

REPUBLIC OF ALBANIA

THE PRESIDENT

LAW PROCLAMATION

Pursuant to the articles 93 and 84, item 1 of the Constitution of the Republic of Albania,

I DECREE

The proclamation of the law no. 9218, date 08.04.2004 “Concerning some additions and changes made to the law no. 8450, date 24.02.1999 “Concerning the processing, transportation and marketing of oil, gas and their sub-products.”

Decree No. 4221

Date 05.05.2004

The PRESIDENT of the REPUBLIC
ALFRED MOISIU

REPUBLIC OF ALBANIA

THE PARLIAMENT

LAW

No. 8450, date 24.02.1999

**FOR PROCESSING, TRANSPORTATION, AND BUSINESS INTERCOURSE
OF OIL, GAS AND THEIR SUB-PRODUCTS**

Pursuant to the articles 78 and 83, item 1 of the Constitution of the Republic of Albania,
upon proposal of the Council of Ministers,

THE PARLIAMENT

OF THE REPUBLIC OF ALBANIA

DECIDED:

On the law no. 8450, date 24.02.1999 “Concerning the processing, transportation and trading of oil, gas and their sub-products” shall apply the following additions and changes:

Article 1

On article 9, after item 2, a new paragraph shall be added with the following content:

“Starting form year 2007 until 2010, the security and emergency supply shall be equivalent to 60 days of average sell, whereas after year 2010, the security and emergency supply shall be equivalent to 90 days of average sell.”

Article 2

On article 11, there will be made the following additions and changes:

1. Item “d” changes to “Fuel selling stations that exercise the activity of selling fuel, liquid gas, and lubricant oils for vehicles”.
2. Item “e” changes to “Combustible selling stations and points that exercise the activity of selling combustibles to the customers for residential use”.

Article 3

After article 12, the article 12.1 shall be added with the following content:

“Article 12.1

The oil sub-products processing plants

1. The oil sub-products processing plants are juristic persons, founded based on the legislation in power. They exercise their activity in the field of reprocessing the oil sub-products, in order to produce other sub-products.

2. The construction and the functioning of the oil sub-products plants is developed once they are supplied with the “Processing license”, in accordance with the procedures and preconditions established with a decision from the Council of Ministers.

3. The oil sub-products plants exercise their selling activities for their products themselves or through another wholesaler company, only after they have been granted the trading license from the ministry responsible for hydrocarbons.

4. The oil sub-products plants are responsible for production and quality marking of their products.

5. The oil sub-products plants owning subjects have the right to establish or participate in associations that exercise the retailing activity for their products”.

Article 4

The article 14 of the law will have the following changes and additions:

1. Item 7 of this article changes to:

“The wholesaler companies have the right to supply the naval and air transportation equipments and other big industrial consumers (factories, plants, etc.) with the respective oil and gas sub-products.”

2. After item 10, item 11 and 12 shall be added with the following content:

“11. The anonymous companies provided with a trading license, when they change the name of the juristic person, have the right to add or change categories, within the same license. If this is the case, they shall respect the deadlines for the previous licenses and implement, for each category, the preconditions and the technical norms verified by the National Inspectorate for Controlling of Oil, Gas, and their sub-products.

12. The entrance in market and the utilization of the equipment under pressure, which serves for treating and packaging of liquid gas from oil from the wholesaler companies (GLN), is attained only when they fulfill the requirement of the law no. 8739, date 12.02.2001 “Concerning the work safety for the equipment under pressure”. The wholesaler companies of the liquid gas from oil realize the filling of the gasbag with this sub-product”.

Article 5

In article 15, the first paragraph in item 1 changes to the following:

“The fuel selling stations exercise the retailing activity for fuel, fluid gas for vehicles, lubricant oils, including the sub-products of categories I, II, III, AND IV/A. Excluding the sub-products of category IV/A, the other sub-products are traded only through the devices that measure and register the quantity sold. The stations for selling fuel, fluid gas for vehicles, and lubricant oils are not allowed to fill gasbags with fluid gas per domestic or commercial use”.

Article 6

The article 16 has the following changes and additions:

1. The first paragraph of item 1 changes to the following:

“The fuel selling units and stations exercise the combustible retailing activity, for heating and cooking purposes from the consumers”.

2. After item 4, the item 5 shall be added with the following content:

“5. The retailer units for the gasbags of fluid gas from oil are constrained to respect the technical preconditions and regulations for processing of these gasbags, which are established with a decision from the Council of Ministers.”

Article 7

The article 17, changes to the following:

“The juristic persons that exercise the activity of processing, transportation, and marketing of the oil, gas, and their sub-products, before starting to exercise the respective activities are constrained to have the concession permission, processing permission, trading licenses, and authorizations”.

Article 8

In article 18, after point 2, point 3 shall be added with the following content:

“3. The preconditions and procedures for provision of the concession permission are established with a decision from the Council of Ministers”.

Article 9

After article 18, article 18.1 shall be added with the following content:

“Article 18.1

Processing permission

1. The processing permission is granted to the juristic persons, established in item “a.1” on article 11 of this law. These juristic persons exercise the processing activity for the oil sub-products.

2. The respective minister responsible for the hydrocarbons, in accordance with the preconditions and the procedures of this law and the by-laws approved from the Council of Ministers grants the processing permission.

3. The processing permissions are granted for a period of 20 years with renovation rights.”

Article 10

In article 20, the item 1 changes to the following:

“The authorizations shall be granted to the juristic persons foreseen in items “d” and “e”, on the article 11 of this law. These juristic persons exercise their activities concerning the trading of fuel, fluid gas from oil, and lubricant oils for vehicles (fuel selling stations) and trading of combustibles (the combustible selling units).”

Article 11

In article 23, item 2 changes to the following:

“2. a) The National Inspectorate for Controlling of Oil, Gas, and their sub-products is responsible for:

- The implementation and the application of the norms and the technical preconditions during the utilization of fixtures, plants, and the respective equipment, by the juristic persons that exercise their activities in accordance with the dispositions of this law;
- The implementation of the preconditions established in the respective licenses and authorizations granted to the juristic persons in order that they respect the technical norms for the protection from the fire and environment defense;
- The regarding of the qualitative indicators of the national standards or regulations concerning the quality of oil, gas, and their sub-products with the preventing purposes for the misuses and forgeries;
- Carrying out of the analysis in the central laboratory of the National Inspectorate for Controlling of oil, gas, and their sub-products:
 - o for the imported quantities, before the custom clearance;
 - o for the quantities locally produced;
 - o as well as, for the obligatory periodic inspections on the internal market.

The quality inspection expenses shall be faced by the subjects tested on the amount established by the responsible minister for the hydrocarbons.

b. For the implementation of these assignments, the National Inspectorate for Controlling of Oil, Gas, and their sub-products collaborates with the other state and the local government organisms that deal with the fields of construction, public order, commercial activities, protection against the fire, and the environment defense.

c. The Regulations for the organization, the functioning, the financing, and the administration of the income from the National Inspectorate for Controlling of Oil, Gas, and their sub-products are established with a decision from the Council of Ministers.”

Article 12

At the end of Article 24, a new paragraph will be added with the following content:

“The National Inspectorate for Controlling of Oil, Gas and they sub-products shall perform the inspection concerning the qualitative indicators for the custom clearance of the goods.”

Article 13

Article 25 changes to the following:

“Article 25

The Sanctions

1. The following infringements, while not constituting a criminal action, represent administrative violations penalized as follows:

2.1 The penalty for violations of the article 8 of this law shall reach from 50 000 lek to 100 000 lek;

3.1 For failing to comply with the security and emergency supply in addition to the deadlines for their completion, according to the article 9 of this law, the penalty shall reach to 50 percent of the value representing the quantity of the product missing from the quantity established as a security and emergency supply.

4.1 The penalty for infringing the items 5 and 6 on article 12 of this law shall reach from 800 000 lek to 1 000 000 lek for violating each of the above-mentioned items.

5.1 The penalty for infringing the item 5 on article 14 of this law shall reach from 50 000 lek to 100 000 lek.

6.1 The penalty for infringing the item 6 on article 14 of this law shall reach from 800 000 lek to 1 000 000 lek.

7.1 The penalty for infringing the item 9 on article 14 of this law shall reach from 500 000 lek to 700 000 lek.

8.1 For infringing the item 12 on article 14 of this law, the subject shall be penalized as follows:

- i. From 300 000 lek to 500 000 lek for filling and selling uncontrolled gasbags with fluid gas from the oil;
- ii. From 100 000 lek to 200 000 lek for placing in the market gasbags filled with fluid gas from the oil, which do not contain the company identity (the color, the mark, the stamped cork) or when they are under the declared weight.
- iii. From 500 000 lek to 700 000 lek when the subject performs the filling of the gasbags with fluid gas from oil outside the plants provided with the respective license.

9.1 The penalty for infringing the first paragraph in item 1 on article 15 of this law shall reach from 50 000 lek to 100 000 lek.

10.1 For infringing the first paragraph in item 3 on article 15 for each of the enforcements, the second paragraph in the same item, concerning the consignment in time of the agreement, as well as for infringing the items 4 and 6, the penalty shall reach from 300 000 lek to 500 000 lek.

11.1 The penalty for infringing the item 7 on article 15 of this law shall reach from 70 000 lek to 100 000 lek.

12.1 The penalty for infringing the item 3 on article 16 shall reach from 100 000 lek to 200 000 lek.

13.1 The penalty for infringing the item 4 on article 16 shall reach from 30 000 lek to 50 000 lek.

14.1 For not respecting the technical norms in fixtures, plants, and other equipment utilized, the penalty shall be applied as follows:

- For oil refineries, processing plants, oil pipe liners, gas pipe liners, and the maritime fixtures the fine shall reach from 700 000 lek to 1 000 000 lek;
- For wholesaling companies the fine shall reach from 300 000 lek to 500 000 lek;
- For the fuel selling stations and combustible selling units the fine shall be from 200 000 lek to 300 000 lek.

15.1 Exercising the activities without having an activity license or authorization conform the dispositions of this law constitutes a violation; therefore, the subject shall be penalized as follows:

- i. For oil refineries, processing plants, oil pipe liners, gas pipe liners, the maritime fixtures, the wholesaler companies, etc. the fine shall reach from 4 000 000 lek to 5 000 000 lek;
- ii. For the fuel selling stations and combustible selling units the fine shall reach from 700 000 lek to 1 000 000 lek.

The General Directorate of Hydrocarbons decides concerning the amount of penalties foreseen in items “a” and “b” of this article. All the other penalties are granted by the National Inspectorate for Controlling of Oil, Gas, and their sub-products.

2.1 In cases of repetitions for the above-mentioned violations or non implementations of the granted sanctions for these violations, the competent authority has the right for the impediment of the activity for the subject until 30 days, by suspending the procedure of the concession permission, processing license, the trading license, or the respective authorization.

2.2 In cases when the subject does not fulfill the temporary suspension condition or repeats, even one of the above-mentioned violations, the approbatory organism propones to the competent authority to call off the concession permission, the processing license, the trading license, or the respective authorization for exercising the activity.

3. The income from the penalties shall be divided as follows:

- a. 10 percent of the income goes to the approbatory organism;
- b. 90 percent of the income goes to the State Budget.

The Council of Ministers establishes the ways for the utilization of these incomes.

4. The complaint filings against the fine penalizations shall be fulfilled in accordance with terms and the procedures foreseen from the law no. 7697, date 07.04.1993 “Concerning the administrative violations”.

Article 14

This decision enters into power 15 days after its publications in the Official Gazette.

THE CHAIRMAN

Servet Pellumbi