



INVESTMENTS AND LAND PROPERTY IN ALBANIA

The Albanian law "On foreign investments" provides that the foreign investments are not subject to prior authorization, therefore they are not considered less favorably compared to the national investments/investors.¹

The only "discrimination" that the law provides against the foreign investments, regards the land purchase, when providing that a foreign investment may win the property title over the land only if the amount of the investment is at least three times the value of the land occupied by the investment.

From the time of issuance of the construction permit the foreign Investor shall enter a lease contract with the owner of the land and pay the price until the moment when all the investment is completed. From that moment, the investor is entitled to demand the purchase of the land.²

A similar provision is applied in the case of an agricultural and/or a forest land. According to the law³, a foreign physical and/or juridical person is not entitled to buy an agricultural land, but again a lease contract might be entered with the respective owner. The lease contract may be signed for a maximum period of 99 years.

The same does not apply when the foreign investor establishes a company in Albania and it is the company who buys the land as its asset. Under these circumstances, independently of the share capital that the foreign investor has on the company, there are no restrictions regarding the purchase due, to the fact that the company established in Albania is considered an Albanian entity.

The Albanian legislation provides that in case of state owned lands, the relative selling or leasing price shall be specified by the Council of Ministers, whereas in case of private owned lands, the price shall be determined based on a mutual agreement between the contractual parties.

¹ **Law No. 7764, Date 02.11.1993 "On foreign Investments"**

² **Law No. 7980, Date 27.07.1995 "On lands purchase"**

³ **Law No. 8337, Date 30.04.1998 "On the transfer of the ownership over agricultural, forest and meadow lands"**