



**REPUBLIC OF ALBANIA
PARLIAMENT**

**LAW
NO. 71/2019**

“ON THE ALBANIAN INVESTMENT CORPORATION”

Pursuant to articles 78 and 83 point 1 of the Constitution, by a proposal of the Council of Ministers,

**THE ASSEMBLY
OF THE REPUBLIC OF ALBANIA**

D E C I D E D:

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Goal**

This law aims to establish the Albanian Investment Corporation (hereinafter referred to as, the “Corporation”), as well as to determine the rules for its organization and functioning.

**Article 2
Objectives of the Corporation**

The Corporation has the following main objectives:

1. Spurring economic and social development through investment projects at the national and regional level, in support of state development policies.
2. Efficient utilization of state assets.
3. Carrying out investments by mobilizing state and/or private capital.

**Article 3
General principles**

1. In fulfilling its functions, the Corporation is guided by the following principles:
 - a. prioritizing economic and social development at central, local and regional level, as well as connecting with state development policies;

- b. independence in decision-making, in carrying out functions, in proposing and implementing investment projects;
 - c. fair and equal treatment of the parties with which it cooperates;
 - d. effectiveness, efficiency, and efficacy in performing its functions and duties;
 - e. necessity and proportionality in taking measures to achieve its objectives;
 - f. respect for the principle of free and effective market competition, in procedures and market, in accordance with the legal framework on competition and state aid;
 - g. implementation of transparent, simple and monitorable procedures;
 - h. integrity and prevention of conflict of interest in performing functions and entering into relations with partners and third parties;
 - i. responsibility towards stakeholders and partners;
 - j. corporate social responsibility.
2. Apart from the principles set out in point 1 of this Article, the Corporation is guided by other principles and criteria determined in the statute and its other acts, as well as in the agreements with institutions and/or third parties.

Article 4 **Legal Status**

1. The Corporation is established as a legal person, in the form of a shareholding company, in accordance with the law on traders and commercial associations and this law.
2. The public authority that represents the state as the owner of the shares of the Corporation is the Minister responsible for the economy.
3. International Development Financial Institutions may own shares in the Corporation. The procedure, criteria, and formula for the participation of the International Development Financial Institutions shall be determined by the Council of Ministers.
4. The Corporation has its own seal, logo and official stamp, which are approved by the General Assembly of shareholders by a proposed of the Supervisory Board.
5. The Corporation has its headquarters in Tirana and has the right to create other structures.

Article 5 **Functions of the Corporation**

The main functions of the Corporation are:

1. Developing and managing assets in support of state policies on economic development.
2. Advising public and/or private institutions in preparing, analyzing, and recommending projects.
3. Financing or co-financing projects or special purpose vehicles (SPVs) for implementing the said projects.
4. Pursuant to an authorization by the Council of Ministers, it takes on the role of developer in accordance with the law on Technical and Economic Development Areas legislation.
5. The Council of Ministers may authorize the Corporation to perform other functions in accordance with the legislation in force.

Article 6 **Financial resources**

1. The Corporation may be funded by:
 - a. state budget for its capitalization;
 - b. contribution of international financial institutions;
 - c. income derived from its activities and services provided;
 - d. donations or gifts in accordance with the legislation in force;
 - e. other sources, permitted by the legislation in force and its internal acts.
2. The financing of the Corporation from the state budget shall be in compliance with the legislation on state aid.
3. Financial liabilities of the Corporation shall not be transferred to the state budget. The responsibility to meet financial obligations lies with the Corporation.

Article 7

Transferring of state properties

1. State properties, in the understanding of this law, are moveable, immoveable properties, rights over them, users' rights, as well as state ownership titles on the capital of commercial companies and/or state-owned enterprises. When the Corporation identifies state properties with investment potential, it proposes to the Council of Ministers, through the Minister responsible for the economy, their transfer to the Corporation. Transfer means the transferring of the user's right and/or ownership's right over state properties from the central or local government to the Corporation.
2. The criteria and procedures for renting, leasing, using, transferring, selling, using as collateral, and using in other ways of the state property that has been transferred to the Corporation shall be determined by the Council of Ministers.

CHAPTER II SUPPORTING MEASURES

Article 8 Provision of ancillary infrastructure

1. State institutions may support the Corporation with ancillary infrastructure, such as: roads, water supply, irrigation, sewage, electricity and telecommunications, for the development and implementation of an investment project.
2. The Corporation contributes proportionally or according to its capacities in realizing the ancillary infrastructure.
3. The Ministry responsible for the economy, in cooperation with other ministries, examines and verifies the needs and requirements for ancillary infrastructure, as well as estimates the approximate cost for its realization, which should not be disproportionately high in relation to the value and importance of the investment project. In case the request for ancillary infrastructure is positively assessed, the Ministry responsible for the economy prepares the necessary documentation.
4. The provision of ancillary infrastructure shall be approved by a decision of the Council of Ministers, by a proposal of the Ministry responsible for the economy.

Article 9

Obtaining of licenses/permits

Institutions/entities /public authorities, within 15 days from receiving the documentation from the Corporation, shall respond to the request for licenses permits/authorizations, according to the legislation in force. Exceptionally, for justified reasons related to the complexity of licenses/permits/authorizations in question, the deadline is postponed only once for a period of 30 working days.

Article 10 Procurement regime

1. For public contracts financed in entirety by an international organization or international financial institution, the applicable rules are those of the said organization or institution. In the case of public contracts co-financed in majority by an international organization or international financial institutions, the parties agree on the applicable procurement procedures.
2. For public contracts financed by the state budget, the applicable rules are those of public procurement.

CHAPTER III ORGANIZATIONAL STRUCTURE

Article 11 Corporation governing bodies

The bodies of the Corporation are:

1. General Assembly.
2. Supervisory Board.
3. Executive Director.
4. Advisory Board.

Article 12 General Assembly

The Assembly takes decisions on the following matters:

1. Approval of the statute and changes.
2. Approval of the strategy of the Corporation.
3. Approval of annual financial reports and performance reports of the Corporation.
4. Other matters determined by this law, the law on traders and commercial companies, and the statute of the Corporation, except those delegated to the Supervisory Board by this law.

Article 13 Supervisory Board

1. The Supervisory Board consists of an add number of members, not fewer than 5 (five), the majority of whom are independent.
2. The General Assembly appoints and dismisses the members of the Supervisory Board.

3. Members of the Supervisory Board are guided by fiduciary duties, including the duty of care, loyalty, confidentiality, integrity, and independence in relation to the Corporation.
4. Supervisory Board is composed of members who:
 - a. have not been convicted previously for a felony or misdemeanor;
 - b. have at least one advanced degree, Master or higher, in the field of economics, finance, business, law, or similar fields, and at least 7 years of work experience at management level in the public or private sector;
 - c. are of Albanian or foreign citizenship.
5. The remuneration of a Supervisory Board member shall not be less than 1/3 (one third) of the salary of the Executive Director.

Article 14

Competences of the Supervisory Board

1. The Supervisory Board enjoys operational autonomy in its activities and has the following competences:
 - a. proposes the statute of the Corporation and its amendments for approval to the General Assembly;
 - b. proposes the strategy of the Corporation for approval to the General Assembly;
 - c. approves the business plan and annual work plans;
 - d. approves investment projects;
 - e. approves the establishment of other structures of the Corporation;
 - f. controls and supervises the implementation of policies and investment projects of the Corporation;
 - g. approves performance indicators and monitors its performance;
 - h. takes care that the Corporation complies with the law and accounting standards;
 - i. ensures that annual financial statements, performance reports, as well as other reporting and publication obligations, mandatory under the law or statute, are accurately carried out by the Corporation;
 - j. ensures that the auditing of the Corporation is conducted at least once per year;
 - k. appoints and dismisses the Executive Director;
 - l. determines the salaries and compensation of the organs of the Corporation and its administration;
 - m. establishes special committees on internal controls, regulatory compliance, and ethics in the Corporation;
2. The Supervisory Board approves the procedures and criteria for reviewing and approving projects.
3. The Supervisory Board cooperates with the Advisory Board in taking decisions.
4. The Supervisory Board fulfills other duties as provided for by this law, the law on traders and commercial companies, and the statute of the Corporation.

Article 15

Executive Director

1. The Executive Director is the legal representative of the Corporation.
2. The Executive Director reports to the Supervisory Board.
3. The Supervisory Board appoints and dismisses the Executive Director. The conditions, terms, and other rules pertaining to the appointment, performance, and dismissal are determined in more detail in the Corporation's internal acts and in the contract with the Executive Director.

4. Executive Director is appointed a person who:
 - a. has not been convicted previously;
 - b. has at least one advanced degree, Master or higher, in the field of economics, finance, business, law, or similar fields, and at least 7 years of work experience at management level in the public or private sector;
 - c. is of Albanian or foreign citizenship.
5. The salary of the Executive Director shall be competitive in relation to the market, credentials, and performance on duty.

Article 16

Competencies of the Executive Director

1. The Executive Director has the right and duty, but not limited, to:
 - a. administering the activity of the Corporation;
 - b. representing the Corporation in relations with third parties;
 - c. taking care of accurate and regular keeping of the Corporation's documents and books;
 - d. preparing and signing the annual balance sheet, consolidated balance sheet and performance report, along with investment proposals regarding the profits;
 - e. establishing a system of early monitoring and reporting regarding circumstances that threaten the management, performance of the Corporation;
 - f. recording and performing mandatory disclosures of the Corporation's data, in accordance with the legislation in force;
 - g. reporting to the Supervisory Board and the Advisory Board on the implementation of the Corporation's policies and investment projects;
 - h. ensuring the implementation of the decisions of the General Assembly, Supervisory Board, legislation, and internal acts of the Corporation.
2. The Executive Director cooperates with the Advisory Board in proposing investment projects for approval to the Supervisory Board.
3. The Executive Director fulfills other duties as provided for in this law, other duties reserved for the administrator, in accordance with the law on traders and commercial companies, and the statute of the Corporation.

Article 17

Advisory Board

1. The Advisory Board consists of 9 (nine) members elected by the General Assembly.
2. Three members represent central institutions, two members are from International Development Financial Institutions, and four other members are independent.
3. Advisory Board is composed of members who:
 - a. have not been convicted previously for a felony or misdemeanor;
 - b. have at least one advanced degree, Master or higher, in the field of economics, finance, business, law, or similar fields, and at least 7 years of work experience at management level in the public or private sector;
 - c. are of Albanian or foreign citizenship.
4. The Advisory Board performs an advisory function in relation to the Supervisory Board and the Executive Director.

5. The Supervisory Board and the Executive Director are tasked with informing and co-operating with the Advisory Board on the initiatives, projects proposed for the Corporation and its other activities.
6. The Advisory Board regularly informs the Supervisory Board and the Executive Director on the development and implementation of the Corporation's work plan.
7. The Advisory Board may set up specialized committees to carry out its duties.
8. The rules of functioning of the Board are provided for in the statute of the Corporation and its internal acts.
9. The remuneration of an Advisory Board member shall not be less than 1/4 (one fourth) of the salary of the Executive Director.

Article 18 **Administration**

1. The structure and organization of the Corporation shall be approved by the Supervisory Board.
2. Employment relations of the staff of the Corporation shall be regulated in accordance with the provisions of the Labor Code of the Republic of Albania and internal acts of the Corporation.

CHAPTER V **ACCOUNTING AND AUDITING**

Article 19 **Accounting and annual accounts**

1. The Corporation keeps the accounting of its economic activity in accordance with the law on accounting and financial statements.
2. The Executive Director and the Supervisory Board prepare the activities report, inventories and annual accounts in accordance with the law no. 25/2018 "On the accounting and financial statements."

Article 20 **Auditing of financial statements**

1. The financial statements of the Corporation are prepared in accordance with the applicable legislation on statutory auditing, organization of the profession of registered auditor and approved accountant, and international best practices.
2. The Supervisory Board sets up a specialized committee for the financial auditing, with independent members and experts. The specific rules for the creation and functioning of the audit committee shall be determined in the internal acts of the Corporation.
3. The High State Auditor performs the auditing of the use, administration of funds and public or state properties, as well as the protection of the economic and financial interests of the state, in accordance with Article 10, point 1, letter "e" of the law no. 154/2014 "On the organization and functioning of the High State Auditor."

CHAPTER V **FINAL PROVISIONS**

Article 21
By-laws

The Council of Ministers is tasked with the responsibility of approving the by-laws for implementing Article 7 point 2 of this law.

Article 22
Transitional provisions

The Ministry responsible for the economy, within 90 (ninety) days from the date of entry into force of this law, shall follow the necessary procedures for:

1. Ensuring the initial capitalization.
2. Selecting the members of the governing bodies of the Corporation.
3. Approving the statute of the Corporation.
4. Registering the Corporation in the business registry.

Article 23
Entry into force

This law enters into force 15 days after the publication in the "Official Journal".

CHAIRMAN

GRAMOZ RUÇI