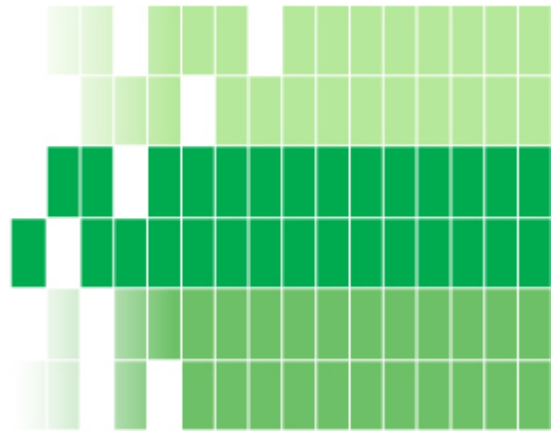




Legal News

KPMG in Albania



## New Law on Cadaster

March 2019

### Establishment of the State Agency of Cadaster

#### Mandatory notification and registration of public authorities' deeds

#### Extension of the mortgage over the land into the new building

#### New rules to register mortgages over building units in the carcass phase

The new Law on Cadastre, or Law no.111/2018 on "Cadaster" ("the Law") adopted by the Albanian Parliament on 2 February 2019, entered into force on 21 March 2019. It supersedes Law no.33/2012 dated 21 March 2012 on "Registration of Immovable Properties".

The Law governs the registrations of immovable property transactions that occur after its entry into force. In addition, it introduces certain new principles on registration process, rights over immovable properties and related documents.

### Establishment of the State Agency of Cadaster

The new State Agency of Cadaster ("the Agency") will take over the responsibilities of three current state authorities: 1) Immovable Properties Registration Office, 2) Agency of Legalization, Urbanization and Integration of Informal Constructions and 3) Agency of Inventory and Administration of Public Properties.

#### Mandatory notification and registration of public authorities' deeds

The Law requires that all deeds related to immovable properties must be registered and undergo a preliminary registration. Such preliminary registration is initiated with the online declaration of deeds by courts, notaries, bailiffs and other state authorities with the digital national cadaster. The online declaration must be done upon formalization of the deed. Any subsequent deed or transaction for disposal of the immovable property which lacks a chronological sequence and creates an overlap will be refused by the Agency. Further to the online declaration, the abovementioned authorities must submit hard copies of such deeds to the Regional Cadaster Directorate within 10 days from the formalization.



---

#### Extension of the mortgage over the land into the new building

The mortgage over the land may be extended only to a future building or

parts of it that are free of any preliminary transfer agreement. In addition, the land owners are not allowed to transfer their rights over their future parts of a building in case a mortgage is registered over the land. The above provisions aim to improve the practice and solve all disputes arising so far with regard to the extension of mortgage.



## New rules to register mortgages over building units in the carcass phase

The Law sets out new mandatory procedures on registration of mortgages aiming to avoid conflicts between land owners, investors, creditors and customers who have entered into preliminary agreements for future acquisition of building units.

In case of a mortgage over the land, the investor who is at the same time the land owner is not allowed to enter into preliminary agreements with third parties for future acquisition of any building units without the consent of the mortgage creditor. Otherwise, if no mortgage is registered over the land, the mortgage might be registered only over those building units that are free of any preliminary agreements. In case of violation of such requirements, the mortgage will not be registered.

The compulsory enforcement over the building in the carcass phase will be extended only to those parts that are free of any preliminary agreements, save for the liability secured by an earlier mortgage over the property than the preliminary agreements.



## For information

### **Juliana Mateeva**

Partner, Legal Advisory Services

Tel: +355 (4) 2274 524

[jmateeva@kpmg.com](mailto:jmateeva@kpmg.com)

### **Arjola Goxhaj**

Manager, Legal Advisory Services

Tel: +355 (4) 2274 524

[agoxhaj@kpmg.com](mailto:agoxhaj@kpmg.com)

[kpmg.com/al](http://kpmg.com/al)



[Unsubscribe](#) | [Privacy](#) | [Legal](#)

KPMG Albania Shpk, Deshmoret e Kombit Blvd., Twin Towers Buildings, Building 1, 13th floor, Tirana, Albania.

© 2019 KPMG Albania Shpk is an Albanian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.