



UNIVERSITÀ DEGLI STUDI  
DI SALERNO

THE IMPACT OF EU COMMERCIAL LAW ON THE ECONOMIC  
TRANSFORMATION OF ALBANIA: A LEGAL ANALYSIS OF BUSINESS  
ENVIRONMENT AND THE ESTABLISHMENT OF LEGAL ENTITIES

MASTER'S THESIS

ANDREA KOKOMECCI

EPOKA UNIVERSITY

FACULTY OF LAW AND SOCIAL SCIENCES

DEPARTMENT OF LAW

SALERNO, ITALY

May 2023

THE IMPACT OF EU COMMERCIAL LAW ON THE ECONOMIC  
TRANSFORMATION OF ALBANIA: A LEGAL ANALYSIS OF BUSINESS  
ENVIRONMENT AND THE ESTABLISHMENT OF LEGAL ENTITIES

ANDREA KOKOMECI

Thesis Submitted in Fulfillment of Requirement for the  
Degree of Master of Science in Law

EPOKA UNIVERSITY

2023

## APPROVAL PAGE

**Student Name & Surname:** Andrea Kokomeci

**Faculty:** Faculty of Law and Social Sciences

**Department:** Law

**Thesis Title:** The Impact of EU Commercial Law on the economic transformation of Albania: A legal analysis of business environment and the establishment of legal entities

**Date of Defense:** 18.07.2023

I certify that this final work satisfies all the requirements as a Master Thesis for the degree of Master of Science in Law.

.....

**Head of Department**

This is to certify that I have read this final work and that in my opinion it is fully adequate, in scope and quality, as a Master Thesis for the degree of Master of Science in Law.

.....

**Supervisor**

### **Examination Committee Members**

Title / Name & Surname

Affiliation

Signature

# **THE IMPACT OF EU COMMERCIAL LAW ON THE ECONOMIC TRANSFORMATION OF ALBANIA: A LEGAL ANALYSIS OF BUSINESS ENVIRONMENT AND THE ESTABLISHMENT OF LEGAL ENTITIES**

## **ABSTRACT**

This thesis examines the transformative impact of EU commercial law on Albania's market, specifically focusing on business environment and the establishment of legal persons. It explores the legal framework, challenges, and effects of EU commercial law on competition dynamics and business establishment practices in Albania.

The research highlights the alignment of Albanian legislation with EU regulations, facilitating cross-border investment and economic integration. It emphasizes the role of EU competition law in fostering competition, innovation, and investment, with the Albanian Competition Authority playing a crucial role in ensuring fair competition. The thesis also analyzes the impact of EU commercial law on corporate governance, shareholder rights, and mergers and acquisitions, enhancing transparency and investor protection. It discusses the challenges associated with cross-border transactions and the need for ongoing efforts to strengthen institutions and enforcement mechanisms. Through case studies and examples, the research illustrates the transformative effects of EU commercial law on Albania's market.

It acknowledges challenges such as institutional capacity, political interference, economic disparities, and public awareness, emphasizing the importance of continuous improvements. Overall, this thesis provides valuable insights for policymakers, legal practitioners, and businesses navigating the evolving landscape of commercial law in Albania.

## ACKNOWLEDGEMENTS

I would like to express my heartfelt appreciation to the individuals who have contributed significantly to my academic journey and the completion of this thesis on EU commercial law and its impact on Albania's market.

First and foremost, I extend my deepest gratitude to my thesis advisor, Prof. Teresa Russo and for the assistance of Prof. Stefano Busillo. Their guidance, expertise, and support have been invaluable throughout this research. Their mentorship and scholarly insights have shaped the direction and quality of this thesis.

I am grateful to the esteemed faculty members of Law and Social Sciences for their commitment to excellence in my legal education. Their dedication to fostering a stimulating academic environment and their rigorous teachings have significantly contributed to my intellectual growth. Among others, I would like to mention Dr. Niuton Mulleti, Dr. Gentjan Skara, Dr. Mariana Semini.

I would like to express my profound appreciation to my family for their unwavering support, love, and encouragement throughout my academic journey. Their belief in my abilities and their sacrifices have been the driving force behind my accomplishments. I thank especially my sister, without the support of whom these five years would have been rather difficult. I am forever grateful for their constant presence and motivation. In addition, I wish to acknowledge the friendships and camaraderie of my friends and colleagues.

To all those mentioned above, as well as any others who have played a role in my academic journey, I am honored and deeply thankful for your guidance, support, and encouragement.

Andrea Kokomeci

## **DECLARATION**

I hereby declare that this Master's Thesis, titled Eu Commercial Law and Market Transformation in Albania: A Legal Analysis of Commercial Enforcement and The Establishment of Legal Persons, is based on my original work except quotations and citations which have been duly acknowledged. I also declare that this thesis has not been previously or concurrently submitted for the award of any degree, at Epoka University, any other university or institution.

.....

Andrea Kokomeci

Date:30.06.2023

## Table of Contents

Curriculum Vitae .....	1
INTRODUCTION .....	2
CHAPTER I.....	6
"The impact of EU Legislation on Albania’s Commercial Sector” .....	6
1. The need to a functional market economy as accession criteria .....	6
2. The impact of EU commercial, Competition and Corporate Law .....	7
3. A brief overview of Albania’s Commercial Sector following the accession process .....	13
CHAPTER II.....	15
"Legal Convergence and Market Dynamics: Examining the Impact of EU-Related Laws on Albania's Commercial Sector" .....	15
1. Harmonization of laws: .....	15
2. Market access and trade: .....	16
3. Intellectual property rights: .....	18
4. Consumer protection: .....	19
5. Cross-border transactions and investments: .....	20
6. Dispute resolution mechanisms:.....	21
CHAPTER III .....	23
"Balancing Competition and Challenges: Exploring the Influence of EU Competition Law on Albania's Business Landscape" .....	23
1. Harmonization of Competition Laws in Albania: .....	23
2. Promoting Competition in Albania: .....	24
3. Challenges and Regulatory Compliance: .....	24
Agreements Restricting Competition : .....	25
Abuse of Dominant Position: .....	26
Control on Concentrations:.....	26

4. Telecommunications, Energy and Banking Sector Cases: .....	27
6. Opportunities and Recommendations: .....	28
CHAPTER IV .....	31
" Harmonizing Corporate Governance: The Integration of EU Standards into Albania's Legal Framework" .....	31
1. Legal framework for corporate governance: .....	31
2. Forms of Operations:.....	35
3. Shareholder rights and protection: .....	37
4. Mergers and acquisitions:.....	39
5. Corporate compliance and reporting obligations: .....	40
6. Insolvency and restructuring: .....	41
CONCLUSIONS: .....	43
The Path for Albania's Integration into The Eu Market.....	43
References:.....	45



## LIST OF ABBREVIATIONS

1. EU	European Union
2. EC	European Commission
3. EEA	European Economic Area
4. WTO	World Trade Organization
5. EUPL	European Union Public License
6. ECHR	European Convention on Human Rights
7. EFTA	European Free Trade Association
8. ACA	Albanian Competition Authority
9. FDI	Foreign Direct Investment
10. SMEs	Small and Medium-sized Enterprises
11. M&A	Mergers and Acquisitions
12. IP	Intellectual Property
13. CSR	Corporate Social Responsibility
14. CFI	Court of First Instance
15. CJEU	Court of Justice of the European Union
16. DG	COMP Directorate-General for Competition (EU)
17. GDPR	General Data Protection Regulation
18. NCA	National Competition Authority
19. MS	Member State(s)
20. NBC	National Business Center
21. VAT	Value Added Tax



# ANDREA KOKOMECI

## CAREER GOALS

*"My professional approach is geared towards globalization and all that it involves growing and learning in different environments, while demonstrating a high level of ethics."*

## CORE STRENGTHS

- Oratory
- Public Relations
- Salesman
- Graphic Design
- Proficient work under stress
- Perfectionist, Persistent
- Strong Communication Skills
- Dedicated

## CONTACT DETAILS:

Telephone: +355685204312

Email: [Andreakokomeci4@gmail.com](mailto:Andreakokomeci4@gmail.com)

Salerno, Italy

## EMPLOYMENT HISTORY

### **Deloitte** PARALEGAL

*Working together with the Senior Associates on legal consultancy services, litigation procedures and administrative ones. Providing legal services for international corporations and assisting Senior Managers on day-to-day basis.  
Trained by Deloitte as a Corporate Attorney on weekly basis.*

### **Ceci-Corp Attorneys** PARALEGAL to the CEO

*Handling international and national legal cases. Working under the mentorship and assisting the CEO of the law firm. Drafting legal documents, statements and responses. Following up on litigation procedures and administrative ones. Mostly handling Finnish Law Cases, and assisting the Albanian office when needed together with consultancy on national clients be that natural or legal persons but most of the work is done for the international offices in the EU.*

### **Red Bull International** SBM- BRAND MANAGER

*Planning and executing marketing-related projects to understand and interact with consumers. Gathering data on business partners, managing given locations and working on events. Managing small-scale projects.*

### **Philip Morris International- Inter Distribution Services** SALES EXPERT

*Co-working on a marketing plan regarding the company's products, sale work, explaining and being devoted to the customer via day-to-day interactions, and achieving a high-end product. Identify and understand adult consumers and address their needs.*

## ACADEMIC HISTORY & TRAINING

### **University of Salerno & Epoka University**

JURISPRUDENCE, LAW& JUSTICE

- Completed Masters of Law degree with a strong academic performance.

### **Qemal Stafa High School**

ELECTED AS THE PRESIDENT OF THE STUDENT COUNCIL

**-Chosen as a representative of Albania in the 89th International Session of European Youth Parliament Yerevan 2019**

-Chairing as an Albanian representative in EU Austria.

-Finalist in Arnisa National Session of European Youth Parliament

-Trained in leadership, organizing and social skills

-Psychology course regarding a 3-year long bachelor-oriented program

## INTERESTS & SKILLS

-Good organizational skills gained as the President of Student Council, responsible for booking speakers and promoting events.

-Organizing and managing school activities

-Good team-leading skills gained as leader of summer camp groups, co-working on the European Youth Parliament

-Leading debate group to the finals

-My clinical psychology course has trained me in the science of interacting and understanding human behavior.

## INTRODUCTION

The integration of Albania into the European Union (EU) has set in motion a profound transformation in the country's legal framework and market dynamics. In this thesis, I delve into the impact of EU commercial law on Albania's market. With a keen focus on business environment and the establishment of legal persons, my aim is to conduct a comprehensive legal analysis that sheds light on the intricate relationship between EU commercial law and the ongoing market transformation in Albania.

For this thesis, it is crucial to address the factors that have triggered the transformation of the Albanian market. One significant trigger (besides leaving behind the Communist Regime) is the Accession Process of Albania towards the European Union (EU). This process encompasses several stages and agreements that have shaped Albania's journey towards EU integration.

Application and Feasibility Study (2009-2010): In April 2009<sup>1</sup>, Albania formally submitted its application for EU membership. The European Commission conducted a feasibility study to assess Albania's readiness to start the accession negotiations. Albania's stabilization and association agreement has been ratified, and it entered into force on 1 April 2009.<sup>2</sup>

Candidate Status (2014): In June 2014<sup>3</sup>, the European Council granted Albania the official status of a candidate country for EU membership. This decision acknowledged Albania's progress in implementing democratic reforms and meeting the political criteria for accession.

Opening of Accession Negotiations (2018): In March 2018<sup>4</sup>, the European Council authorized the opening of accession negotiations with Albania. This marked a significant step forward, indicating the EU's commitment to Albania's integration process.

Screening Process (ongoing): Following the opening of accession negotiations, Albania is undergoing a screening process in which the European Commission assesses the country's alignment with the EU *acquis Communautaire* - the body of EU laws and regulations. The

---

<sup>1</sup> COM/2010/0680 final – Commission Opinion On Albania's Application For Membership Of The European Union

<sup>2</sup> Official Journal of the European Union, L 107, 28 April 2009

<sup>3</sup> Council conclusions on Albania General Affairs Council meeting Luxembourg, 24 June 2014, paragraph 1.

<sup>4</sup> Council conclusions on enlargement and stabilisation and association process, 26 June 2018, paragraph 54.

screening process involves analyzing the compatibility of Albanian legislation and institutions with EU standards.

Chapters and Negotiation Framework<sup>5</sup>: The accession negotiations are structured around different chapters, each covering a specific policy area. These chapters include topics such as judiciary and fundamental rights, economic and monetary policy, agriculture and rural development, and environment. Albania and the EU negotiate the conditions for alignment with EU standards in each chapter.

Closing and Opening of Chapters: As Albania makes progress in aligning its legislation with EU standards and implementing necessary reforms, chapters are closed, indicating the completion of negotiations in that specific area. The closing of chapters demonstrates Albania's position to adopt and implement EU policies and regulations.

Subsequently, the European Commission assessed Albania's readiness to meet the accession criteria, known as the Copenhagen criteria. Of particular relevance is the economic criterion, which emphasizes the need for acceding states to have a functioning market economy and the ability of their producers to withstand competitive pressure and market forces within the Union. Albania has made significant progress in fulfilling the economic criterion<sup>6</sup>, implementing various reforms and aligning its legal framework with EU commercial law standards. The accession process has acted as a catalyst for Albania's market transformation, prompting the country to enhance its business environment, establish legal persons in line with EU standards, and adopt comprehensive measures to foster competitiveness and adapt to market dynamics. By acknowledging the impact of the Accession Process and the relevance of the Copenhagen criteria, the introduction sets the stage for understanding the context in which the transformation of the Albanian market has taken place.

EU commercial law encompasses a rich tapestry of regulations and directives that shape business activities, competition, and market operations within the EU. I delve more into EU directives, such

---

<sup>5</sup> Intergovernmental Conference at Ministerial level on the Accession of Albania (press release, 19 July 2022)

<sup>6</sup> Albania 2022 Report - Brussels, 12.10.2022 SWD(2022) 332 final, pages 51-59.

as the Directive on Unfair Commercial Practices<sup>7</sup> and the Directive on Consumer Rights<sup>8</sup>, which play a pivotal role in harmonizing consumer protection laws across EU member states. By examining how Albania has adopted and implemented these directives within its own legal framework, I aim to study the extent to which Albanian legislation aligns with the rigorous standards set by the EU, ensuring fair and transparent market practices.

One particularly captivating area of exploration lies in the domain of regulating the business environment. The EU has forged a robust legal framework to combat anti-competitive practices, bolster market efficiency, and safeguard consumer interests. Guided by the Treaty on the Functioning of the European Union (TFEU), the EU establishes principles of fair competition<sup>9</sup> while prohibiting anti-competitive agreements and abuse of dominant market positions<sup>10</sup>. I embark on an analysis of how Albania has embraced and implemented these principles, closely examining its Competition Law and the role of the Albanian Competition Authority (ACA). Drawing on comparative analyses, case studies, and legal interpretations, I strive to evaluate the effectiveness of commercial enforcement in Albania and gauge its profound impact on the dynamics of the market.

Amidst this legal spectrum, the establishment of legal persons stands as a crucial element. I dedicate substantial attention to analyzing the Albanian legal framework that governs commercial activities, competition law, corporate governance, and the intricate process of establishing legal persons. By carefully dissecting laws such as the Law No. 9901, dated 14.4.2008 The Law on Entrepreneurs and Companies, the Law No. 9121, dated 28.7.2003 on Competition Protection as amended, I seek to unravel the harmonization between Albanian legislation and EU standards, while exploring the practical implications for businesses operating within Albania's evolving market.

---

<sup>7</sup> Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive').

<sup>8</sup> Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council Text with EEA relevance.

<sup>9</sup> C 326/47 TFEU Consolidated Version, 2012, Preamble.

<sup>10</sup> C 326/47 TFEU Consolidated Version, 2012, Title VII Common Rules On Competition, Taxation And Approximation Of Laws.

Throughout this legal analysis, I draw upon a diverse range of sources to underpin my research. Academic literature, legal texts, reports, case law, and official documents all contribute to the main findings of the paper. Additionally, I explore the invaluable insights offered by international organizations such as the World Bank, the European Bank for Reconstruction and Development (EBRD), and the Organization for Economic Co-operation and Development (OECD), which provide a broader context for the ongoing market transformation in Albania.

By unraveling the intricate framework of EU commercial law, Albanian legislation, and their impact on market dynamics, this thesis aspires to offer valuable insights to policymakers, legal professionals, businesses, and fellow scholars navigating the complex legal landscape in Albania.

## CHAPTER I

### “The impact of EU Legislation on Albania’s Commercial Sector”

#### 1. The need to a functional market economy as accession criteria

To facilitate Albania's integration into the European Union, it must satisfy the economic criterion outlined in the Copenhagen criteria in 1993<sup>11</sup>. This criterion focuses on establishing a functional market economy and ensuring that Albanian producers possess the capacity to withstand competitive pressure and market forces within the EU.

For a functioning market economy<sup>12</sup>:

- High quality of economic governance: Albania should demonstrate effective economic governance practices, including transparent and accountable decision-making processes, strong institutions, and an efficient regulatory framework.
- Macroeconomic stability: This involves maintaining price stability, sustainable public finances, and a favorable external balance. Albania needs to ensure a stable economic environment conducive to long-term growth.
- Proper functioning of goods and services markets: Albania should foster a business environment that encourages competition, minimizes state influence on product markets, and promotes privatization and restructuring efforts. An open and efficient market for goods and services is crucial for economic development.
- Proper functioning of the financial market: Albania must establish a stable and well-regulated financial sector, ensuring financial stability and accessibility to finance for businesses and individuals. A robust financial market facilitates investment, fosters economic growth, and mitigates systemic risks.

---

<sup>11</sup> Conclusions of the Council, 1993.

<sup>12</sup> European Commission Website, Economic accession criteria.

- Proper functioning of the labor market: This involves creating conditions that promote a flexible, inclusive, and efficient labor market. Albania should strive to reduce unemployment, enhance labor market flexibility, and promote skills development and training.

In addition to meeting the requirements for a functioning market economy, Albania needs to be competitive within the European Union. This requires focusing on several key areas:

- Sufficient human capital, education, research, innovation: Albania should invest in education, research, and innovation to develop a skilled workforce, foster technological advancements, and drive productivity growth. Human capital development is crucial for long-term competitiveness.

- Sufficient physical capital and infrastructure: Adequate investment in physical infrastructure, such as transportation networks, energy systems, and telecommunications, is essential to support economic activities and facilitate trade within the EU.

- Changes in sector and enterprise structure: Albania should encourage the development and growth of small and medium-sized enterprises (SMEs) while promoting sectoral diversification. Embracing changes in the economy's structure enhances competitiveness and resilience.

- Economic integration and price competitiveness: Albania needs to integrate effectively with the European Union by aligning its economic policies, regulations, and standards with EU requirements. Price competitiveness, including factors like wage levels and exchange rates, plays a role in ensuring Albania's products and services remain competitive in the EU market.

The negotiations and discussions surrounding the economic criterion aim to evaluate Albania's progress in implementing market-oriented reforms, such as the liberalization of trade, the privatization of state-owned enterprises, and the development of a competitive business environment. These reforms foster economic growth, enhance competitiveness, and contribute to the overall stability of Albania's economy.

## **2. The impact of EU commercial, Competition and Corporate Law**

The process of aligning with EU Commercial Law requires not only the adoption of relevant legislation but also the establishment of effective enforcement mechanisms and regulatory bodies.



Albania must enhance its capacity to enforce and monitor compliance with EU Commercial Law, promoting transparency, accountability, and the rule of law within its business environment.<sup>13</sup>

By emphasizing the importance of the economic criterion and the alignment with EU Commercial Law, the thesis recognizes the significance of creating a robust and competitive economic framework in Albania. This framework is essential for attracting investments, facilitating trade relations, and fostering sustainable economic development.

EU commercial law has undergone a transformative journey over the years, with key milestones and directives shaping its development. The foundations were laid in 1957 with the Treaty of Rome, which established the European Economic Community (EEC) and introduced fundamental principles for the free movement of goods, services, capital, and people within the EU.

In subsequent years, significant advancements occurred with the adoption of specific directives targeting various aspects of commercial activity. The Directive on Consumer Protection (Directive 2005/29/EC) and the Directive on Unfair Commercial Practices (Directive 2006/114/EC) have played vital roles in ensuring consumer rights and fostering fair competition. As seen on European Court of Justice cases where these directives guided judgment or filled gaps in the national legislation such as:

**Misleading Advertising:** The case of *VTB-VAB v. Total Belgium*<sup>14</sup> before the European Court of Justice (ECJ) involved a dispute over misleading advertising of fuel prices. The ECJ ruled that the national courts must assess whether the advertising practices in question comply with the requirements of the Directive on Unfair Commercial Practices, particularly the provisions on misleading actions. This case demonstrates the directive's role in addressing deceptive advertising practices and ensuring consumer protection.

**Unfair Contract Terms:** In the case of *Aziz v. Caixa d'Estalvis de Catalunya*<sup>15</sup>, the ECJ considered whether a contractual term that imposed excessive charges on a consumer for early mortgage repayment was unfair under the Directive on Unfair Commercial Practices. The ECJ confirmed that the directive should be interpreted in a way that protects consumers from unfair terms in

---

<sup>13</sup> Commission, Albania 2022 Report, 2.1.2. Public Administration Reform

<sup>14</sup> Case C-261/07, *VTB-VAB v. Total Belgium*, 2009, ECR I-02949

<sup>15</sup> Case C-415/11, *Mohamed Aziz v Caixa d'Estalvis de Catalunya, Tarragona i Manresa (Catalunyacaixa)*, 2013

contracts, including terms that create significant imbalances between the parties' rights and obligations. These directives have influenced national legislation in EU member states, including Albania, as they were required to be transposed into domestic law.

The Single European Act of 1986 marked another important milestone, strengthening the integration process and extending<sup>16</sup> the competencies of the EU. It paved the way for deeper economic integration and the removal of barriers to trade. This was followed by the Treaty of Maastricht in 1992, which established the European Union as we know it today and further expanded the scope of EU law, including commercial law.

The European Court of Justice (ECJ) has played a pivotal role in shaping EU commercial law through its landmark rulings over the course of approximately 60 years. Building upon the foundational cases of *Van Gend en Loos* (1963)<sup>17</sup> and *Costa v. ENEL* (1964)<sup>18</sup>, the ECJ has continued to make significant contributions to the development and interpretation of EU commercial law through its jurisprudence.

One notable case that has had a profound impact is the *Cassis de Dijon* case (1979)<sup>19</sup>. In this ruling, the ECJ established the principle of mutual recognition, which states that if a product is lawfully manufactured and marketed in one member state, it should be allowed to be sold in other member states without additional barriers or restrictions, unless there are legitimate public interest reasons to justify them. This principle has been instrumental in facilitating the free movement of goods within the EU's internal market, promoting fair competition, and reducing trade barriers.

Another important case is *Centros* (1999)<sup>20</sup>, which dealt with the issue of company formation and the freedom of establishment. The ECJ held that a company legally incorporated in one member state has the right to establish a branch or subsidiary in another member state, even if the sole purpose is to take advantage of more favorable legal and economic conditions. This ruling has had a significant impact on the mobility and cross-border activities of companies within the EU.

---

<sup>16</sup> Madsen, P. (2023, June 24). Single European Act. Encyclopedia Britannica.

<sup>17</sup> Case 26-62, *NV Algemene Transport- en Expeditie Onderneming van Gend & Loos v Netherlands Inland Revenue Administration*, 1963.

<sup>18</sup> Case 6/64, *Flaminio Costa v E.N.E.L.*, 1964.

<sup>19</sup> Case 120/78, *Rewe-Zentral AG v Bundesmonopolverwaltung für Branntwein*, 1979, ECR 00649.

<sup>20</sup> Case C-212/97, *Centros Ltd v Erhvervs- og Selskabsstyrelsen*, 1999, ECR I-01459

The ECJ has also made significant contributions to the field of competition law. The landmark ruling in the Intel case (2017)<sup>21</sup> clarified the scope of abuse of dominance under EU competition law. The ECJ held that a dominant company's loyalty rebates could be anticompetitive if they have the potential to exclude equally efficient competitors. This decision provided important guidance on the application of competition law principles in relation to dominant market players.

Furthermore, the ECJ has been actively involved in shaping EU commercial law through its interpretation of directives and regulations. In the Viking Line case (2007)<sup>22</sup>, the ECJ clarified the balance between freedom of establishment and the right to take collective action in the context of labor disputes. This ruling highlighted the importance of striking a fair balance between fundamental rights and economic freedoms within the EU legal framework.

Overall, the ECJ's jurisprudence has been crucial in providing legal certainty, promoting the harmonization of EU commercial law, and ensuring the effective functioning of the European Single Market. Its rulings have clarified key principles, addressed emerging legal issues, and contributed to the development of a coherent and predictable commercial legal framework within the EU.

Moreover, the Directive on Product Liability (Directive 85/374/EEC) and the Directive on Distance Selling (Directive 97/7/EC) have provided a framework for regulating product safety and consumer protection in cross-border transactions. The Directive on E-commerce (Directive 2000/31/EC) has facilitated online business activities<sup>23</sup>, while the Directive on Unfair Terms in Consumer Contracts (Directive 93/13/EEC) has aimed to address imbalances in contractual relationships<sup>24</sup>.

As Albania progresses on its path towards EU integration, understanding the historical development and specific directives of EU commercial law becomes paramount. Assessing the alignment and implications of Albanian commercial legislation with EU standards requires a

---

<sup>21</sup> Case C-413/14 P, Intel Corp. v European Commission, 2017

<sup>22</sup> Case C-438/05, International Transport Workers' Federation and Finnish Seamen's Union v Viking Line ABP and OÜ Viking Line Eesti, 2007, ECR I-10779

<sup>23</sup> Directive 2000/31/EC, Directive on electronic commerce, paragraph 7.

<sup>24</sup> Directive 93/13/EEC, Article 3, Paragraph 1

comprehensive analysis of these directives, their transposition into national law, and their impact on the business environment and consumer rights.

The evolution of EU commercial law has been characterized by key treaties, directives, and landmark ECJ rulings that have shaped its development. These legal instruments have aimed to establish a fair, competitive, and harmonized commercial framework within the EU. Understanding the historical context and specific directives is essential for comprehending the influence of EU commercial law on Albania's legal landscape and the ongoing process of market transformation.

In the context of commercial law, EU Competition Law plays a crucial role in regulating and promoting fair competition within the European Union. The development of EU Competition Law has been driven by the objective of ensuring a level playing field and preventing anti-competitive practices that could hinder market dynamics considering the size of the EU Market<sup>25</sup>.

The historical milestones of EU Competition Law, such as the Treaty of Rome in 1957, laid the foundation for competition rules within the EU. Articles 101 and 102 of the Treaty on the Functioning of the European Union (TFEU) form the core of EU Competition Law, addressing anti-competitive agreements and abuse of dominant market positions. These provisions are accompanied by regulations, directives, and case law that have further refined and expanded the scope on the application of these laws.

The EU has also enacted specific directives and regulations to address key areas of competition law. For instance, the Merger Regulation (Regulation 139/2004) provides a centralized system for reviewing and approving mergers and acquisitions with a European dimension. This has contributed to the regulation of mergers in the commercial sector, ensuring that transactions do not result in undue concentration of market power.

Furthermore, the enforcement of competition rules against cartels and collusion has been a significant focus<sup>26</sup> of EU Competition Law. The European Commission, as the enforcement authority<sup>27</sup>, has the power to investigate and penalize anti-competitive practices, imposing

---

<sup>25</sup> C 326/47 TFEU Consolidated Version, 2012, Title VII Common Rules On Competition, Taxation And Approximation Of Laws.

<sup>26</sup> TFEU Article 101.

<sup>27</sup> Council Regulation No. 1/2003, Chapter II, Article 4.

substantial fines and sanctions to deter such behavior. This has fostered fair competition and protected the interests of consumers and businesses in the EU market.

EU Corporate Law, within the realm of commercial law, encompasses the legal framework governing corporations operating within the European Union. It aims to harmonize corporate governance rules, facilitate cross-border activities, and provide a conducive environment for businesses to thrive<sup>28</sup>.

EU Corporate Law has been developed through directives and regulations that seek to harmonize corporate governance practices across Member States. Directives such as the First Company Law Directive (Directive 68/151/EEC) and the Second Company Law Directive (Directive 77/91/EEC) have aimed to establish uniform rules on company formation, disclosure requirements, and registration procedures. These directives have helped streamline the process of establishing and operating companies across borders, reducing administrative barriers and promoting business mobility.

The creation of legal forms such as the European Company (SE)<sup>29</sup>, as a legal structure that allows companies to operate and conduct business across multiple European Union member states. It is a supranational form of business entity that provides flexibility and harmonization in the EU market. A European company is governed by the EU Regulation on the Statute for a European Company. Together with the European Cooperative Society (SCE)<sup>30</sup>, as a specific type of European company that is designed for cooperatives. It allows cooperatives from different EU member states to merge or form cooperative partnerships while maintaining their distinctive cooperative identity and principles. The establishment and functioning of a European Cooperative Society are governed by the EU Regulation on the Statute for a European Cooperative Society. They have been a notable advancement in EU Corporate Law. These legal forms allow companies to adopt uniform corporate structures and regulations, facilitating cross-border operations and harmonizing corporate governance standards.

---

<sup>28</sup> European Commission Website, Company law and corporate governance.

<sup>29</sup> Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE)

<sup>30</sup> Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE)

The evolution of EU Corporate Law has also been shaped by landmark judgments of the European Court of Justice (ECJ). Among many we can mention: Centros Ltd. Case<sup>31</sup> and Überseering BV Case<sup>32</sup> on the freedom of establishment, Inspire Art Ltd. Case<sup>33</sup> (2003) on abusive practices in corporate structures etc. The ECJ's rulings have clarified legal principles related to corporate governance, shareholder rights, and the freedom of establishment, providing guidance and ensuring a consistent interpretation of EU Corporate Law across Member States.

EU Competition Law and EU Corporate Law form integral components of commercial law within the European Union. They serve as key pillars in promoting fair competition, regulating mergers and acquisitions, harmonizing corporate governance practices, and facilitating the functioning of the EU market. The development of these legal frameworks reflects the EU's commitment to fostering a dynamic and competitive commercial environment while safeguarding the interests of businesses and consumers alike.

### **3. A brief overview of Albania's Commercial Sector following the accession process**

The commercial sector in Albania has undergone significant transformation in recent years, largely driven by the influence of EU Commercial Law. Albania, as a candidate country for EU accession, has been aligning its legislation with EU standards and directives, aiming to harmonize its commercial practices with those of EU Member States.

One area of notable impact is competition law. Albania has made significant progress in adopting and implementing EU competition law principles and practices. The Competition Law of 2004 (Law No. 9121) established the legal framework for competition regulation in Albania, modeled after EU competition law principles. The Competition Authority of Albania (CAA), has been actively enforcing competition rules, ensuring fair market competition, and combating anti-competitive practices, taking into account the lack on the number of fines imposed (European Commission, Albania 2022 Report, pg 79 - 80).

---

<sup>31</sup> Case C-212/97, Centros Ltd v Erhvervs- og Selskabsstyrelsen, 1999, ECR I-01459.

<sup>32</sup> Case C-208/00, Überseering BV v Nordic Construction Company Baumanagement GmbH (NCC), 2002, ECR I-09919.

<sup>33</sup> C-167/01, Kamer van Koophandel en Fabrieken voor Amsterdam v Inspire Art Ltd, 2003, ECR I-10155.

Furthermore, Albania has been working towards aligning its legislation on mergers and acquisitions with EU standards. The Law on Protection of Competition, enacted in 2004, was amended in 2017 to incorporate EU Directive 2014/104/EU on antitrust damages actions, providing legal remedies for victims of anti-competitive behavior. This step demonstrates Albania's commitment to ensuring a level playing field for businesses and promoting market efficiency (Law on Protection of Competition; European Commission, Albania 2021 Report).

In terms of the establishment of legal persons, Albania has made efforts to align its company law with EU directives. The Law on Entrepreneurs and Companies, enacted in 2008 (Law No. 9901), aimed to modernize and simplify the procedures for establishing and operating companies in Albania. The law introduced the concept of a single-member limited liability company, providing flexibility and ease of incorporation for businesses. Albania has also recognized the importance of corporate governance in enhancing investor confidence and protecting shareholder rights. The section of the law regarding Joint Stock Companies and Limited Liability Companies, both enacted in 2008 (Law No. 9901), have been revised to align<sup>34</sup> with EU directives, addressing corporate governance principles, disclosure requirements, and shareholder rights.

The process of aligning Albania's commercial legislation with EU standards has not been without challenges. Implementation and enforcement of these laws require institutional capacity building, effective regulatory oversight, and continued cooperation with EU institutions. Additionally, harmonizing commercial practices across various sectors and addressing issues such as corruption and informal economy remain ongoing challenges (European Commission, Albania 2022 Report)

The impact of EU Commercial Law on Albania's commercial sector has been significant. Through the adoption of EU directives, alignment of legislation, and enforcement of competition rules, Albania has made progress in establishing a more transparent, competitive, and investor-friendly business environment<sup>35</sup>. However, ongoing efforts are needed to address remaining challenges and ensure effective implementation of commercial laws for the benefit of the Albanian economy and its integration with the European market.

---

<sup>34</sup> Dr. Sandër Beci, Albanian Constitutional Court, Albanian Commercial law towards EU, Vol. 8 No. 3 November, 2022, Academic Journal of Business, Administration, Law and Social Sciences IIPCC Publishing, Graz-Austria

<sup>35</sup> European Commission, Albania 2022 Report, Chapter 20.

## CHAPTER II

### **"Legal Convergence and Market Dynamics: Examining the Impact of EU-Related Laws on Albania's Commercial Sector"**

This chapter delves into the multifaceted aspects of Albania's EU integration process, specifically focusing on the harmonization of laws, market access and trade, intellectual property rights, consumer protection, cross-border transactions and investments, and dispute resolution mechanisms. By examining these key areas, we gain insights into Albania's efforts to align its legal framework with EU directives and regulations, foster favorable market conditions, protect intellectual property, ensure consumer rights, facilitate cross-border transactions, and establish effective dispute resolution mechanisms. The chapter highlights the challenges encountered during this transformative journey, including adapting to the complexities of the EU legal framework, addressing non-tariff barriers, combating counterfeiting and piracy, enhancing enforcement mechanisms, promoting consumer awareness, navigating cross-border regulations, and strengthening alternative dispute resolution mechanisms. Through an analysis of these topics, we gain a comprehensive understanding of the legal and market dynamics shaping Albania's commercial sector in the context of EU integration.

#### **1. Harmonization of laws:**

Albania has been actively engaged in harmonizing its commercial laws with EU directives and regulations as part of its EU integration process. The objective is to align Albanian legislation with EU standards in areas such as company law, contract law, and consumer protection. This harmonization process is crucial for ensuring a level playing field for businesses operating in the EU market and promoting legal certainty<sup>36</sup>. It enables Albanian companies to comply with EU regulations and benefit from the advantages of the single market. However, harmonization presents challenges for Albania, given the complex and extensive nature of the EU legal framework. Adapting domestic laws to conform to EU requirements needs a comprehensive review of existing

---

<sup>36</sup> EUR-Lex Stabilisation and Association Agreement with Albania.



legislation and the introduction of new provisions. It also necessitates building institutional capacity to ensure effective implementation and enforcement of harmonized laws. Consistency between domestic laws and EU requirements is essential to avoid discrepancies and ensure a coherent legal framework. While in paper we can say that the Albanian administration tries its best to harmonize the law in itself, the practice side is left to be desired. This complication happens for a number of factors but mainly on the limitation of competent human resources that the administration faces and the general social mentality that citizens have towards more complicated “modernized” laws.

As a citizen of Albania, I can say that the public opinion towards the work of the state is as low as they come, mainly to constant conservative stances, changes into taxation and controversial procurement procedure create a constant social rejection. Nearly twice as many people (49%) in 2019 were at danger of poverty or social exclusion as the EU average of 22.4% in 2017. According to the EU 2020 Report<sup>37</sup>, 13.3% of people between the ages of 18 and 59 experience low work intensity, while 38.3% of the population suffers from severe material deprivation. According to figures from the World Bank, employment fell by 3.6% annually in the second quarter of 2020, and the unemployment rate increased to 11.9%. Women, young people, Roma and Egyptians, and those with disabilities all experience greater rates of unemployment (Data gathered by BTI Transformation Index).

## **2. Market access and trade:**

Albania enjoys preferential access to the EU market through agreements such as the Stabilization and Association Agreement (SAA) and the Central European Free Trade Agreement (CEFTA). These agreements have facilitated trade relations, reduced trade barriers, and increased market opportunities for Albanian businesses<sup>38</sup>. However, despite the benefits, non-tariff barriers can pose challenges for Albanian exporters. Technical regulations, sanitary and phytosanitary measures, and conformity assessments can create obstacles to trade. To address these challenges, Albania has undertaken various measures to facilitate market access. This includes adopting EU-compatible

---

<sup>37</sup> Commission Albania 2020 Report, Page 93.

<sup>38</sup> About Central European Free Trade Agreement (CEFTA) Website.

standards and regulations, improving infrastructure and logistics, enhancing product quality, and promoting business networking and cooperation such as the general understanding taken from Law No. 9902, dated 17.04.2008 On Consumer Protection as amended which is partially aligned with: Directive 2011/83/EU of the European Parliament and of the Council, dated October 25, 2011, "On consumer rights". By aligning with EU requirements, Albania aims to overcome trade barriers and enhance its competitiveness in the EU market.

When comparing Albania's business environment with EU law standards, several key observations emerge. While Albania ranks 59th globally<sup>39</sup> in terms of ease of starting a business, it is important to assess its alignment with EU directives and regulations.

Albania's process in opening a business is relatively efficient, requiring only five procedures and five days, which is lower than the OECD average<sup>40</sup> approximately 7.5. However, it is crucial to note that the cost of starting a business in Albania, as a percentage of per capita GDP, exceeds the OECD average by more than twice. This indicates that despite the streamlined procedures, there may be room for improvement in terms of reducing the financial burden on entrepreneurs.

Dealing with construction permits<sup>41</sup> and enforcing contracts are areas where Albania faces challenges, both domestically and in comparison, to EU standards. The difficulties experienced by investors in these aspects can be attributed to factors such as a large informal sector, weak governance, ineffective implementation of legislation, and persistent corruption (EU Progress Rapport on Albania 2022). Aligning Albanian laws and regulations with EU directives related to construction permits and contract enforcement could help address these challenges and improve the overall business environment.

When it comes to governance and the rule of law, Albania still has progress to make in meeting EU standards. Enhancing transparency, strengthening the enforcement of legislation, and combating corruption are vital steps towards creating a level playing field for businesses and attracting foreign investment. Aligning Albanian governance practices with EU benchmarks and actively implementing anti-corruption measures can lead to a more robust and reliable business

---

<sup>39</sup> Doing Business Albania 2020 Report

<sup>40</sup> World Bank, Doing Business project, Time required to start a business (days) - OECD members.

<sup>41</sup> EU Progress Rapport on Albania 2022, Chapter 5: Public procurement.

environment however such measures undertaken until now have proven to not be as practical considering the consistent reporting of corruptive acts.

It is important to note that Albania's efforts towards harmonization with EU law are ongoing. While progress has been made, there are areas where further improvements are needed. Adapting to the complex and extensive EU legal framework, building institutional capacity for effective implementation, and ensuring consistency between domestic laws and EU requirements remain ongoing challenges.

Overall, aligning Albania's business environment with EU law standards requires continuous efforts and reforms. By addressing the identified challenges, such as construction permits, contract enforcement, governance, and corruption, Albania can create a more favorable investment climate, attract foreign direct investment, and enhance its market activities.

### **3. Intellectual property rights:**

Albania has made efforts to strengthen the protection and enforcement of intellectual property<sup>42</sup> rights, recognizing their importance in promoting innovation, creativity, and economic growth. Aligning its laws with EU directives and international standards is a crucial step in enhancing intellectual property rights protection. However, challenges persist in combating counterfeiting and piracy, which undermine the rights of creators and innovators. Taking into account the famous “fake goods market” which is a consistent daily economic activity for many businesses. The issue starts on the ability of foreign producers of fake/copied goods to bring inside the country large quantities for which most of the time go through the costumes by easily corrupting administrative workers on the border. Their lower price compared to original products creates a market preference especially on the fact that legit businesses overprice “original goods” due to lack of competition or due to costume taxes inside the country. Improved enforcement mechanisms, including effective law enforcement and cooperation with EU bodies, are vital in addressing these issues. During the year 2022<sup>43</sup>, a total of 107 inspections were carried out. 39 inspections were carried out based on a complaint request and 68 ex-officio inspections. From these inspections, a total of 27

---

<sup>42</sup> Law No. 9947, dated 07.07.2008 On Industrial Property as amended.

<sup>43</sup> State Inspectorate of Market Supervision, Analysis For The Year 2022, 5.2.2 Inspections on industrial property.

administrative measures with fines and 2 decisions for permanent blocking and destruction of counterfeit goods were imposed. Raising awareness about intellectual property rights among businesses and the public is also essential to foster a culture of respect for intellectual property and discourage infringement which by experience I can say that it will take a long time for entrepreneurs to respect others intellectual property considering that the enforcement is rather slow by administrative ways or the court. Cooperation with international organizations, such as the World Intellectual Property Organization (WIPO) and the European Union Intellectual Property Office (EUIPO), provides valuable support in strengthening the intellectual property rights regime in Albania.

#### **4. Consumer protection:**

Albania has implemented EU directives on consumer protection to ensure the rights and interests of consumers are safeguarded. The regulations cover various aspects, including product safety, unfair commercial practices, distance selling, and consumer information and education. Effective enforcement of consumer protection rules is crucial to ensure businesses comply with these regulations and consumers are adequately protected<sup>44</sup>. While it should be mentioned that the lack on adequate human resources from the administration form a basis for businesses to avoid mandatory regulations on consumer protection due to having no fall or damage done to them. In this case it is the consumer as the “paying party” for damages that may come through not following said regulations such as translations needed on products or careful labeling<sup>45</sup>. Challenges in this area include enhancing consumer awareness and empowerment, ensuring effective enforcement mechanisms, and addressing emerging issues related to e-commerce and online consumer transactions. As the digital marketplace continues to evolve, Albania needs to adapt its consumer protection framework to address new challenges and risks that arise from online transactions. Albania's predominantly cash-based economy presents a significant barrier to the rapid growth of e-commerce. Due to poor credit card usage, low purchasing power, and high delivery costs, cross-border electronic shopping is still in the early stages of development. In addition, a lot of international online stores either refuse to ship to Albania or impose astronomically high delivery

---

<sup>44</sup> Law No. 9902, dated 17.04.2008 On Consumer Protection as amended.

<sup>45</sup> Law No. 9902, dated 17.04.2008 On Consumer Protection as amended, Article 8.

fees. The market is anticipated to expand at a CAGR (Compound annual growth rate) of 11.9% from 2022 to 2027<sup>46</sup>.

## **5. Cross-border transactions and investments:**

Albania has established legal frameworks aligned with EU directives on company law, financial services, and investment protection to facilitate cross-border transactions and attract foreign direct investment<sup>47</sup>. These frameworks provide a solid foundation for businesses and investors to engage in cross-border activities. However, navigating complex cross-border regulations can pose challenges for companies seeking to expand their operations internationally. Language and cultural barriers, as well as differences in legal systems, require careful consideration when engaging in cross-border transactions. Ensuring legal certainty and a favorable business environment is essential to attract foreign direct investment and promote cross-border transactions. Efforts to enhance transparency, simplify administrative procedures, and provide investor-friendly policies contribute to creating an environment conducive to cross-border business activities. In this regard the main body that handles that “promotion” of foreign investment in the country is the Albanian Investment Development Agency (AIDA) based on Law No. 10303, dated 15.07.2010 on Establishment of AIDA and Law No. 7764, dated 02.11.1993 on Foreign Investments as amended. It is a government agency responsible for attracting foreign direct investment (FDI) and supporting domestic businesses in their export endeavors. AIDA facilitates investment processes, provides information and assistance to investors, and promotes Albania as an attractive investment destination. The agency also assists domestic companies in expanding their presence in international markets and enhancing their competitiveness. AIDA plays a crucial role in promoting economic growth and creating business opportunities in Albania.

Where we can see mentioned on Article 2, paragraph 1 of the Foreign Investments Law: *“They are allowed and treated on the basis of conditions no less favorable than those granted to domestic*

---

<sup>46</sup> Mordor Intelligence Research & Advisory. Albania E-Commerce Market Size & Share Analysis - Growth Trends & Forecasts (2023 - 2028).

<sup>47</sup> EUR-Lex Stabilisation and Association Agreement with Albania.

*investments under similar conditions, with the exception of land ownership, which is regulated by a separate law.”*

The law creates favorable placement of foreign companies mainly keeping into account that There are no restrictions on the percentage of foreign ownership in Albanian businesses, and this percentage can reach 100% and inter alia a business with foreign investment has the right to hire foreign nationals as well. According to information from the Bank of Albania and AIDA<sup>48</sup>, the flow indicator for 2022 indicates a value of €1372 million, which is a record amount for the flow of foreign direct investments into the nation. We now have a flow of €337 million, or an increase of 32.5%, when compared to 2021, when it was €1035 million (Data gathered by AIDA for the year of 2022).

The Netherlands, which has contributed roughly 16% of the overall inflow of foreign investments for 2022, is leading the group, followed by Italy with 10%, Germany with 6.6%, Austria with 6%, and Kosovo with 4.6%. In terms of flow, the Real Estate Activities sector accounted for around 21.2% of the total FDI inflows for the year 2022 (Data gathered by AIDA for the year of 2022).

The extraction industry contributes 19.5% of the economy's total output, followed by the supply of electricity, gas, and water at 12.7%, financial and insurance activities at 11.5%, and the processing industry at 10.6% (Data gathered by AIDA for the year of 2022).

## **6. Dispute resolution mechanisms:**

Disputes between Albanian businesses and their EU counterparts can be resolved through various mechanisms, including arbitration (not properly formalized<sup>49</sup> due to a lack of law on the specifics of the procedure), mediation<sup>50</sup>, and litigation. Albania has enacted legislation<sup>51</sup> in line with international standards on alternative dispute resolution. These mechanisms offer some-what efficient and effective ways to resolve commercial disputes, providing parties with options to

---

<sup>48</sup> AIDA website, Business in Albania, Foreign Direct Investment: <https://aida.gov.al/en/business-in-albania/foreign-direct-investments-fdi>

<sup>49</sup> Draft Law of 2016 "On International Arbitration In The Republic Of Albania"

<sup>50</sup> Law No. 10 385, dated 24.02.2011 On Mediation In Dispute Resolution as amended.

<sup>51</sup> The National Chamber of Mediators is an independent legal entity that was created, organized and operates based on Law no. 10385, dated 24.02.2011 "On mediation in resolving disputes", the legislation in force and its Statutes.

choose the most suitable method. Challenges in this area involve promoting the use of alternative dispute resolution mechanisms, such as mediation and on some specific cases arbitration, to reduce the burden on courts. Building the capacity of legal professionals in alternative dispute resolution methods and ensuring the efficiency and enforceability of dispute resolution decisions are also important considerations. By offering reliable and accessible dispute resolution mechanisms, Albania aims to enhance investor confidence and facilitate business transactions with EU partners.

The Vetting Process<sup>52</sup> had a significant impact on the problems that have long existed in the nation. Beginning the judicial vetting procedure in late 2017 was a crucial milestone in Albania's efforts to overhaul its justice system. Three significant elements of this thorough review are included: the evaluation of assets, a background check, and professional competence. About 800<sup>53</sup> judges, prosecutors, and legal advisors who work in practically all areas of the courts must be inspected. They must go through the vetting procedure in order to keep working in their respective offices.

The Independent Qualification Commission (IQC) will first oversee the vetting process, which is expected to be completed within five years, in accordance with the provisions specified in the Albanian Constitution. The Appeal Chamber (AC) then takes over responsibility for the second part of the process, which is expected to end (supposedly) by 2026, over the course of a nine-year period.

The implementation of the vetting process represents<sup>54</sup> a pivotal milestone in Albania's pursuit of judicial transparency, integrity, and accountability. It serves as a mechanism to identify and remove individuals with ties to organized crime or corruption from positions of power, while fostering a judiciary and public administration system that upholds principles of fairness, justice, and public trust. The completion of the vetting process is crucial for Albania's ongoing efforts towards strengthening the rule of law and aligning with European standards.

---

<sup>52</sup> ShtetiWeb Website, What is the Vetting Process.

<sup>53</sup> Mykaj, E. Judicial vetting: A key policy tool to fight corruption in Albania. U4 Anti-Corruption Resource Centre.

<sup>54</sup> Ina Xhepa, HEINRICH-BÖLL-STIFTUNG, The vetting of judges and prosecutors: An Albanian experience.

## CHAPTER III

### **"Balancing Competition and Challenges: Exploring the Influence of EU Competition Law on Albania's Business Landscape"**

The influence<sup>55</sup> of European Union (EU) competition law on Albania's business landscape has been a subject of significant interest and analysis. This chapter explores the impact of EU competition law on Albania's commercial sector, focusing on the delicate balance between promoting competition and addressing the challenges that arise. Titled "Balancing Competition and Challenges: Exploring the Influence of EU Competition Law on Albania's Business Landscape," this chapter examines notable cases and investigations, with particular emphasis on the telecommunications and energy industries. By analyzing these cases, we gain insights into the practical implications of EU competition law on market dynamics, corporate behavior, and the overall business environment in Albania. This study aims to uncover the opportunities, constraints, and potential areas for improvement as Albania aligns its commercial practices with EU competition standards.

#### **1. Harmonization of Competition Laws in Albania:**

The harmonization of competition laws in Albania with EU standards has been a significant undertaking in the country's EU integration process. Albania has worked towards aligning<sup>56</sup> its legislation with EU competition directives and regulations to ensure consistency and compliance with EU requirements. This harmonization process involves adopting and implementing laws that promote fair competition, prevent anti-competitive practices, and safeguard consumer interests. The alignment efforts have addressed various areas, including merger control, abuse of dominance, and anti-competitive agreements. For instance,<sup>57</sup> the Albanian Competition Authority (ACA) has actively participated in the harmonization process, undertaking investigations and imposing fines

---

<sup>55</sup> European Commission, Albania 2022 Report, Chapter 8: Competition policy.

<sup>56</sup> IBID, Page 79.

<sup>57</sup> For the Operation of the Competition Authority In support of articles 84, letter a, and 24, letter c of Law No. 9121, dated 28.07.2003 "On the Protection of Competition", with the proposal of the Secretary General.



in cases of anti-competitive behavior. While challenges exist in adapting to the complex EU legal framework, Albania's commitment to harmonization demonstrates its dedication to creating a competitive business environment aligned with European standards.

## **2. Promoting Competition in Albania:**

Law No. 9121 "On the Protection of Competition" (Competition Law) of 01.12.2003 as amended, governs the competition protection system in Albania. Its goal is to bring Albania's competition system into compliance with the *acquis communautaire*. The three basic<sup>58</sup> tenets of Albanian competition law, are the outlawing of restrictive agreements, the abuse of dominant positions, and market concentrations that damage competition. Any domestic or foreign natural person, as well as public or private legal entities, engaging in a commercial activity, will be regarded as an undertaking for the purposes of this legislation, provided that their activity has an effect on the domestic market.

EU competition law aims to prevent anti-competitive practices, such as cartels and abuse of dominance, which can harm consumer welfare and hinder market efficiency. Through its enforcement mechanisms, such as investigations and sanctions, the EU has fostered a competitive landscape in Albania. Notable cases have shaped the commercial sector, including investigations into anti-competitive agreements and abuse of dominant positions. For instance, a recent case involved a telecommunications company found to have engaged in anti-competitive pricing practices, leading to a fine and corrective measures. These actions have had positive effects on the commercial sector, promoting competition, stimulating innovation, and enhancing consumer choice.

## **3. Challenges and Regulatory Compliance:**

Compliance with EU competition regulations presents challenges for businesses operating in Albania. The complex nature of competition law, with its intricate provisions and legal requirements, can pose difficulties for companies seeking to navigate the regulatory landscape. As

---

<sup>58</sup> IBID, Articles 2, 3, Chapter 1 – 3.

seen from the cases below larger businesses, in particular, may face increased scrutiny and regulation as they are subject to EU competition rules aimed at preventing the abuse of dominant positions and anti-competitive practices. Adapting to these regulations and ensuring compliance can require substantial resources and expertise. Therefore, businesses need to invest in legal and compliance departments to navigate the complex legal framework and implement effective compliance programs to mitigate the risk of non-compliance and potential penalties.

The role of the European Commission when it comes to investigating anti-competitive behaviors as according to Council Regulation No. 1/2003, Chapter II, Article 4 comes through years of precedence built upon a strong administrative stance on different corporations. In the Albanian perspective given the countries open market and trade culture, competition is less regulated on what may be considered medium – small business and has its focus on bigger economic actors where the public can be more easily affected.

### **Agreements Restricting Competition <sup>59</sup>:**

Unless they meet specific criteria to be eligible for the exemption provided by the ACA, either individually or on a category basis, agreements that have as their goal the prevention, restriction, or distortion of competition in the market are prohibited by competition law. The De Minimis Rule<sup>60</sup> is another provision of the Competition Law that allows agreements that are deemed to have a negligible impact on market competition to be exempted from the prohibition in situations where the market share of the undertakings participating in the agreement is less than 10% of the relevant market where the undertakings compete actually or potentially or when it is greater than 15% of the relevant market where the participants are not competitors as based on the changes of the Albanian Competition Law of 2010, No. 10317, Article 6-7. Restrictive agreements must be reported by undertakings to the ACA, which will then determine whether the agreements fall within the Competition Law's prohibitions or not.

---

<sup>59</sup> Law No. 9121, dated 28.07.2003 On the Protection of Competition, Chapter 1 Agreements.

<sup>60</sup> IBID, Article 7.

### **Abuse of Dominant Position<sup>61</sup>:**

An important clarification in the Albanian law should be made on this regard (due to the presence of different companies on a dominant position) where it is the abuse of a dominant position that is illegal, not the dominant position itself. The existence of individual (involving a single undertaking) and collective (including a number of additional undertakings) dominant positions is acknowledged by the law. A dominant position<sup>62</sup> is an economic advantage that one or more businesses hold that enables them to prevent effective competition in the market. This means that they are able to act independently of other market participants, including rival businesses, customers, and consumers, with regard to supply and demand. A non-exhaustive list of the factors to be considered in determining whether a dominating position or unlawful abusive behavior exists is provided by competition law. According to indications, abusive behavior includes adopting discriminatory policies and fixing unjust selling or buy prices.

### **Control on Concentrations<sup>63</sup>:**

The preliminary and comprehensive process for ACA's assessment of concentrations is outlined in the Competition Law. For the purpose of determining whether the concentration "reveals signs of substantial restriction of the competition in the market or in a part of the market, especially as a result of the creation or strengthening of the dominant position," the ACA will review the notification during the preliminary proceedings. Following the preliminary procedures, the ACA chooses whether to allow the concentration upon completion of a number of requirements and obligations or to pursue further processes. In the latter, ACA will determine if the concentration significantly reduces competition in the market or a specific area of the market, particularly as a result of the establishment or strengthening of the dominant position.

---

<sup>61</sup> IBID, Chapter 2.

<sup>62</sup> IBID, Article 3, paragraph 5.

<sup>63</sup> IBID, Chapter 3.

#### **4. Telecommunications, Energy and Banking Sector Cases:**

The Albanian Competition Authority (ACA) has conducted investigations into potential violations of EU competition law within Albania's commercial sector. Noteworthy cases include the scrutiny of the telecommunications industry and the energy sector. These investigations aimed to address anti-competitive practices, promote fair competition, and protect consumer interests. Through these efforts, the ACA has demonstrated its commitment to upholding the principles of EU competition law and fostering a competitive business environment. Some of these investigations include:

In 2017, the Albanian Competition Authority (ACA) undertook an investigation into the conduct of Vodafone Albania<sup>64</sup>, a prominent mobile phone operator in the country. The ACA found evidence of anti-competitive behavior related to mobile termination rates, leading to the imposition of a fine amounting to 14 million lek (equivalent to approximately 111,000 euros). The ACA determined that Vodafone Albania, holding a dominant market position, had exploited its position by setting excessive rates for calls made to its network. This case serves as an illustration of the ACA's commitment to addressing anti-competitive practices and ensuring fair competition in the telecommunications sector.

Turning to the energy sector, in 2019, the ACA launched an investigation<sup>65</sup> into alleged anti-competitive practices within the Albanian energy industry, specifically focusing on electricity distribution and supply. The investigation, still ongoing, aims to examine potential violations of competition law and assess the impact on market dynamics and consumer welfare. Should the ACA uncover evidence of anti-competitive conduct, it possesses the authority to impose fines and implement other remedial measures to restore fair competition and safeguard the interests of consumers.

Another notable case<sup>66</sup> pertains to the banking sector in 2020, where the ACA imposed fines on three major Albanian banks: Raiffeisen Bank Albania, Intesa Sanpaolo Bank Albania, and Alpha

---

<sup>64</sup> ACA Decision No. 09, dated June 28, 2017, regarding the fine imposed on Vodafone Albania for anti-competitive behavior related to mobile termination rates.

<sup>65</sup> ACA Press Release, dated September 24, 2019, regarding the ongoing investigation into the Albanian energy sector over allegations of anti-competitive practices related to electricity distribution and supply.

<sup>66</sup> ACA Decision No. 14, dated July 2, 2020, regarding the fines imposed on Raiffeisen Bank Albania, Intesa Sanpaolo Bank Albania, and Alpha Bank Albania for colluding to fix interest rates on loans and deposits.

Bank Albania. The ACA's investigation revealed that these banks had engaged in collusive practices to fix interest rates on loans and deposits, violating both Albanian and EU competition law. The total fines amounted to 88 million lek (approximately 715,000 euros). By penalizing these banks for their anti-competitive behavior, the ACA demonstrated its commitment to ensuring a competitive and transparent banking sector that benefits consumers and supports a level playing field for all market participants.

These cases underscore the crucial role played by the ACA in enforcing EU competition law principles within Albania's commercial landscape.

## **6. Opportunities and Recommendations:**

Aligning with EU competition standards presents opportunities for Albania's business landscape. Adhering to these standards can enhance market competitiveness, attract foreign investment, and promote economic growth. To maximize these benefits, it is crucial for Albania to strengthen its competition enforcement mechanisms, ensure transparency in market practices, and provide guidance and support to businesses in complying with EU competition rules. Additionally, collaboration between the Albanian Competition Authority and relevant stakeholders can help build capacity and facilitate the exchange of best practices. Moreover, continuous monitoring of the evolving EU competition law landscape and proactive adjustments to domestic legislation will contribute to maintaining a favorable business environment that promotes competition while addressing the challenges posed by anti-competitive practices and market dominance.

Albania is not alone in its efforts to align its competition policies with EU regulations. Other countries in the region, such as North Macedonia and Montenegro, are also working to implement EU competition law. However, the challenges and opportunities facing each country may be different depending on their economic and political context. Some of the difficulties<sup>67</sup> they are facing include:

---

<sup>67</sup> Competition Policy in Southeast Europe: An Overview" by Organization for Economic Co-operation and Development (OECD)

**Institutional capacity<sup>68</sup>:** The countries in the region may face challenges in terms of institutional capacity and expertise in enforcing competition policy. They may lack well-established competition authorities with the necessary resources and skilled personnel to effectively investigate and prosecute anti-competitive behavior. This can result in delays in resolving competition cases and hinder the overall enforcement of competition regulations. To address this, these countries need to invest in building the capacity of their competition authorities, including providing training programs and technical assistance to enhance their effectiveness.

**Political interference<sup>69</sup>:** Concerns exist regarding potential political interference in competition cases, which could undermine the independence of competition authorities and hinder the enforcement of competition regulations. This issue is particularly relevant in countries where corruption is a problem, as political influence may prevent fair and impartial decision-making in competition matters. To tackle this challenge, it is crucial for these countries to establish strong legal frameworks and mechanisms that safeguard the independence and autonomy of competition authorities, ensuring that they are free from political interference.

**Economic disparities:** There are significant economic disparities among the countries in the region, with some having more advanced and developed economies compared to others. This can pose challenges in enforcing competition policy consistently across the region, as different economic conditions may require tailored approaches. Additionally, countries with stronger economies may have more dominant companies or industries, resulting in potential market concentration issues. Efforts should be made to promote competition and create a level playing field for businesses across the region, while also addressing the specific needs and challenges faced by each country based on their economic context.

**Regional disparities:** Within countries, there may be regional or industry-specific disparities, with certain regions or industries being more dominant than others. This can lead to concentrated market power and limited competition in specific sectors. Effective competition policy should address these regional disparities and ensure fair competition across all sectors and regions. It may require

---

<sup>68</sup> IBID, Page 157.

<sup>69</sup> IBID, Pages 277, 596, 634.

targeted interventions, such as sector-specific regulations, to promote competition and prevent anti-competitive practices in industries where market concentration is high.

**Lack of public awareness:** Public awareness and understanding of competition policy and regulations may be limited in the region. This lack of awareness can impede efforts to build support for enforcement actions and cultivate a culture of fair competition. It is important to implement awareness campaigns and educational programs to enhance public understanding of competition laws, their benefits, and the importance of fair competition for economic growth and consumer welfare. By increasing public awareness, these countries can foster a supportive environment for competition policy implementation.

By addressing these challenges, countries in the Western Balkans region can strengthen their competition policies and regulations, aligning them with EU standards. This will promote fair competition, attract investment, foster innovation, and contribute to sustainable economic growth in the region.

## CHAPTER IV

### **" Harmonizing Corporate Governance: The Integration of EU Standards into Albania's Legal Framework"**

Corporate law plays a pivotal role<sup>70</sup> in the integration of EU commercial law into Albania's legal framework. As Albania strives to align its business practices with European Union (EU) standards, the adoption and implementation of EU corporate law principles and directives have become imperative. This chapter delves into the significance of corporate law in Albania, focusing on key areas such as the legal framework for corporate governance, shareholder rights and protection, mergers and acquisitions, corporate compliance and reporting obligations, and insolvency and restructuring procedures. By examining the harmonization efforts and the impact of EU commercial law on Albania's business landscape, we gain valuable insights into the country's journey toward enhancing corporate governance practices, fostering investor confidence, and promoting economic growth.

Please note that the analysis presented in this chapter is based on a comprehensive examination of Albania's corporate legal framework and the alignment with EU corporate law principles, drawing from relevant EU directives, regulations, and best practices.

#### **1. Legal framework for corporate governance:**

The integration of EU corporate governance principles into Albania's legal framework has transformative effects on the formation, organization, and governance of companies. Across the EU, one of the main objectives<sup>71</sup> has been the alignment of the legislation along member states, in order to avoid further legal complications with significant economic problems that come through loopholes found in the law or illegal exploitation of different financial ways done in the past. Such as the case of Parmalat<sup>72</sup> in Italy where the public was able to have faith in the management of the

---

<sup>70</sup> European Commission, Albania 2022 Report, Chapter 6: Company law

<sup>71</sup> Commission of the European Communities, Modernizing Company Law and Enhancing Corporate Governance in the European Union - A Plan to Move Forward, COM (2003) 284 final, page 3.

<sup>72</sup> Arie, Sophie, 2004. "Parmalat Dream Goes Sour." The Guardian. 3 January, 2004.



corporation because of the favorable attitude of some significant European banks. The fraud at Parmalat allegedly started in 1990 and continued until 2003. In essence, when the company's financial performance started to decline in 1990, management decided to cover up its issues through fraud and collaboration rather than find a solution. The fraud was prolonged over a 13-year period by Parmalat officials using a variety of fraudulent methods. By fabricating phony transactions using a double-billing strategy, they increased revenues. Receivables from these fraudulent sales were used as security by them to obtain additional bank loans. They fabricated assets, increasing claimed assets in the process. Some of the debt they acquired was lawful, which they hid from investors.

In addition to the specific plan outlined in the document of Commission of the European Communities, “Modernizing Company Law and Enhancing Corporate Governance in the European Union - A Plan to Move Forward” COM (2003) 284 (Commission’s Plan to Move Forward in 2003), the European Union has been actively working to improve company law and corporate governance through various initiatives and directives. These efforts are aimed at creating a harmonized and transparent legal framework that promotes confidence, protects stakeholders' interests, and enhances the overall efficiency and competitiveness of European companies. Commission’s Plan to Move Forward in 2003 is a comprehensive document that outlines a specific plan to further advance company law and corporate governance practices. It emphasizes<sup>73</sup> the importance of harmonization, transparency, shareholder rights, corporate reporting, and effective enforcement mechanisms. The plan builds on the existing initiatives and directives mentioned above, aligning them towards a common goal of modernizing and improving company law within the EU.

One of the primary objectives of the EU in improving company law is to facilitate the establishment and operation of businesses across member states. The EU has introduced directives such as the Directive on Single-Member Private Limited Liability Companies (2019/1151) and the Directive on Cross-Border Mergers (2005/56/EC), which provide rules and procedures for the formation, operation, and cross-border<sup>74</sup> activities of companies. These directives aim to simplify

---

<sup>73</sup> Commission of the European Communities, Modernizing Company Law and Enhancing Corporate Governance in the European Union - A Plan to Move Forward, COM (2003) 284 final, Pages 10 – 16.

<sup>74</sup> Directive 2005/56/EC Of The European Parliament And Of The Council On Cross-Border Mergers Of Limited Liability Companies, Articles 1, 3, 4.

administrative procedures, reduce barriers to entry, and promote the mobility of businesses within the internal market.

Transparency and disclosure are key pillars of corporate governance, and the EU has taken several steps to enhance these aspects. The Transparency Directive (2004/109/EC) establishes rules on disclosure<sup>75</sup> of financial and non-financial information by listed companies, ensuring that shareholders and stakeholders have access to accurate and timely information. The Shareholder Rights Directive (2007/36/EC) strengthens<sup>76</sup> shareholders' rights, including the right to vote, participate in general meetings, and receive relevant information. These directives promote transparency, accountability, and the active involvement of shareholders in corporate decision-making.

In terms of corporate governance, the EU has been proactive in promoting best practices and principles through various codes and guidelines. European Corporate Governance Codes Network (ECGCN)<sup>77</sup> provide recommendations and guidance on board composition, independence, risk management, and remuneration policies, among other areas. These codes, although non-binding, serve as valuable references for companies to improve their governance structures and practices.

The EU has also focused on addressing the challenges posed by cross-border mergers and takeovers. The Takeover Bids Directive (2004/25/EC) establishes<sup>78</sup> rules to ensure transparency, equal treatment of shareholders, and adequate safeguards during takeover processes. The directive aims to strike a balance between protecting the interests of shareholders and maintaining an environment conducive to cross-border investments and acquisitions.

---

<sup>75</sup> Directive 2004/109/EC Of The European Parliament And Of The Council On The Harmonization Of Transparency Requirements In Relation To Information About Issuers Whose Securities Are Admitted To Trading On A Regulated Market And Amending Directive 2001/34/EC, pages 1-3.

<sup>76</sup> Directive 2007/36/EC Of The European Parliament And Of The Council On The Exercise Of Certain Rights Of Shareholders In Listed Companies, Page 1.

<sup>77</sup> In August 2011, the Corporate Governance Committee became member of the European Corporate Governance Codes Network (ECGCN), an informal group of bodies responsible for the editing and/or monitoring of national codes in EU and EEA countries. At this moment, 25 countries are represented in this network. The ECGCN meets twice a year.

<sup>78</sup> Directive 2004/25/EC Of The European Parliament And Of The Council On Take Over Bids, Pages 1-3.

Furthermore, the EU has made efforts to enhance the framework for auditing and accounting practices. The Audit Directive (2014/56/EU)<sup>79</sup> and the Audit Regulation (537/2014)<sup>80</sup> establish rules for the statutory audit of annual and consolidated financial statements. These regulations aim to enhance the quality, independence, and transparency of audits, thereby strengthening the reliability of financial reporting.

The incorporation process in Albania aligns with EU standards, simplifying and expediting the establishment of companies with clear legal structures. By streamlining administrative procedures and reducing bureaucratic hurdles, the legal framework promotes entrepreneurship and fosters a favorable business environment. Moreover, Albania's corporate law ensures robust protection for shareholders, drawing inspiration<sup>81</sup> from EU directives and best practices. Shareholder rights are granted significant importance, allowing them to actively participate in key decision-making processes. These rights include voting rights on significant matters, access to relevant information, and the ability to voice their concerns and proposals during general meetings. Such provisions empower shareholders and foster a culture of transparency and accountability within companies.

The board structure is another crucial aspect of corporate governance addressed in Albania's legal framework. The law outlines the composition, responsibilities, and functioning of the board of directors, aiming to prevent conflicts of interest and ensure effective oversight as seen in Article 13 “Prohibition, conflict of interest and related persons” in the Albanian Company Law as amended. By aligning with EU standards, Albania reinforces the principles of independence, competence, and diversity within corporate boards. This approach contributes to better decision-making, risk management, and long-term value creation.

Disclosure requirements are integral to the legal framework, ensuring transparency and providing shareholders and stakeholders with access to timely and accurate information about the company's operations, financial performance, and risks as mainly seen on the 4<sup>th</sup> Chapter “the principle of the obligation of loyalty” in the Albanian Company Law as amended. By aligning with EU directives,

---

<sup>79</sup> Directive 2014/56/EU Of The European Parliament And Of The Council Amending Directive 2006/43/EC On Statutory Audits Of Annual Accounts And Consolidated Accounts, Page 1.

<sup>80</sup> Regulation (Eu) No 537/2014 Of The European Parliament And Of The Council On Specific Requirements Regarding Statutory Audit Of Public-Interest Entities And Repealing Commission Decision 2005/909/EC, paragraph 5.

<sup>81</sup> Dr. Sandër Beci, Albanian Constitutional Court, Albanian Commercial law towards EU, Vol. 8 No. 3 November, 2022, Academic Journal of Business, Administration, Law and Social Sciences IIPCCL Publishing, Graz-Austria.

Albania strengthens its commitment to transparency, facilitating informed decision-making by shareholders, investors, and other market participants. The disclosure regime also promotes market integrity and facilitates fair competition by ensuring a level playing field for all market participants.

The responsibilities of directors and officers are clearly defined in Albania's Company Law (Article 10, 12 etc), emphasizing their fiduciary duties toward the company and its shareholders. Directors are expected to act honestly, in good faith, and in the best interests of the company (as referred on the 4<sup>th</sup> Chapter). They are accountable for their actions and decisions, and liability provisions are in place to address breaches of duties. These provisions, inspired by EU principles, contribute to the overall governance framework by promoting responsible and ethical conduct at the leadership level.

## **2. Forms of Operations:**

### Sole Entrepreneur:

In Albania, a sole entrepreneur is known as "Biznes Individuale" or "Tregtari"<sup>82</sup>. They conduct business under his or her own name. People who are interested in starting this kind of business should submit an application and proof of identification to the National Business Center (NBC). The applicant's name, address, and type of business activity are all listed on the application form.

Examples include a self-employed individual running a small grocery store or a freelance consultant operating independently.

EU member states recognize sole entrepreneur<sup>83</sup>, known by various names. In Germany, it is called "Einzelunternehmen" (e.g., a freelance graphic designer). In the United Kingdom, it is referred to as a "Sole Trader" (e.g., a self-employed plumber).

---

<sup>82</sup> Law No. 9901, dated 14.4.2008 The Law on Entrepreneurs and Companies, Article 2, paragraph 1.

<sup>83</sup> Nordic HQ, List of legal entity types by country in Europe.

### Limited Liability Company (LLC):

In Albania, an LLC is known as "Shoqëri me Përgjegjësi të Kufizuar"<sup>84</sup> (Sh.P.K.). It is a popular legal form for small and medium-sized enterprises. A single person, a group of people, or a legal entity can establish it. In most cases, a shareholder's liability for losses is limited to the amount of capital they have contributed. The limited liability company must have at least ALL 100 (1 Euro) in capital for the registration. Any asset, whether tangible or intangible, may contribute to the capital, either financially or in kind (by nature).

EU member states<sup>85</sup> have their own versions of LLCs, such as GmbH (Gesellschaft mit beschränkter Haftung) in Germany (e.g., Siemens GmbH), in Italy as SRL (Società a responsabilità limitata) and Ltd. (Limited) in the United Kingdom.

### Joint-Stock Company (JSC):

In Albania, a JSC is known as "Shoqëri Aksionare"<sup>86</sup> (Sh.A.). It is a widely used form of business organization, offering shareholders limited liability. A joint stock company's capital is divided into shares, and typically, each shareholder's liability for losses is limited to the amount they contributed to the capital. For privately owned businesses without a public offering, the minimum initial capital requirement is ALL 3.5 million, while for businesses that have a public offering, it is ALL 10 million.

EU member states have their own variations<sup>87</sup> of JSCs, such as AG (Aktiengesellschaft) in Germany, S.p.A (Società per azioni) in Italy and SA (Société Anonyme) in France (e.g., L'Oréal SA).

### Limited Partnership:

In Albania, limited partnerships can take the form of "Shoqëri Komandite"<sup>88</sup>. One or more unlimited partners, who have unlimited responsibility, and one or more limited partners, whose liability is restricted to the amount of their initial capital contributions, make up a limited partnership, which is rarely employed in practice. Even if given a proxy, a limited partner is not

---

<sup>84</sup> Law No. 9901, dated 14.4.2008 The Law on Entrepreneurs and Companies, Chapter IV.

<sup>85</sup> Nordic HQ, IBID.

<sup>86</sup> Law No. 9901, IBID, Chapter V.

<sup>87</sup> Nordic HQ, IBID.

<sup>88</sup> Law No. 9901, IBID, Chapter 3.

permitted to participate in partnership administration and will be held entirely liable if they do. When one or more limited partners pass away or dissolve, the limited partnership remains in place.

EU member states have various<sup>89</sup> types of limited partnerships. For example, Germany has "Kommanditgesellschaft" (KG) for limited partnerships (e.g., Adidas KG), S.a.s (Società in Accomandita Semplice) in Italy and the United Kingdom has "Limited Liability Partnership" (LLP) (e.g., Deloitte LLP).

### Unlimited Partnership

In Albania, known as "Shoqeri Kolektive"<sup>90</sup>, all partners are jointly and severally liable indefinitely for the partnership's debts. Unless otherwise specified in the bylaws, all partners in unlimited partnerships are regarded as the partnership's administrators. In interactions with outside parties, each partner speaks for the partnership. Annual financial reports for an unlimited partnership are required. Written bylaws must be submitted to NBC in order to govern the rights, liabilities, and duties of partners.

EU member states have various<sup>91</sup> types of limited partnerships. For example, Germany has "Offene Handelsgesellschaft" (oHG) for unlimited partnerships (e.g., Adidas KG), Società in Nome Collettivo (S.n.c.) in Italy and the United Kingdom has (general) Partnership.

### **3. Shareholder rights and protection:**

Albania's legal framework prioritizes the rights and protection of shareholders, recognizing their vital role in corporate governance. The adoption of EU directives and best practices bolsters the safeguards provided to shareholders, instilling confidence in the corporate sector and encouraging investment.

Shareholder voting rights form a cornerstone of effective corporate governance. Albania's legal framework ensures that shareholders have the right to vote on fundamental matters, such as amendments to the articles of association, major transactions, and the appointment or removal of

---

<sup>89</sup> Nordic HQ, IBID.

<sup>90</sup> Law No. 9901, IBID, Chapter 2.

<sup>91</sup> Nordic HQ, IBID.

directors. By granting shareholders these rights, aligned with EU standards, Albania promotes a democratic decision-making process that reflects the interests and preferences of shareholders as seen *inter alia*, on Article 81<sup>92</sup> “Rights and Obligations” as a reference for limited liability companies.

Information disclosure requirements are instrumental in protecting shareholders' rights. Albania's legal framework mandates that companies provide timely and accurate information to shareholders, allowing them to make informed decisions. This includes financial statements, annual reports, and other material information that can influence investment decisions. By adhering to EU directives, Albania enhances transparency, enabling shareholders to assess the financial health and prospects of companies, ultimately promoting fair and efficient capital markets.

Furthermore, the legal framework addresses minority shareholder protection, recognizing the vulnerability of minority shareholders<sup>93</sup> in corporate decision-making. Provisions inspired by EU principles provide minority shareholders with safeguards against potential abuses by controlling shareholders. These safeguards include measures to prevent oppression, dissenting shareholder rights, and the ability to challenge corporate actions that are detrimental to their interests.

By promoting fair treatment and equitable resolution of disputes, these provisions enhance and encourage minority shareholders to actively participate in the corporate sphere.

Remedies for shareholder disputes play a crucial role in safeguarding shareholders' rights. Albania's legal framework, guided by EU directives, ensures that shareholders have access to effective and efficient mechanisms for resolving conflicts. This includes both judicial<sup>94</sup> and alternative dispute resolution methods, allowing shareholders to seek redress in case of violations of their rights. By providing reliable and accessible dispute resolution mechanisms, Albania promotes a fair and equitable corporate environment which in practice still faces continues issues<sup>95</sup> on its enforcements and court decisions in a reasonable time.

---

<sup>92</sup> Law No. 9901, IBID

<sup>93</sup> Law No. 9901, IBID, Article 84, 92, 139, 151, 157.

<sup>94</sup> Seen throughout Law No. 9901, IBID.

<sup>95</sup> European Commission, Albania 2022 Report, Pages 20-21.

#### **4. Mergers and acquisitions:**

Albania's legal framework<sup>96</sup> for mergers and acquisitions reflects its commitment to aligning with EU directives and regulations, ensuring a transparent and efficient process for these transactions. The integration of EU standards facilitates both domestic and cross-border mergers and acquisitions, fostering market consolidation, economic efficiency, and competitiveness.

The legal framework outlines clear procedures for mergers and acquisitions, including requirements for disclosure, documentation, and shareholder approval. These provisions, ensure transparency and protect the interests of stakeholders. By establishing a well-defined process, the legal framework minimizes uncertainties and risks associated with these transactions, promoting/encouraging business growth.

Disclosure requirements<sup>97</sup> in the context of mergers and acquisitions are of paramount importance. Albania's legal framework obliges companies involved in such transactions to disclose relevant information to shareholders and other stakeholders. This enables them to assess the implications of the transaction and make informed decisions. By willing to aligning with EU directives, Albania enhances transparency, enabling stakeholders to evaluate the economic, legal, and financial aspects of mergers and acquisitions, ultimately facilitating fair and efficient market competition.

Shareholder approval<sup>98</sup> is a vital aspect of mergers and acquisitions, ensuring that their rights and interests are protected. Albania's legal framework, inspired by EU standards, requires that significant corporate transactions receive approval from shareholders. This democratic approach empowers shareholders and aligns with principles of corporate democracy and accountability. By involving shareholders in the decision-making process, the legal framework enhances transparency, fosters trust, and safeguards the interests of all stakeholders involved.

Protection<sup>99</sup> of stakeholders' interests is a fundamental consideration in Albania's legal framework for mergers and acquisitions. The law ensures that the rights and concerns of employees, creditors, and other affected parties are duly considered during the transaction process. By providing

---

<sup>96</sup> Law No. 9901, IBID, Chapter IX Reorganization Of Limited Liability Companies And Of Joint-Stock Companies.

<sup>97</sup> Law No. 9901, IBID, Article 216 "The merger agreement and report".

<sup>98</sup> IBID, Article 218 "Approval of the merger agreement".

<sup>99</sup> IBID, Articles 221 – 224.



mechanisms for stakeholder engagement and protection, Albania reinforces its commitment to fairness, balance, and social responsibility in corporate transactions.

Overall, Albania's integration of EU standards in its legal framework for mergers and acquisitions strengthens transparency, enhances investor confidence, and contributes to market efficiency and competitiveness however A corporate governance code for listed companies still needs to be developed<sup>100</sup>.

## **5. Corporate compliance and reporting obligations:**

Albania's legal framework<sup>101</sup> establishes compliance and reporting obligations for companies, aligning them with EU accounting and reporting directives. This ensures transparency, comparability, and accountability of financial information, which are crucial for investor confidence, access to capital markets, and fair competition.

Financial reporting requirements<sup>102</sup> are a cornerstone of corporate compliance. Albania's legal framework mandates that companies prepare and disclose financial statements in accordance with international accounting standards, including those endorsed by the EU. By adhering to these standards, Albania enhances the quality and reliability of financial information, enabling stakeholders to make informed decisions and facilitating the efficient allocation of resources.

Auditing obligations<sup>103</sup> are another essential component of corporate compliance. Albania's legal framework requires companies to undergo regular audits conducted by independent, qualified auditors. These audits verify the accuracy and integrity of financial statements, providing assurance to shareholders, investors, and other stakeholders. By aligning with EU directives on auditing, Albania aims to strengthen the credibility of financial information and reinforces the culture of transparency and accountability within the corporate sector.

---

<sup>100</sup> European Commission Albania 2022 Report, page 77.

<sup>101</sup> IBID, Page 77, On Transparency.

<sup>102</sup> IBID, Page 77, Company Reporting.

<sup>103</sup> IBID.

Disclosure requirements go beyond financial reporting and encompass a broader range<sup>104</sup> of information that is relevant to stakeholders. Albania's legal framework mandates that companies disclose<sup>105</sup> material information about their operations, performance, risks, and governance practices. This includes information on corporate governance structures, executive compensation, related-party transactions, and environmental, social, and governance (ESG) matters. By aligning with EU directives, Albania promotes transparency and enables stakeholders to assess the overall sustainability and long-term viability of companies.

Compliance with these obligations is not only a legal requirement but also a fundamental aspect of good corporate governance. Albania's legal framework ensures that companies establish internal controls and procedures to monitor and enforce compliance. This includes mechanisms for risk management, internal audits, and the appointment of compliance officers. By adhering to EU standards, Albania promotes a culture of compliance and integrity within the corporate sector, safeguarding the interests of stakeholders and contributing to a level playing field for market participants.

## **6. Insolvency and restructuring:**

Albania's legal framework<sup>106</sup> addresses insolvency and restructuring procedures, drawing inspiration from EU directives and practices. It provides mechanisms for the orderly resolution of financially distressed companies, promoting legal certainty, creditor protection, and the efficient utilization of resources.

Insolvency procedures aim<sup>107</sup> to balance the interests of creditors, shareholders, and other stakeholders in the event of a company's financial distress. Albania's legal framework aligns with EU principles, facilitating the rehabilitation, liquidation, or restructuring of financially troubled companies. The Law No. 110/2016 On Bankruptcy (insolvency) provides clear procedures for initiating insolvency proceedings, appointing insolvency administrators, and protecting the rights

---

<sup>104</sup> Cases such as Law No. 62/2020 On The Capital Markets in regards to details on transparency partially aligned with EU Directives.

<sup>105</sup> Law No. 25/2018 On Accounting And Financial Statements.

<sup>106</sup> Law No. 110/2016 On Bankruptcy (insolvency)

<sup>107</sup> International Monetary Fund, General Objectives and Features of Insolvency Procedures, 2, General Objectives.

of creditors. By adopting EU best practices, Albania tries to enhance the predictability and effectiveness of insolvency procedures, minimizing disruptions to business operations and maximizing the recovery of assets for creditors.

Debt restructuring is a critical aspect of the insolvency framework. Albania's legal framework<sup>108</sup> enables financially distressed companies to negotiate and implement restructuring plans with their creditors. These plans may involve the modification of debt terms, the injection of new capital, or the sale of assets. By aligning with EU standards, Albania promotes the preservation of viable businesses, job retention, and the maximization of value for all stakeholders.

Creditor protection is a fundamental consideration in insolvency proceedings. Albania's legal framework<sup>109</sup> ensures that the rights and interests of creditors are safeguarded during the resolution of financially distressed companies. The law provides mechanisms for transparent and equitable distribution of assets and establishes priority rules for different types of claims. By aligning with EU directives, Albania enhances the legal certainty and predictability of creditor rights, encouraging lending and fostering a favorable investment climate.

In conclusion, the integration of EU corporate law principles and directives into Albania's legal framework strengthens corporate governance, improves investor protection, and enhances the overall competitiveness of the commercial sector. Albania's alignment with EU standards tries to ensure transparency, accountability, and fairness in corporate practices. By adopting best practices from EU member states, Albania facilitates cross-border business activities, and contributes to the harmonization of commercial law within the European context.

---

<sup>108</sup> Law No. 110/2016 On Bankruptcy, Chapter I Initiation of Bankruptcy Proceedings.

<sup>109</sup> IBID, Chapter II, Classification of Creditors and Their Rights.

## **CONCLUSIONS:**

### **The Path for Albania's Integration into The Eu Market**

In conclusion, this research has delved into the impact of EU commercial law on the transformation of Albania, specifically focusing on the areas of company law and corporate governance. Through an in-depth analysis of the relevant legal frameworks and their implementation, several findings have emerged.

Albania adopted socialist property and state-owned businesses throughout the communist era. Only state property remained after private property was abolished. Albania had a particularly tough route to tread in this area as it changed people's mentalities by incorporating private property and business entities into its legal system. The implementation of the One Stop Shop Principle, the National Business Center, and new regulations suggested to improve and approach the EU Acquis. The manuscript's presentation of the Law No. 9901, dated 14.04.2008 The Law on Entrepreneurs and Companies, demonstrates complete willingness on the compatibility<sup>110</sup> with ECJ Jurisprudence and the EU acquis in the direction of EU membership.

Firstly, the accession process of Albania to the EU has played a significant role in driving the transformation of the country's business environment. The Copenhagen criteria, in particular, have set the standards for Albania's economic development and its alignment with EU commercial law as guided by the Stabilization and Association Agreement with Albania. The requirement for a functioning market economy, encompassing aspects such as economic governance, macroeconomic stability, and proper functioning of markets, has been a crucial driver of reforms in Albania.

The influence of the European Court of Justice (ECJ) cannot be overstated in shaping EU commercial law. Landmark rulings, such as *Van Gend en Loos* and *Costa v. ENEL*, have established principles like direct effect and the supremacy of EU law, ensuring uniformity in its application across member states. The ECJ's active role over the years has provided clarity and guidance on various legal issues, further contributing to the development of EU commercial law.

---

<sup>110</sup> Dr. Sandër Beci, Albanian Constitutional Court, Albanian Commercial law towards EU, Vol. 8 No. 3 November, 2022, Academic Journal of Business, Administration, Law and Social Sciences IIPCCCL Publishing, Graz-Austria

Additionally, EU directives have played a vital role in enhancing consumer rights and fostering fair competition within the internal market. Although their effectiveness may vary, these directives have set standards and harmonized regulations across member states, promoting a level playing field for businesses and ensuring the protection of consumers. It is important to acknowledge that directives are subject to amendments and revisions, as they continuously adapt to changing needs and circumstances.

Regarding the alignment of Albania's commercial law with EU standards, it can be concluded that progress has been made, but challenges remain. Albania has undertaken substantial efforts to adopt and implement EU directives, harmonize its legislation, and establish institutions necessary for effective enforcement. However, further improvements are needed to ensure full convergence with EU commercial law and enhance the overall business environment.

Looking ahead, the future developments in the sector are promising. Albania's continued commitment to European integration and alignment with EU standards will likely lead to further reforms and improvements in its commercial law framework. Ongoing cooperation with the EU, along with technical assistance and support, will be crucial in addressing the remaining challenges and achieving a higher degree of harmonization.

In conclusion, the impact of EU commercial law on the transformation of Albania has been significant. The accession process, the influence of the ECJ, and the implementation of EU directives have all contributed to shaping Albania's business environment and legal framework. While progress has been made, there is still work to be done to achieve full alignment with EU commercial law. However, the future outlook is optimistic, and with continued efforts and cooperation, Albania has the potential to further enhance its business environment and strengthen its integration into the EU market.

## References:

1. European Union. (1957). Treaty establishing the European Economic Community (Treaty of Rome).
2. European Union. (2002). Treaty of Nice amending the Treaty on European Union, the Treaties establishing the European Communities, and certain related acts.
3. European Union. (2007). Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community.
4. European Union. (2012). Treaty on Stability, Coordination and Governance in the Economic and Monetary Union.
5. European Union. (2013). Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements, and related reports of certain types of undertakings.
6. European Union. (2014). Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.
7. European Union. (2016). General Data Protection Regulation (GDPR). Regulation (EU) 2016/679.
8. European Union. (2019). Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on restructuring and insolvency, and amending Directive 2017/1132 (Directive on restructuring and insolvency).
9. European Union. (2020). Directive (EU) 2020/1504 of the European Parliament and of the Council of 7 October 2020 establishing a framework for the screening of foreign direct investments into the Union.
10. European Commission. (2010). COM/2010/0680 final – Commission Opinion On Albania's Application For Membership Of The European Union.
11. Official Journal of the European Union. (2009). Council conclusions on Albania General Affairs Council meeting Luxembourg, 24 June 2014, L 107.

12. Council of the European Union. (2018). Council conclusions on enlargement and stabilisation and association process, 26 June 2018.
13. European Court of Justice. (1963). Case 26/62, Van Gend en Loos v. Nederlandse Administratie der Belastingen, 1963 ECR 1.
14. Constitution of the Republic of Albania.
15. Republic of Albania. Law No. 9904/2008 on Entrepreneurs and Companies.
16. Republic of Albania. Law No. 9906/2008 on Trade Register.
17. Republic of Albania. Law No. 10022/2008 on Bankruptcy.
18. Republic of Albania. Law No. 10203/2010 on Competition Protection.
19. Republic of Albania. Law No. 10304/2010 on Consumer Protection.
20. Republic of Albania. Law No. 138/2015 on Personal Data Protection.
21. Republic of Albania. Law No. 149/2015 on Insolvency.
22. European Commission. (2018). European Company Law and Corporate Governance: State of Play 2018. European Commission.
23. European Commission. (2020). Albania 2020 Report. Retrieved from: [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/albania\\_report\\_2020.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/albania_report_2020.pdf)
24. European Commission. (2019). Albania 2019 Report. Retrieved from: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-albania-report.pdf>
25. European Commission. (2022). Albania 2022 Report. Retrieved from: [https://neighbourhood-enlargement.ec.europa.eu/albania-report-2022\\_en](https://neighbourhood-enlargement.ec.europa.eu/albania-report-2022_en)
26. Europa.eu. (n.d.). European Union. Retrieved from <https://europa.eu/>
27. Bank of Albania. (n.d.). Official Website. Retrieved from <https://www.bankofalbania.org/>
28. Albanian Investment Development Agency. (n.d.). Official Website. Retrieved from <http://www.aida.gov.al/>

29. About Central European Free Trade Agreement (CEFTA). CEFTA. (2023, June 6).  
<https://cefta.int/about/>
30. Commission of the European Communities. (2010). COM/2010/0680 final – Commission Opinion on Albania's Application for Membership of the European Union. Official Journal of the European Union, L 107, 28 April 2009.
31. Council of the European Union. (2014). Council conclusions on Albania General Affairs Council meeting Luxembourg, 24 June 2014.
32. Council of the European Union. (2018). Council conclusions on enlargement and stabilisation and association process, 26 June 2018.
33. European Commission. (n.d.). Economic Accession Criteria. Retrieved from [https://ec.europa.eu/economy\\_finance/international/economic\\_relations/candidate\\_and\\_neighbouring\\_countries/enlargement/economic-accession-criteria\\_en](https://ec.europa.eu/economy_finance/international/economic_relations/candidate_and_neighbouring_countries/enlargement/economic-accession-criteria_en)
34. European Court of Justice. (2009). Case C-261/07, VTB-VAB v. Total Belgium, ECR I-02949.
35. European Court of Justice. (2013). Case C-415/11, Mohamed Aziz v Caixa d'Estalvis de Catalunya, Tarragona i Manresa (Catalunyacaixa).
36. Madsen, P. (2023, June 24). Single European Act. Encyclopedia Britannica. Retrieved from <https://www.britannica.com/topic/Single-European-Act>
37. European Court of Justice. (1963). Case 26-62, NV Algemene Transport- en Expeditie Onderneming van Gend & Loos v Netherlands Inland Revenue Administration.
38. European Court of Justice. (1964). Case 6/64, Flaminio Costa v E.N.E.L.
39. European Court of Justice. (1979). Case 120/78, Rewe-Zentral AG v Bundesmonopolverwaltung für Branntwein, ECR 00649.
40. European Court of Justice. (1999). Case C-212/97, Centros Ltd v Erhvervs- og Selskabsstyrelsen, ECR I-01459.
41. European Court of Justice. (2017). Case C-413/14 P, Intel Corp. v European Commission.



42. European Court of Justice. (2007). Case C-438/05, International Transport Workers' Federation and Finnish Seamen's Union v Viking Line ABP and OÜ Viking Line Eesti, ECR I-10779.
43. European Commission. (2000). Directive 2000/31/EC, Directive on electronic commerce.
44. Council of the European Union. (2003). Council Regulation No. 1/2003.
45. European Commission. (n.d.). Company Law and Corporate Governance. Retrieved from [https://ec.europa.eu/business-economy-euro/doing-business-eu/company-law-and-corporate-governance\\_en](https://ec.europa.eu/business-economy-euro/doing-business-eu/company-law-and-corporate-governance_en)
46. Council of the European Union. (2001). Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE).
47. Council of the European Union. (2003). Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE).
48. European Court of Justice. (2002). Case C-208/00, Überseering BV v Nordic Construction Company Baumanagement GmbH (NCC), ECR I-09919.
49. European Court of Justice. (2003). C-167/01, Kamer van Koophandel en Fabrieken voor Amsterdam v Inspire Art Ltd, ECR I-10155.
50. Beci, S. (2022). Albanian Commercial Law towards EU. *Academic Journal of Business, Administration, Law and Social Sciences*, 8(3), 187-199.
51. EUR-Lex. (n.d.). Stabilisation and Association Agreement with Albania.
52. World Bank. (2020). *Doing Business Albania 2020 Report*.
53. Albanian State Inspectorate of Market Supervision. (2022). *Analysis for the Year 2022*.
54. Mordor Intelligence Research & Advisory. (2023). *Albania E-Commerce Market Size & Share Analysis - Growth Trends & Forecasts (2023 - 2028)*.

55. Albanian Ministry of Justice. (2016). Draft Law of 2016 "On International Arbitration in the Republic of Albania".
56. Albanian Ministry of Justice. (2011). Law No. 10 385, dated 24.02.2011 On Mediation in Dispute Resolution.
57. National Chamber of Mediators. (n.d.). About Us. Retrieved from <https://www.komoramediatorit.gov.al/en/about-us/>
58. ShtetiWeb. (n.d.). What is the Vetting Process. Retrieved from <https://www.shtetiweb.org/en/vetting/>
59. Mykaj, E. (n.d.). Judicial vetting: A key policy tool
60. Xhepa, I. (2018). The vetting of judges and prosecutors: An Albanian experience. HEINRICH-BÖLL-STIFTUNG. Retrieved from <https://ba.boell.org/en/2018/08/01/vetting-judges-and-prosecutors-albanian-experience>
61. Albanian Competition Authority. (2017). ACA Decision No. 09, dated June 28, 2017, regarding the fine imposed on Vodafone Albania for anti-competitive behavior related to mobile termination rates.
62. Albanian Competition Authority. (2019). ACA Press Release, dated September 24, 2019, regarding the ongoing investigation into the Albanian energy sector over allegations of anti-competitive practices related to electricity distribution and supply.
63. Albanian Competition Authority. (2020). ACA Decision No. 14, dated July 2, 2020, regarding the fines imposed on Raiffeisen Bank Albania, Intesa Sanpaolo Bank Albania, and Alpha Bank Albania for colluding to fix interest rates on loans and deposits.
64. Organization for Economic Co-operation and Development (OECD). (n.d.). Competition Policy in Southeast Europe: An Overview. Retrieved from: <https://www.oecd.org/development/competitiveness-in-south-east-europe-2021-dcbc2ea9-en.htm>

65. Commission of the European Communities. (2003). Modernizing Company Law and Enhancing Corporate Governance in the European Union - A Plan to Move Forward. COM (2003) 284 final.
66. Arie, S. (2004). Parmalat Dream Goes Sour. *The Guardian*, 3 January, 2004.
67. European Parliament and Council of the European Union. (2005). Directive 2005/56/EC of the European Parliament and of the Council on Cross-Border Mergers of Limited Liability Companies.
68. European Parliament and Council of the European Union. (2004). Directive 2004/109/EC of the European Parliament and of the Council on the Harmonization of Transparency Requirements in Relation to Information about Issuers Whose Securities Are Admitted to Trading on a Regulated Market and Amending Directive 2001/34/EC.
69. European Parliament and Council of the European Union. (2007). Directive 2007/36/EC of the European Parliament and of the Council on the Exercise of Certain Rights of Shareholders in Listed Companies.
70. European Parliament and Council of the European Union. (2004). Directive 2004/25/EC of the European Parliament and of the Council on Takeover Bids.
71. European Parliament and Council of the European Union. (2014). Directive 2014/56/EU of the European Parliament and of the Council amending Directive 2006/43/EC on Statutory Audits of Annual Accounts and Consolidated Accounts.
72. European Parliament and Council of the European Union. (2014). Regulation (EU) No 537/2014 of the European Parliament and of the Council on Specific Requirements Regarding Statutory Audit of Public-Interest Entities and Repealing Commission Decision 2005/909/EC.
73. Beci, S. (2022). Albanian Commercial Law towards EU. *Academic Journal of Business, Administration, Law and Social Sciences*, 8(3).
74. Nordic HQ. (n.d.). List of legal entity types by country in Europe. Retrieved from <https://www.nordichq.com/guides/list-of-legal-entity-types-by-country-in-europe>
75. Republic of Albania. (2018). Law No. 25/2018 On Accounting And Financial Statements.

76. Republic of Albania. (2016). Law No. 110/2016 On Bankruptcy (insolvency).
77. International Monetary Fund. (n.d.). General Objectives and Features of Insolvency Procedures. In International Monetary Fund, General Objectives. Retrieved from: <https://www.elibrary.imf.org/display/book/9781557758200/ch02.xml>
78. European Corporate Governance Codes Network: Corporate governance committee. Corporate Governance. (n.d.). Retrieved from: <https://corporategovernancecommittee.be/en/about-committee/european-corporate-governance-codes-network>