



**REPUBLIC OF ALBANIA
COUNCIL OF MINISTERS**

**LAW
No. 8781, dated May 3, 2001**

**FOR SOME ADDITIONS AND AMENDMENTS TO LAW NO. 7850, DATED
29.07.1994 “THE CIVIL CODE OF THE REPUBLIC OF ALBANIA”**

In reliance on Article 81 point 2 letter “d” and Article 83 point 1 of the Constitution, on the proposal of the Council of Ministers,

**THE ASSEMBLY
OF THE REPUBLIC OF ALBANIA**

DECIDED:

The following additions and amendments are made to law nr. 7850, dated 29.07.1994, “The Civil Code of the Republic of Albania”:

Article 1

Article 39 is amended as follows:

“An association is a juridical person created with the free will of five or more physical persons or not less than two juridical persons that follow a specific lawful purpose, to the good and interest of the public or its members.”

Article 2

After Article 39, Article 39/1 is added with this content:

“An association has the right to own movable and immovable assets, to generate income through the management of these assets and to exercise other activities, in accordance with law and with the purpose and object of the activity of the association provided in its charter.

The income generated by the association shall be used only to accomplish activities provided in the purpose and object of the activity provided in its charter.

It is not permitted for an association to perform profit-making activities.”

Article 3

In Article 40, this paragraph is added before the first paragraph:

“The act for the creation of an association is registered in court on the application of its founders.”

The first sentence of Article 40 is amended as follows:

“The rules for the organization and functioning of an association are set out in its charter, which shall be drawn up in writing and shall in particular shall contain:”

Article 4

The first paragraph of Article 41 is amended as follows:

“An association is established by a meeting of the founders, where the charter is approved and its steering organs are elected. On its request, the association is registered in court in the manner provided by law.”

Article 5

Article 42 is amended as follows:

“An association acquires the quality of a juridical person from the day it is registered in court. Until the day of registration, the founders of the association may perform the actions necessary to establish it and fulfill the conditions for its registration.”

Article 6

Article 43 is amended as follows:

“An association has the right to establish branches wherever it deems it reasonable to achieve the purpose and object of the activity of the association.”

Article 7

After Article 43, Article 43/1 is added with this content:

“The cases and the ways of the supervision of the activity of associations by the competent state organs are expressly provided by law.”

Article 8

The second paragraph of Article 46 is amended as follows:

“A member of an association does not take part in the discussion and voting in cases when he himself or his spouse, children, relatives or in-laws are in a conflict of interests with the association, related to an item on the agenda.

Decisions on amending the charter and dissolving the association are approved by a majority of all the members of the association, except when a higher voting majority is provided in the charter.”

Article 9

The first paragraph of Article 50 is amended as follows:

“A member who leaves or is expelled from an association is responsible for its obligations to third parties until the moment of leaving and has no rights to its movable and immovable assets.”

Article 10

Article 52 is reformulated as follows:

“An association is dissolved:

- a) on the decision of the general meeting of its members;
- b) when the number of its members is below the minimum required in this Code or in its charter;
- c) when the purpose of the association is fulfilled or can no longer be fulfilled;
- ç) when it is proved that the association has conducted illegal activities;
- d) in other cases provided by law.

In the cases provided by law, the court may decide on the dissolution of the association, on the request of any member of the association, its decision-making organs, or the competent state organs.”

Article 11

Article 53 is amended as follows:

“When the dissolution of an association is decided, it is placed in liquidation and de-registered in accordance with the rules provided by law.”

Article 12

After Article 53, Article 53/1 is added as follows:

“After taking the opinion of the subject who has asked for the dissolution of the association, the court decides on the destination of the assets that remain after its dissolution, in conformity with the rules provided in its charter, and also taking account of their destination and the fundamental purpose for which the association was created.”

Article 13

Article 54 is amended as follows:

“A foundation is a juridical person without membership having the object of achieving a lawful purpose by using its property for the good and in the interest of the public.”

Article 14

The first paragraph of Article 55 is amended as follows:

“Foundations are created by natural or juridical persons, by a notarized act or by a will.

The act of creation of a foundation, on the request of the founders, is registered in court.”

Article 15

Article 56 is amended as follows:

“A foundation acquires the quality of a juridical person from the day of its registration in the court. Until the day of its registration, the founders of the foundation or the executor of the will may perform actions necessary to establish it and to fulfill the conditions for its registration.”

Article 16

After Article 56, Article 56.1 is added with the following content:

“A foundation has the right to own movable and immovable assets, to generate income by administering the assets and to exercise other activities, in conformity with law and the purpose and object of the activities provided in the charter of the foundation.

The income generated by the foundation shall be used only to accomplish activities provided in the purpose and object of the activity provided in its charter.

It is not permitted for a foundation to perform profit-making activities.”

Article 17

Article 59 is amended as follows:

“The cases and ways of supervision of the activity of foundations by the competent state organs by the state competent organs are expressively provided by law.”

Article 18

Article 69¹ is repealed.

Article 19

Article 62 is amended as follows:

“A foundation is dissolved:

¹ Translator’s note: this is a typographical error for article 60, which number occurred in earlier drafts. Article 69 is not even in the chapter of the Civil Code on associations and foundations. We were told that the error would be corrected before printing, but obviously this was not done.

- a) on the decision of its highest decision-making organ;
- b) when the purpose for which the foundation was established is fulfilled or can no longer be fulfilled;
- c) when it is proved that the foundation has begun to perform illegal activities;
- ç) in other cases provided by law.

In the cases provided by law, the court may decide on the dissolution of the foundation on the request of its founder, the decision-making organs of the association,² or the competent state organs.”

Article 20

Article 63 is changed as follows:

“After taking the opinion of the subject who has asked for the dissolution of the foundation, the court decides on the destination of the assets that remain after its dissolution, in conformity with the rules provided in the charter, and also taking account of their destination and the fundamental purpose for which the foundation was established.”

Article 21

Article 153 is changed as follows:

“The Rights and Duties of the Owner”

No one may be expropriated or have the right to exercise the right of property limited that is equivalent to expropriation, except when public interests require it and always against fair compensation.”

Article 22

In Article 190, the first sentence is amended as follows:

“Articles may be expropriated only for public interests recognized by law and only against fair compensation.”

Article 23

In Article 361, the third paragraph is amended as follows:

“When there are no other heirs of the first rank besides the spouse, those of the succeeding rank contemplated in article 363 of this Code are called to inheritance, and when there are none such, the heirs of the next succeeding rank contemplated in article 364 of this Code are called.”

² Translator’s note: yes, this word should have been “foundation” but the meaning is clear.

Article 24

In article 362, the first paragraph is amended as follows:

“Children born outside of marriage, when their paternity or maternity is duly recognized, and adopted children are equivalent to children born from a marriage.”

Article 25

In article 398 the words “or the secretary” are repealed.

Article 26

In the entire Code, the words “Court of Cassation” and “district court” are replaced by the words “High Court” and “court of the first level.”

Article 27

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

Promulgated with decree nr. 3003 dated May 19, 2001 of the President of the Republic of Albania, Rexhep Meidani.

Translated by K. Imholz
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Since the Volume came off the press on May 20, 2001, the above amendments were effective on June 4, 2001.