- a) the state institution, enterprise or state-owned company that leases for a term of up to one (1) year:
 - i) facilities in administration, with a surface of up to 200 m² (including the functional surface);
 - ii) voluminous facilities, such as: tanks, silos, etc, with volume up to 300 m³, machinery, equipment, technological lines, detached, that are installed within these areas.Institutions, state-owned enterprises or companies cannot rent only "free land" with a surface of up to 200 m².
- b) the body exercising the right of the representative of the state property owner of the state institution, enterprise or state-owned company that leases up to 20 years:
 - i) area over 200 m²;
 - ii) technological lines or voluminous facilities, such as tanks and silos with a volume above 300 m³, which are installed within these areas.

The term of the contract for the areas of 200-500 m² is up to 10 (ten) years, while for areas over 500 m² is up to 20 (twenty) years.

- c) the ministry responsible for the economy, for fruitless lands. The term of the contract for these properties for areas of 200-500 m² is up to 10 (ten) years, while for areas over 500 m² is up to 20 (twenty) years.

7. The ministry responsible for the economy or the body of local government exercising the right of the owner's representative on the property has the right to conclude an emphyteusis contract for state properties for a term of up to 20 (twenty) years.

8. Properties under the administration of the Government Service Directorate are leased from it, up to one year, without restriction on their surface, according to the fees set out in Annex B, attached to this decision.

9. Properties under the administration of the Port Authority Durrës are leased or given in emphyteusis by it, in accordance with Law No. 9130, dated 8.9.2003 "On the Port Authority", according to the procedures of this decision.

10. Cultural monuments are rented or given in emphyteusis by the Ministry of Culture in accordance with Law No. 9048, dated 7.4.2003 "On cultural heritage", as amended.

11. The right to conclude a lease contract with entities possessing a permit to use natural mineral resources, fishing, waters, and other similar activities is held by the central state institution covering the respective activity, as defined in the Administrative Procedure Code.

II. PROCEDURES FOR GIVING STATE PROPERTY ON LEASE OR IN EMPHYTEUSIS

(Amended by Decision No. 735, dated 5.11.2014)

(Amended by Decision No. 445, dated 20.05.2015)

(Amended by Decision No. 606, dated 31.8.2016)

(Amended by Decision No. 141, dated 13.3.2018)

1. The state institution, state enterprise or company that has under administration the facility that will be leased or given in emphyteusis in all cases prepares the following documentation:

- a) the proposal for giving on lease or in emphyteusis of the building, which contains the proposal for the activity that may be exercised in this property and the term of the lease; Exceptionally this rule, the Ministry of Defense may not make a proposal for the activity to be exercised.
- b) the decision of the governing body of the state institution, state enterprise or company (Supervisory Board, Steering Council, Governing Board, etc.);
- c) the approval of the administrative authority;
- ç) The facility's genplan, in 6 (six) original copies, drafted by the licensed survey expert and confirmed by the head of the state institution, state enterprise or state company, where the area of the total plot, the area under the building and the functional area (not under the building) are clearly stipulated;
- d) the monthly minimum fee for the areas under the building, as defined in this decision and taking into account the physical condition of the building;
- dh) confirmation by the Immovable Property Registration Office¹ for the facility and land state property, and by the Property Restitution and Compensation Agency for the decisions it may have made for property recognition or restitution. In cases when the property leased or given in emphyteusis is under the administration of state-owned companies, it is not necessary to require confirmation from the Property Restitution and Compensation Agency.

2. In the cases of the proposal for giving the facility in emphyteusis, besides the aforementioned documentation, it should be also specified the accounting property value, according to the financial accounts at the end of the previous year, should be specified.

3. For the properties specified in letter "a" of point 6 of chapter I of this decision, the state institution or state company after the preparation of the documentation according to point 1 of this chapter, concludes the lease contract.

4. For the objects specified in letters "b" and "c" of point 6 of chapter I of this decision, after the preparation of the documentation, the head of the state institution, state enterprise or company that has in administration the property to be given to rent or emphyteusis, delivers it to the body exercising the right of the representative of the state property who, at the order of his executive, starts the procedures for renting or emphyteusis of state property.

¹ According to Decision No. 141, dated 13.3.2018, this denomination is substituted by the words "responsible institution for immovable property registration".

5. In the order of the head of the institution for lease or emphyteusis, by competition, of state property, the following are determined:

- a) data on state property leased or in emphyteusis: denomination, area, cadastral zone, purpose of use, minimal value of the monthly obligation calculated according to the fees of this decision and term;
- b) activity that may be exercised in the object;
- c) evaluation points for the elements of competition, according to points 3 or 4 of chapter I of this decision, which are determined, on a case by case basis, by the head of the institution;
- ç) place, date and time where the documents are submitted;
- d) composition of the bidding review commission, composed of three persons, one chairman and two members;
- dh) documentation submitted by competitors for competition.

6. The announcement for publication for the lease or emphyteusis of state property is announced 1 (one) time in the Bulletin of Public Announcements and the notice shall specify the data for the object, the categorization of the activity that will be exercised in the object, the term of the lease or emphyteusis, evaluation points for the competition elements, the documentation that will be submitted by the competitors, and the place, date and time of submission of the documentation. The date of the competition must be no earlier than 7 (seven) calendar days from the date of the last publication.

7. The rental documentation, submitted by the competitors, is handed over to the commission at the opening hour of the competition and contains:

- a) The request of the entity for lease of state property, including the offer for the amount of the monthly rent, purpose of taking into use of the state property, and the indicators of the competition, as provided in the business plan.
- b) A detailed business plan for the operation of the facility, which shall include the following information:
 - Identity of the requesting entity, history of the activity it performs;
 - Description of the investment project, works to be carried out, services to be provided, financial resources of the investment;
 - A detailed analysis of the timeframes that will be required to realize the investment project and the stages determined for its realization;
 - The employment level, to be realized according to the defined timeframes.

If an entity's request is for a term of over 5 (five) years, the business plan should be described in detail, with the data for the first five (five) years of activity and the forecast for the next period.

- c) Declarations in the form of self-declaration, as follows hereunder:
 - Declaration on NIPT/NUIS data of the requesting entity;
 - Declaration on the settlement of tax liabilities and social insurance;
 - Declaration about the administrator and the legal bidding entity, whether it is under criminal prosecution, and whether it has judicial proceedings related to the activity;

- In cases when the competition entity develops activities under lease or emphyteusis at facilities which are state property, declaration on the settlement of liabilities, on the contrary, to highlight that it does not exercise activity in state objects;
- A declaration that it holds legal responsibility for the authenticity of declarations in the documentation submitted to the competition. In case of false data, at any time, the commission disqualifies the bidding entity.

This documentation must be completed even when the object is rented without competition.

8. The documentation for taking in emphyteusis, submitted by the competitors, which should be a commercial company, is handed over to the commission and contains:

- a) The request of the entity for taking state property in emphyteusis, including the offer for the amount of the monthly rent, purpose of taking into use of the state property, and the main financial indicators, as provided in the business plan;
- b) A CV of the entity, including experience in the area of economic activity to be exercised in the property given in emphyteusis, followed by supporting documentation;
- c) A detailed business plan for property improvement;
- ç) Description of the investment projects, data on the level of investments anticipated in immovable property and entire facility, followed by projects, schemes and documentation tjetër paraprak, si dhe burimin e financimit të projektit;
- d) Declarations in the form of self-declaration, as follows hereunder:
 - Declaration on NIPT/NUIS data of the requesting entity;
 - Declaration on the settlement of tax liabilities and social insurance;
 - Declaration about the administrator and the legal bidding entity, whether it is under criminal prosecution, and whether it has judicial proceedings related to the activity;
 - In cases when the competition entity develops activities under lease or emphyteusis at facilities which are state property, declaration on the settlement of liabilities, on the contrary, to highlight that it does not exercise activity in state objects;
 - A declaration that it holds legal responsibility for the authenticity of declarations in the documentation submitted to the competition. In case of false data, at any time, the commission disqualifies the bidding entity.

9. The Commission for giving on lease or emphyteusis of state property carries out the following duties:

- a) takes over the closed envelopes of participating competitors and opens them in their presence, reads and discloses the main data of the documents and competitive indicators, for each bid submitted. When the documentation submitted is not complete, the competitor shall not be qualified in its presence;
- b) drafts the minutes on holding the competition, describing the participants, the disqualified competitors and the cause, the qualified competitors and the list of documents submitted by them;
- c) Within 15 (fifteen) days, reviews the submitted bids, verifies the documentation submitted via the *e-Albania* electronic platform or through inter-institutional communication and interaction, as defined in the order of the executive, and evaluates with points each competition element, as defined in the order of the executive. The entity, which presents the highest proposed value, is given the maximum points of each competition element, while for the other entities, the points are calculated in a proportionate

manner to the highest proposed value. In the end, the competitors are ranked on the basis of the amount of points obtained.

If the data result to be different from the data of the documentation submitted in the form of self-declaration in the competition, the entity is automatically disqualified, whereas the procedures continue with the entity classified in the second place.

The methodology for the evaluation of competition criteria is anticipated in the instructed to be issued in execution of Decision no. 54, dated 5.2.2014, of the Council of Ministers, “On the determination of criteria, procedure and method of leasing, emphyteusis or other contracts of state property”, as amended.

- c) submits, within the deadline set out in letter “c” of this point, to the head of the state institution who has the right to conclude a lease or emphyteusis contract, information on the development of the competition, along with the minutes of the competition and the list of the competitors, ranked according to the points obtained.

10. The head of the institution, who has the right to conclude a lease or emphyteusis contract, decides on the winning entity in the competition. When more than one competitor participates in the competition, the announcement of the winner is placed in the notification section of the respective institution.

11. Competitive entities, within 5 (five) working days from the announcement of the winning entity, have the right to appeal to the head of the institution, who returns a written reply to the complainant within 10 (ten) working days.

12. After completing the aforementioned procedures, procedures for drafting and signing the lease or emphyteusis contract start.

13. When the winning entity is withdrawn, the contract award procedures continue with the entity classified in the second place.

14. Before signing the lease or emphyteusis contract, the lessee or emphyteusist is obliged to pay the contract security, which is equal to the value of three months of the lease or the emphyteusis payment. The guarantee is maintained until the end of the contract and is returned to the tenant or the emphyteusist at the end of the contract.

The return of the contract security is made after all contractual obligations have been settled. If the contract is solved by the tenant or the emphyteusist, for reasons that the lessor or the issuer cannot hold responsibility, the guarantee is held as a penalty.

15. In cases when state property is not registered under the administration of any state institution, state company or enterprise, the ministry responsible for the economy leases it according to the procedures set out in this decision. In these cases, the documentation specified in point 1 of this chapter is prepared by the branch of public companies in the relevant prefecture.

16. For state properties for which the privatization procedure has been completed and are not sold, but

have been transferred to the Property Restitution and Compensation Agency² as a physical compensation fund for former owners when there is a demand for their development through the performance of investments, the ministry responsible for the economy carries out the procedures for transferring another property of equal or greater value to the physical compensation fund and asks this agency to return the documentation of the requested property and remove it from the list of the physical compensation fund. The removal from the list of the physical compensation fund is made with the same form of act that introduction into this fund has been made. In these cases, the ministry responsible for the economy carries out the procedures for giving this property in use in accordance with the procedures provided for this decision.

III. MINIMUM TARIFFS AND AMOUNT FOR STATE PROPERTIES GIVEN ON LEASE OR EMPHYTEUSIS

(Added by Decision No. 735, dated 5.11.2014)

(Added by Decision No. 445, dated 20.05.2015)

(Amended by Decision No. 606, dated 31.8.2016)

1. For state properties given on lease or emphyteusis, the minimum amount of monthly liability as a sum of the monthly rent amount for the building and the functional area given on lease or emphyteusis, calculated as follows hereunder:

- a) For the buildings (they are called such according to the stipulations in the legal and sub-legal acts in force in the field of territory planning), the minimum fees of monthly lease are according to the fees stipulated in Annex "A" attached to this decision;
- b) For the functional area, the minimum fee of the monthly rent is 20 percent of the minimum fee of the monthly liability, determined for buildings. The land under the building (object) is included in the fee of the building rent.
- c) For fruitless lands, according to the definition of Law No. 8752, dated 26.3.2001, "On the establishment and functioning of structures for land administration and protection", as amended, the minimum fees of the monthly rent are the same with those for agricultural lands.

2. When free land is given on lease, thus when only land is given on lease or emphyteusis, the minimum tariff of monthly rent is 100 ALL/m².

3. For the properties of state institutions or state companies of national character (cultural, historic, museum, archaeological, announced such through legal acts, the minimum fee of the monthly liability, determined above, is multiplied by 2 (two).

4. When the building is with two or more floors, for effect of the calculation of the monthly rent, it will be taken into consideration the area of each floor.

5. For the determination of the value of the monthly rent, for movable properties (machineries, equipment, technological lines, machineries and equipment in mine galleries, etc.), which are leased, the state institution,

² According to Decision No. 141, dated 13.3.2018, this denomination is substituted by the words "the institution responsible for property restitution and compensation".

the state enterprise or company that has the property under administration, determines the amount of the annual lease, which is 1/10 of the CMV (current minimum value), calculated as the difference of the accountable initial value minus amortization in years, based on Decision No. 401, dated 23.10.1989 of the Council of Ministers (part for investments), multiplied by the index of prices of the relevant month, published by INSTAT.

6. For voluminous facilities, such as: reservoirs, deposits and silos, leased for commercial purpose inside the border lines of the cities: Tirana, Berat, Durrës, Fier, Korçë, Lushnja, Pogradec, Saranda, Shkodra, Elbasan, Vlora, Gjirokastra, Kavaja, Kruja, Laç, Lezha, the minimum tariff of the lease is 400 ALL/m³ per month, while outside the border lines of the above-mentioned cities and in all the other areas, the lease fee is 200 ALL/m³ per month.

7. For sports terrains, determined as such by legal acts and where a sports activity shall take place, the minimum tariff of the monthly rent is 10 ALL/m² per month.

8. For properties under the administration of the Government Service Directorate, the minimum tariffs of the monthly lease shall be according to table "B", attached to this decision. The Government Service Directorate for the premises of the Palace of Congress, in special cases, applies fees other than those provided above, upon the approval of the Council of Ministers.

9. For tunnels and accommodations leased, the floor tariff of the monthly liability determined in Annex "A", attached to this decision, is divided by 5.

10. For functional or free areas (land) that are given on lease or emphyteusis for the construction of the terminals of transport means, the minimum fee of the monthly rent is 20 (twenty) ALL/m².

IV. BUSINESS PROMOTION

(Amended by Decision No. 606, dated 31.8.2016)

(Amended by Decision No. 141, dated 13.3.2018)

1. For facilities given on lease or emphyteusis, with areas of greater than 200 m², the value of the monthly liability is recalculated with deduction, when the entity that has taken on lease or emphyteusis, certifies through the approved accounting expert, that in its annual financial accounts has made investments in the property taken on lease or emphyteusis for its improvement, and for the purchase and installation of lines, machineries and equipment in the values, as follows hereunder:

- investments over ALL 50 million, deduction is 10%;
- investments over ALL 80 million, deduction is 20%;
- investments over ALL 100 million, deduction is 30%;
- investments over ALL 150 million, deduction is 40%.

2. Deduction of the monthly liability from the realization of investments is valid until the end of the term of the lease or emphyteusis contract.

3. At the request of the tenant, for justified cases, the lessor may review the indicators and terms of the business plan during the performance of the contract and amend them in agreement between the parties, without amending the substantive/special conditions set out in competition, and when only one bidder was participating in the competition. In these cases, the agreement is accompanied by the relevant changes to the business plan and contract. The specifications for the cases and the procedures for amending these contracts are made by an instruction of the Minister responsible for the economy.

V. CONTRACTS WITH THE SYMBOLIC FEE OF 1 EURO PER CONTRACT

(Amended by Decision No. 735, dated 5.11.2014)

(Added by Decision No. 445, dated 20.05.2015)

(Amended by Decision No. 606, dated 31.8.2016)

(Amended by Decision No. 141, dated 13.3.2018)

1. State properties, with an area greater than 500 m², are given to third parties on a lease contract as well, with a symbolic fee of 1 (one) euro/contract, upon the decision, on a case-by-case basis of the Council of Ministers.

2. When, after the end of the competition procedures, it results a winning entity who proposes that in the state property that is leased, one of the following activities will be developed:

- a) production activities, with investment level of over ALL 300 000 000 (three hundred million);
- b) active processing of goods, which will provide no less than 50 job positions;
- c) agribusiness activities, such as: collection, processing and sale of agricultural or farming products, with investment levels over ALL 100 000 000 (one hundred million);
- ç) activities in the field of education, media with investment levels over ALL 200 000 000 (two hundred million).
- d) activities for construction, maintenance service, deconstruction of vessels with investment levels over ALL 500 000 000 (five hundred million).

The institution developing the procedure and exercising the right of the representative of the state owner for state property, proposes to the Council of Ministers to approve entering into the lease contract, not with the winning price, but with the symbolic price of 1 (one) eur/contract. The proposal is followed by the draft contract negotiated between the parties. In cases when the proposal comes from the local government bodies, the proposal at the Council of Ministers is made by the responsible ministry for the local government.

3. The ministry responsible for the economy proposes at the Council of Ministers the lease of state property without competition and with the symbolic price of 1 (one) euro/contract, when with through an “undemanded” offer there is a proposal for the development of special areas, by investing amounts over ALL 100 000 000 (one hundred million), with the purpose of establishing organized social centers affecting the solution of social problems or for the exercise of activities in the field of sports or culture or in the field of tourism or cultural heritage.

4. Before signing the lease contract, with a fee of 1 euro/contract, the tenant is obliged to make the payment of contract security, in the amount of 2 (two) percent of the investment value undertaken in the competition. The security is returned after the termination of the investment.

5. In the contract with the fee of 1 euro/contract, sanctions are set when the tenant does not realize its conditions. Based on the contract provisions, for each unopened workplace, as an annual average, the tenant entity is penalized by ALL 50 000 (fifty thousand). For the non-realization of the investment value anticipated in the contract, the tenant entity is penalized with 10 percent of the unrealized investment value. This sanction shall be set after the submission of annual financial statements certified by the approved accounting expert. If after 6 (six) months of investment it is not realized, the contract is dissolved unilaterally by the tenant institution, keeping the contract security.

6. Lease contracts entered after the issuance of this decision, where production activity with “Fason” regimen is realized, shift into contracts with symbolic fee of 1 (one) euro/contract, after the issuance of this decision, maintaining as contract security that of the lease contract. Specifications for the cases and procedures for the change of these contracts shall be made with the instruction of the minister responsible for the economy.

7. In cases when the tenant, during the development of the activity, meets the conditions expressed in point 2 of chapter V of this decision, after all the conditions provided in the basic contract have been met in the basic contract, then the leasing entity proposes to the Council of Ministers the transfer of the contract into a contract with a symbolic fee of 1 euro, keeping the lease contract as a a contract security. Specifications for the cases and procedures for the change of these contracts are made with the instruction of the minister responsible for the economy.

VI. MONITORING OF CONTRACTS

(Added by Decision No. 735, dated 5.11.2014)

(Amended by Decision No. 445, dated 20.05.2015)

(Added by Decision No. 299, dated 20.4.2016)

(Amended by Decision No. 606, dated 31.8.2016)

(Amended by Decision No. 693, dated 5.10.2016)

1. Monitoring of lease and emphyteusis contracts is governed by the body that has entered into the lease and emphyteusis contract. Monitoring is made by monitoring units that are the state institutions, trade companies and former state enterprises that have under administration the objects given on lease or emphyteusis, and from branches of public companies at prefectures.

2. The monitoring unit of lease or emphyteusis performs the following duties:

- a) after entering into the contract of lease or emphyteusis, it makes the handing over to the tenant or emphyteusis-receiver by minutes of the object described in the contract, according to the respective genplan. The minutes clearly describes the physical status of the property, the accounting value of the object that is given on lease or emphyteusis, according to the financial accounts at the end of the previous year and is accompanied by

photographic images of the moment.

- b) when the term of the contract is over or when the contract is dissolved before the term, it takes over, by minutes, the object it has under administration.
- c) follows up continuously the compliance with the conditions of the lease and emphyteusis contracts and every 6 (six) months drafts acts with the leaseholder and emphyteusis entities.
- ç) delivers to the branch of public entities, at the prefecture, a copy of the contracts entered according to letters “a” and “b” of point 6 of chapter I, followed by a copy of the genplan of the object leased.
- d) for each contract entered, at the end of the first six months, within the date of 15 July, and at the end of the year, within the date of 20 January, the monitoring unit delivers to the branch of public entities, at the relevant prefecture, a detailed report for their progress, confirmed for the payments from the treasury branches of the respective district.
- dh) for each change in leases and emphyteusis or release from these rights, step by step, this unit immediately notifies about the changes the branch of public entities at the respective prefecture, which makes the changes in the register set up.
- e) for contracts entered according to letter “b” of point 6 of Chapter I of this decision, every three months delivers to the body that has entered the lease contract or emphyteusis, the relevant report for the realization of settlements for the liabilities of monthly rent and other indicators of the contract, followed by the settlement document in and any other valid documentation.

3. The branches of public entities at prefectures, for monitoring the lease and emphyteusis contracts, perform these duties:

- a) After having received the data from the monitoring units of lease and emphyteusis contracts, according to point 2 of this chapter, create the register for use of public property by third parties and the data for the income from the use of public property.
- b) Based on the data of the register, they make the summary as a prefecture, within the month of July, for the data of the first six months and within the month of January of the following year, for the annual summary and they deliver it to the ministry responsible for economy.
- c) The ministry responsible for economy makes the summary at country level and delivers a copy of it to the Ministry of Finance, within the month of August, the 6-month summary and, within the month of February, the annual summary.
- d) For lease contracts entered according to letter “a” of point 6 of chapter I of this decision, after having received the data from administrative units, they are entitled to intervene in cases when irregularities are observed in drafting the contract.

4. The entity, which has entered the lease contract, may appeal the fines/penalties provided in the contract or in this decision. The head of the institution, who has entered the contract within 30 days from the date of appeal receipt, has the right to decide:

- a) upholding of fines/penalties and rejection of the appeal;
- b) repeal/revocation of fines/penalties;
- c) change of the act, partially accepting the appeal on rejecting fines/penalties.

5. In cases when the contract is entered with natural persons and they have undertaken or have made investments at levels that, based on legislation, should exercise activities as legal persons, the body that has entered into the contract makes the relevant change in the contract.

6. In cases when the same “tenant” entity, which possesses two or more lease contracts for area over 500 m², with the same object of activity and geographically at boundaries with one-another, requires the merger of contracts, the body that has entered the contract makes their merger into only one, maintaining the lease amount, the investment value, the number of employees and all the obligations of the contracts that are merged. As the date of the new merged contract completion shall be taken the date of the first contract. In cases when the tenant entities, that possess lease contracts with an area over 5000 m², require the division of the contract into smaller contracts, due to the addition of activity or for a better management of investments and their addition to the property leased, substantiated with their relevant business plans, the body that has entered the contract makes its division into two parts, but not in an area smaller than 1000 m². Genplans, following each contract, are prepared according to the determinations in letter “ç”, of point 1, of Chapter II, of this decision.

7. In cases when the lease contracts, entered before the entry into force of Law No. 7850, dated 29.7.1994, “Civil Code of the Republic of Albania”, the state lessor party had been represented in the contract by several institutions, the institution that shall represent the lessor and shall be responsible for monitoring and/or change of the contract shall be the state institution that has benefitted the lease throughout the duration of the contract or, if there was more than one state institution, which benefitted the lease, the institution which currently benefits the lease.

8. In cases when the lease contracts have been entered before the entry into force of Law No. 7638, dated 19.11.1992, “On trade companies”, the tenant is entitled to transfer the lease contract of a legal person where the tenant is a shareholder or partner.

The institution responsible for monitoring the lease contracts, according to point 8 above, notifies the ministry responsible for economy about the transfer made, according to this paragraph, and for all the other cases related to monitoring, according to Chapter VI of this decision.

9. In cases when the lease or emphyteusis receiver for the non-settlement of the liabilities provided in the contract is required to dissolve the contract, in case of immediate settlement of these relevant liabilities and penalties set, upon the request of the administrative unit of state property taken on lease or emphyteusis, the minister responsible for economy is entitled to revoke the act of contract dissolution issued by him.

10. The responsible institution, a party in the lease or emphyteusis contract, upon the request of the other entity, party under this contract, decides for the cessation of obligations related to the payment of the lease amount, for the cessation of penalties determined in the contract, for the extension of contractual terms or for the restructuring of the whole contract, for the period when the violation of the 1-month term is noted for handing over the state property that is leased, for the period when the parties had been in administrative or judicial conflicts, related to the validity of the lease or emphyteusis contract or when, the real impossibility of the tenant is noted regarding the possession, smooth enjoyment of state property taken on lease or emphyteusis. This provision is applied to all lease or emphyteusis contracts in force.

VII. DISTRIBUTION OF REVENUES
(Added by Decision No. 735, dated 5.11.2014)

1. The revenues, which are created by the contract of leases entered for properties with an area up to 200 m², are divided as follows hereunder:

- 30 percent, state budget;
- 70 percent, the state enterprise or company that has in administration the object leased.

2. The revenues, that are created by the lease contracts entered in state enterprises and companies, where the local power is in the quality of the representative of the state property's body, are divided as follows hereunder:

- 50 percent, the local government body which exercises the right of the representative of the state property's body;
- 50 percent, the state enterprise or company that has in administration the object leased.

3. The revenues, which are created by the contract of leases entered at state enterprises and entities with 100 percent state capital, where the ministry responsible for economy exercises the right of the representative of the state property's owner, are divided as follows hereunder:

- 30 percent, the ministry responsible for economy which exercises the right of the representative of the state property's owner, which are used for the coverage of expenses of entities with 100 percent state capital, resulting with financial difficulties;
- 70 percent, the state enterprise or company that has in administration the object leased.

4. The revenues, which are created by the lease or emphyteusis of objects with national (cultural, historic, museum, archaeological) character, are divided as follows hereunder:

- 10 percent, state budget;
- 90 percent, the state institution that has in administration the object leased.

5. The revenues, which are created by the lease of the properties of universities and higher education schools, pursuant to Law No. 9741, dated 21.5.2007 "On higher education in the Republic of Albania", as amended, are divided as follows hereunder:

- 10 percent, state budget;
- 90 percent, the institution.

6. The revenues that are created by the lease or the emphyteusis of properties in the administration of the Government Service Directorate and Port Authority, Durrës, the companies of students' treatment, to be used by them in order to cover own expenses.

7. The revenues, which are created by the lease or emphyteusis of properties in state institutions, are settled to the state budget.

8. State enterprises and entities, after settling in the budget, according to the above stipulations, the revenues created by the lease or emphyteusis of properties in their administration, use the remainder for

the following:

- in order to cover the expenses for salaries and social insurance;
- for investments, only upon the approval of the minister responsible for economy.

VIII. VALIDITY OF CONTRACTS

(Amended by Decision No. 141, dated 13.3.2018)

1. The contracts of lease or emphyteusis are valid until the end of their term. When the state institution, enterprise or entity, which has leased or given in emphyteusis premises of with areas of more than 500 m², is sold before the termination of the contract's term, in the publication for their sale it is notified the existence of lease or emphyteusis contracts entered at this object, and the amount of the investment made by the entity that has taken on lease or emphyteusis. The purchaser is obliged to comply with the conditions of the contract up to the termination of its term.

2. In cases when the contract provides the dissolution of the lease or emphyteusis contract, when the state property goes through a privatization procedure, the lease contract is automatically dissolved on the date when the selling entity authorizes the sale of property.

3. For the land given for use to third parties based on a lease or emphyteusis contract, known and returned to the owner pursuant to Law No. 9235, dated 29.7.2004 "On property return and compensation", as amended, when the building in the ownership of the state owner is not used for public interest, the state is obliged to pay to the expropriated entity the land included in the lease or emphyteusis contract, for which it is recognized as the owner, according to the value determined in the contract entered.

The amount of the land lease which passes to the owner shall be the lease amount of the functional free land with the lease amount of the land under the building. The lease per m² of the functional land shall be according to the tariff applied in the contract. The lease per m² of the land under the building, which is in the contract is included in the building's lease fee, shall be calculated 20 percent of the lease fee for the building determined in the contract.

The request is deposited at the body that has in administration the state property given on lease or emphyteusis, which makes the confirmation of the returned area according to the decision of the Property Restitution and Compensation Agency and the relevant area given on lease or emphyteusis, through their overlapping. Following this procedure, this body delivers the practice to the body that has entered the lease or emphyteusis contract, for entering the agreement with the owners for the provision of land lease.

This procedure does not apply when the property is part of the capital of state trade companies.

The amount of land lease is transferred to the owner, according to the above procedures, when the investment made by the entity, which has taken on lease or emphyteusis, is under 150 percent of the land value, at the request of his expropriated owner.

4. In the lease and emphyteusis contracts, entered for properties where the land area is above 500 m², in cases when the lease or emphyteusis receiving company has made investments in conformity with the business plan and in the amount of over 150 percent of the land value, and when the company has complied with the contract conditions, contracting entities that have consumed over 5 years of the contract, have the right for direct privatization of the contract's object, according to the legislation in force.

The head of the institution, who has entered into the lease or emphyteusis contract, orders the set-up of the group for the evaluation of the investments made, consisting of one licensed appraisal expert and one authorized accounting expert³, who draft the report for the evaluation of the investments made by the lease or emphyteuse receiving company for the period from the entry into contract until the balance sheet of the last exercise year approved. In cases when the object, before entering into the lease or emphyteusis contract, is used on lease by the same entity, with the same purpose, but with contracts with smaller terms, the experts of investment evaluations, in drafting the relevant report include the investments made by this entity during that period.

Upon receipt of experts' report, the responsible directorate for monitoring the lease or emphyteusis contracts makes the comparison of the land value determined according to the price stipulated in compliance with the legal and sub-legal acts in force, with the value of investments made at the object, according to the report of experts and submits it to the minister. When the value of investments is over 150 percent of the land's value, the minister approves the commencement of procedures for direct privatization of the object.

In cases when for the property, object of the lease contract, the right of exercise of the state property's representative is exercised by the local power, then this body of the local power that has entered into the contract, conducts the process of evaluation of investments made by the entrepreneur is over 150 percent of the land's value, according to the above procedures, and, then, forwards it to the relevant ministry for economy with the proposal for direct privatization of that property.

Payment of experts, drafting the evaluation report of the investments made by the tenant shall be 100 000 (one hundred thousand) ALL for each expert and, for each case, it is ordered the head of the ordering institution of the mission for the evaluation of investments.

5. In cases when the conditions have been met for direct privatization, as per above, and the objects given on lease or emphyteusis are part of the capital of state entities, before the start of privatization procedures, is made their deduction by the capital of state entity.

IX. GENERAL PROVISIONS

(Amended by Decision No. 141, dated 13.3.2018)

1. Decision No. 529, dated 8.6.2011 of the Council of Ministers "On the determination of criteria, procedure and method of leasing, emphyteusis or other contracts of state property", and acts in its implementation, are repealed.

2. The Ministry of Economic Development, Trade and Entrepreneurship⁴, line ministries and central institutions and local government bodies shall be responsible for the implementation of this decision.

3. The Ministry of Economic Development, Trade and Entrepreneurship to be in charge for the issuance of the instruction for the implementation of this decision.

³ According to Decision No. 141, dated 13.3.2018, throughout this decision, the denomination "authorized accounting expert" is replaced by the "authorized accounting expert".

⁴ According to Decision No. 141, dated 13.3.2018, the denomination "Ministry of Economic Development, Trade and Entrepreneurship" is substituted by the words "... ministry responsible for economy ...".

This decision shall enter into force after its publication in the Official Journal.

PRIME MINISTER
Edi Rama



TABLE A
MINIMUM FEES OF MONTHLY RENT FOR BUILDINGS ACCORDING TO DISTRICTS
(Amended by Decision No. 992, dated 9.12.2015)

NO.	DISTRICT	TERRITORIAL SPECIFICATION	MINIMUM TARIFF
1.	Tirana	In the city of Tirana.	300
		Outside the city of Tirana.	150
2.	Berat	In the city of Berat.	100
		Outside the city of Berat	50
3.	Dibër	In the city of Peshkopi	75
		Outside the city of Peshkopi	50
4.	Durrës	In the city of Durrës	200
		Outside the city of Durrës	150
5.	Elbasan	In the city of Elbasan	150
		Outside the city of Elbasan	75
6.	Fier	In the city of Fier	150
		Outside the city of Fier	100
7.	Gjirokastra	In the city of Gjirokastra	75
		Outside the city of Gjirokastra	50
8.	Korça	In the city of Korca	150
		Outside the city of Korça	75
9.	Kukës	In the city of Kukës	75
		Outside the city of Kukës	50
10.	Lezha	In the city of Lezha	150
		Outside the city of Lezha	100
11.	Shkodra	In the city of Shkodra	150
		Outside the city of Shkodra	100
12.	Vlora	In the city of Vlora	200
		Outside the city of Vlora	100

TABLE B
TABLE OF MONTHLY RENTAL FEES FOR THE PROPERTIES UNDER THE ADMINISTRATION OF THE
GOVERNMENT SERVICE DIRECTORATE

(Amended by Decision No. 606, dated 31.8.2016)

(Amended by Decision No. 693, dated 5.10.2016)

The minimum monthly fees for villas and objects shall be:

No.	Villas and objects	Measurement unit	Including equipment/furniture	No equipment/furniture	Basement	Garden	Garage
1	Super category	ALL/m ²	1.800	1.500	300	150	
2	Extra category	ALL /m ²	700	500	150	150	
3	Category I	ALL /m ²	600	400	150	150	
4	Category II	ALL /m ²	500	300	150	150	
5	Category III	ALL /m ²	400	200	150	150	
6	Category IV	ALL /m ²	200	150			200

The minimum rent fees for the premises of the Palace of Congress shall be:

Table B

The minimum rental fees for the premises of the Palace of Congress shall be:

No.	Denomination	Measurement unit	Fees without VAT
I	Office Rentals		
A	Including equipment/furniture	ALL/m ² /month	2,000
B	No equipment/furniture	ALL/m ² /month	1,500
II	Room/Hall Rentals for 8 hours (1 days)		
A	Hall of Concerts for 1 day of activity	ALL	450,000
A/1	Hall of Concerts for one day of assemblage or disassemblage	ALL	112,500
B	Hall A, floor 0 (<i>underground</i>) area 447 m ²	ALL	80,000
C	Hall B, floor 0 (<i>underground</i>) area 243 m ²	ALL	40,000
D	Conference Room A, floor 2	ALL	80,000
E	Conference Room B, floor 2	ALL	60,000
F	Small (Oval) Room A, floor 1	ALL	45,000
G	Small (Oval) Room B, floor 1	ALL	45,000
G/1 *	Monthly fee for small (Oval) Rooms A, B, floor 1		
H	Press Conference at minimum 1 hour	ALL/hour	13,500
III	Hall Rentals for 8 hours (1 day)		
A	Hall quote 0	ALL/m ² /day	100
B	Hall quote 1	ALL/m ² /day	300
C	Hall quote 2	ALL/m ² /day	250
D	Hall quote 3	ALL/m ² /day	250

*G/1) When small oval rooms are demanded to be rented monthly from organizations that support development projects in Albania for periods longer than three months, the monthly rental fee of the hall will be not less than 20% of the daily fee sum, which means not less than 270,000 (two hundred and seventy thousand) ALL per month. This is made with the approval of the Head of Government Service Directorate.

Note.

- Except the Hall of Concerts, all the other rooms/halls may be rented for 4 hours and the amount is deducted to ½ of the amount of one day.