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Extractive Industries Transparency Initiative

Reconciliation of cash flows from oil, gas and mining in Albania 2011

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Executive Summary

This report summarizes information on the reconciliation of fiscal and non-fiscal revenue from the extractive industry in Albania as part of the implementation of the Extractive Industries Transparency Initiative (EITI). In this context, licensees and the Albanian Government respectively, report payments and collections from the extractive industry for **royalties**, **profit tax**, **share on oil production**, **signature bonuses,** and other industry related payments. In addition, this report includes reconciliation of revenue collected from the State-owned company – Albpetrol in relation to licenses under its administration and the cash flows contributed by Albpetrol to the State Budget. These cash flows are collected and reconciled annually by an independent administrator.

This is the **third report** published under this initiative and includes payments and collections made in 2011. Two other reports were published earlier, respectively, for the years 2009 and 2010. See http://www.albeiti.org/ for more information about EITI in Albania.

Revenue generated from the extractive industry in 2011

Revenue generated from the extractive industry (from oil production, royalty, profit tax, and signature bonuses) amounts to Lek 9,316 million in total. The oil and gas sector and the mining sector generated respectively 81% and 19% of this revenue. This revenue includes oil production amounting to Lek 3,558 million collected by Albpetrol for production licenses under its administration. As a licensee, Albpetrol pays to the State budget royalty, profit tax, and dividend amounting to Lek 741 million.

Figure 1 – Cash flows from the extractive industry

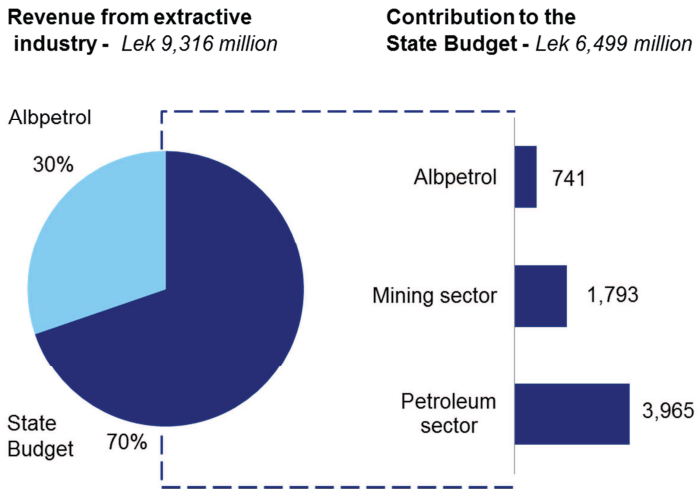

Figure 1 on the left presents an overview of the cash flows generated from the extractive industry and their allocation between the State Budget and Albpetrol.

Payments amounting to Lek 6,499 million or 70% of total cash flows from the extractive industry are recorded in the State budget. These payments contribute to 1.98% of the total revenue in the State budget.

The Contribution from the extractive industry to the State budget is Lek 6,499 million. The largest share is derived from the oil and gas sector, comprising Lek 3,965 million or 61%, followed by the mining sector and Albpetrol contributing with 28% and 11%, respectively.

Production in 2011

Based on the data provided by AKBN, production of oil in 2011 amounted to 834,644 ton of crude oil with a value of USD 456.5 million. Extraction of oil from the Patos-Marinza oil fields comprised 85% of total oil production. Mineral production amounted to USD 217.5 million. Production of chromium in 2011 comprised 66% of the total mining sector production, with an extraction of chromium in Buliqiza amounting to about USD 100 million.

The Albanian Custom Administrate reports exports from the extractive industry at 25.1% of total exports. Exports from oil and chromium represent respectively 64% and 23% of total exports from the extractive industry.

Selection of reporting entities

All companies operating under an exploration license in oil, gas, and mining and a production license in oil and gas were required to report under the EITI Standard. Thus, cash flows reconciled for the oil and gas sector represent 100% of cash flows contributed by the sector for the selected revenue streams.

Because of the large number of small-scale producers in the mining sector, certain materiality criteria based on annual turnover and production were applied to select the significant producers. The selection resulted in 58 mining companies, which based on the statistics provided by AKBN, comprise 71.4% of the production value, and 50% of the total cash flows from the mining sector.

The total number of licensees selected for the reconciliation process was 67, comprising 8 oil companies, Albpetrol, and 58 mining companies. By the date of this Report 63 out of 67 licensees reported payments to the State and Albpetrol as per the required revenue streams.

Reconciliation of cash flows

Deloitte has been engaged to reconcile the reporting from the licensees and the government institutions in order to identify and clarify any potential discrepancies in the reporting. All discrepancies initially identified were further analysed in the attempt to reconcile and explain.

Most of the discrepancies were explained through reconciliation work. Discrepancies were in general due to amounts initially left out from the reporting, or errors in the reporting.

Licensees and recipient government institutions have been very cooperative in contributing to solving the discrepancies. However, we encountered a large number of discrepancies, which indicates a potential for improvement of related reports and establishment of a quality assurance process to ensure completeness and accuracy.

Section 4 presents the reconciliation on an aggregated level. Company-by-company reconciliation is presented in the appendices to the report. Table 2 below presents a summary of the cash flow reconciliation.

Table 1 - Summary of the cash flow reconciliation

Amounts in thousands Lek

Aggregated payments	Initial reporting	Discrepancy resolved		Without counterparty	Adjusted amount
		Licensee	Government		
Allocated to the State budget					
I Oil and gas sector					
Petroleum licenses	3,958,872	(1,841)	-	10,090	3,967,121
Government	3,965,670	-	1,451	-	3,967,121
Discrepancy	**(6,798)**	**(1,841)**	**(1,451)**	**10,090**	**-**
II Mining sector					
Mining licenses	944,530	(15,166)	-	2,250	931,614
Government	924,593	-	(12,351)	5,129	917,371
Discrepancy	**19,937**	**(15,166)**	**12,351**	**(2,879)**	**14,243**
III Albpetrol					
Albpetrol	809,039	(48,724)	-	-	760,315
Government	741,346	-	78	-	741,424
Discrepancy	**67,693**	**(48,724)**	**(78)**	**-**	**18,891**
Total allocated to the State budget I+II+II					
Total licensees	5,712,441	(65,731)	-	12,340	5,659,050
Total Government	5,631,609	-	(10,822)	5,129	5,625,916
Discrepancy	**80,832**	**(65,731)**	**10,822**	**7,211**	**33,134**
IV Allocated to the Albpetrol					
Petroleum licenses	3,548,878	(15,166)	-	2,250	3,535,962
Albpetrol	3,557,950	-	(12,351)	5,129	3,550,728
Discrepancy	**(9,072)**	**(15,166)**	**12,351**	**(2,879)**	**(14,766)**
Total cash flows generated from the extractive industry (I + II + IV - III) as reconciled					
Petroleum licenses	**8,452,280**				
Government and Albpetrol	**8,448,213**				

By the date of this report, cash flows were reconciled to 99.21% of total cash flows reported by licensees and the Government. Unresolved discrepancies and unilateral payments declared amount to 0.35% and 0.44% of the total reported cash flows by licensees, respectively. Discrepancies explained through reconciliation work were significantly above the level shown in this report. Most of the reporting entities corrected their declarations to include the final reconciled cash flows.

Deloitte.

Deloitte Albania sh.p.k
Rr. Elbasanit.
Pallati poshte Fakulteti Gjeologji-Miniera
Tirana, Albania

Tel: +355 4 45 17 920
Fax: +355 4 45 17 990
www.deloitte.al

Place of registration: Tirana Court, Decision 16016
VAT (NUIS) No:J62329003N

The Multi-Stakeholder Group
c/o Ministry of Energy and Industry
"Deshmoret e Kombit" Blv.
Tirana, Albania

Report on actual findings - assembly and reconciliation of cash flows

This report summarizes the result of the reconciliation of cash flows from the petroleum and mining activities as part of the implementation of the Extractive Industries Transparency Initiative (EITI) in Albania.

The report consists of five chapters. Chapter 1 describes the background and objective of the reporting. Chapter 2 provides contextual information on the industry. The reporting, compilation, and reconciliation processes are presented in chapter 3. In chapter 4, the compilation and reconciliation of payments is presented on an aggregated level. Lessons learned during this year's reconciliation are summarized in chapter 5. Reported figures, disaggregated on a company-by-company level, are included as appendices to the report. The amounts in this report are stated in thousand Albanian Lek (TLEK), unless otherwise stated.

We have performed our work in accordance with the International Auditing Standards on Related Services ("ISRS") 4400 "Engagements to perform agreed upon procedures regarding Financial Information" published by the International Federation of Accountants ('IFAC").

Our procedures are listed in section 3.5. Our findings are presented in chapter 4 of this report and in the appendices.

Because the agreed-upon procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the payments reported by the companies and government institutions. The information presented in our report, or information provided by licensees or government institutions, has not been subject to control or verification procedures unless otherwise stated in the report. By performing additional procedures, a limited or full audit in accordance with auditing standards, other issues may have been detected and reported.

The objective of this report is to enhance transparency within the petroleum and mining industry. Our procedures are not designed to identify fraud or misstatements made by licensees and government bodies.

Deloitte Albania Sh.p.k

June 27, 2014

Tirana, Albania

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1. Introduction

1.1 Background

Extractive Industries Transparency Initiative (EITI) has issued a new global standard for transparency in the oil, gas and mining industries in July 2013 (the "EITI Standard"). The EITI principles are based on the belief that prudent use of natural resources contributes to economic growth, sustainable development and reduction of poverty in resource-rich countries. EITI aims to promote transparency in order to prevent corruption as well as provide citizens with a basis for demanding fair use of revenue. Transparency is also expected to positively contribute to a growth in investments in the sector.

Albania joined EITI as a candidate in May 2009 and obtained the EITI compliant status in May 2013. Two reports were produced for the years 2009 and 2010.

Exploration, exploitation, and processing of mineral ores constitute a significant activity in the Albanian economy, and the sector is growing. Albania's mineral deposits include chromium, copper, iron-nickel, limestone, and petroleum.

The Albanian Multi-stakeholder Working Group ("MSG" or the "Albanian Working Group") is the decision-making body supervising the implementation of the EITI in Albania. The Group, regulated by Public Order No. 71 dated 21 July 2011, is chaired by the deputy Minister of the Ministry of Energy and Industry and composed of various EITI stakeholders including the Government, extractive companies, civil society etc. The Albanian MSG is supported in its work by the EITI Albania Secretariat ("ALBEITI").

EITI Reporting in Albania for the mining sector is regulated through Law No.10304 "On the Mining sector in the Republic of Albania", dated 15 July 2010, which compels all mining companies to implement the EITI. The Petroleum sector has voluntarily accepted EITI through memorandum of understandings signed between ALBEITI Secretariat and the companies operating in the petroleum sector.

According to the EITI Standard, licensees and the Government bodies shall report payments made and revenues received annually and these shall be reconciled by an independent administrator in the context of ongoing implementation. In this context, the MSG and ALBEITI requested the following parties to report all payments made to the Albanian Government :

- all licensees operating in exploration of oil, gas, and mining;
- all licensees operating in production of oil and gas; and
- the largest mineral producers.

Additionally, the MSG and ALBEITI requested recipient Government institutions to report certain revenues received.

Compilation of the contextual information in accordance with the requirements of EITI Standard is the responsibility of EITI Albania. For the purpose of compiling contextual information on the extractive industry, the MSG and ALBEITI requested the National Institute of Statistics (INSTAT), the industry regulators, and fiscal Government agents to furnish ALBEITI with macroeconomic data, production, exports, and revenue collected from the extractive industry.

Deloitte Albania Sh.p.k was appointed as administrator according to a contract dated May 2, 2014. The administrator's role is to:

- Receive reporting from licensees and governmental agencies
- Compile the reporting and seek to resolve discrepancies to the extent possible
- Prepare and publish a report comprising the reconciled payments and revenues, any discrepancies, and other information relevant, to understand the payments and revenues from the petroleum and mining activity.
- Provide recommendations for improving the process

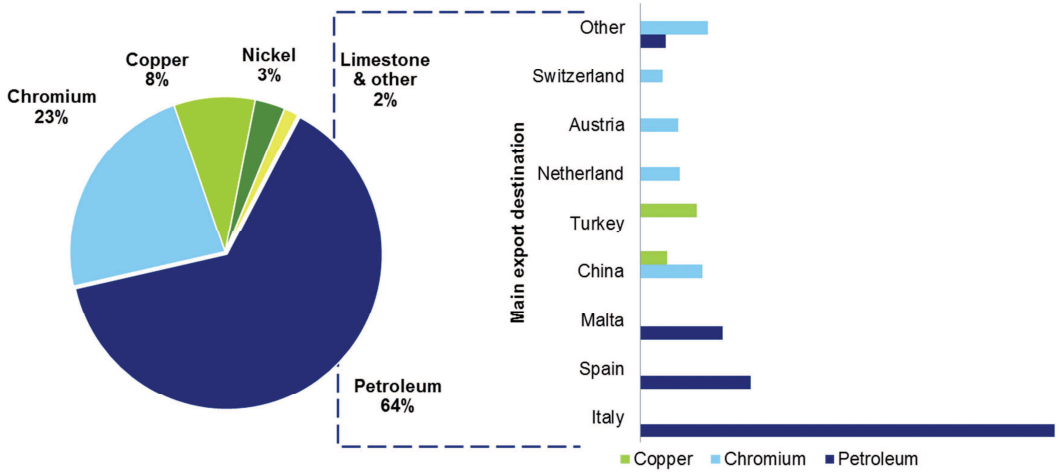
2. Contextual information on the extractive industry

2.2 Overview of extractive industry in Albania

The extractive industry in Albania is represented by the industrial oil sector and a medium and small-scale mining sector thriving largely on chromium, copper and nickel extraction.

In 2011, the extractive sector comprised about 1.7%[1] of gross domestic product (GDP). Exports from the sector amounted to Lek 49.75[2] billion or 25% of total exports in 2011. Exports of oil, chromium, and copper collectively comprise 95% of total exports from the extractive industry. Figure 2 below, presents an overview of the relative size of exports from the industry and the main destination countries:

Figure 2 – Relative size of exports sales from the extractive industry and main export destinations



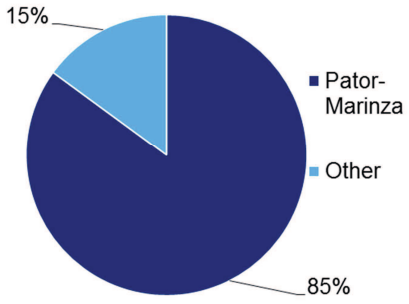
2.2.1 Oil and gas sector overview

Geological studies in Albania reveal oil exploration and production opportunities both onshore and offshore. Oil exploration in Albania began in 1918[3]. Since then, oil bearing fields were discovered in the following 11 onshore areas: Drashovica (1918), Patos (1927), Kuçova (1928), Marinza (1957), Visoka (1963), Gourisht-Koçul (1965), Ballsh-Hekal (1966), Finiq-Krane (1973), Cakrran-Mollaj (1977), Delvina (1989) and Sqepuri (2001).

Gas exploration in Albania began in 1955[3]. The first gas bearing field was discovered in Divjaka (1963), followed by Frakulla (1965), Ballaj–Kryevidhi (1983), Povelça (1987), Panaja (1988), and Ad-4 (offshore - 1994).

Detailed information on geological formation of Albania territory, including onshore and offshore opportunities is provided in "Petroleum exploration and production opportunities in Albania" published by AKBN at: www.akbn.gov.al.

Figure 3 – Production of oil in 2011



In 2011, AKBN reported production of crude oil at 894,500 ton oil[4] for an estimated value of USD 456.5 million. This production was extracted mainly from the Patos-Marinza oil fields (85% of production), operated by Bankers Petroleum. Exports of crude oil in 2011 amounted to USD 317 million or 69.4% of total crude oil produced in 2011. Customs[2] data rank Italy as main export destination, followed by Spain and Malta (Figure 2 above).

The total output of gas was reported at 15 million Nm[3,5].

[1] This information is officially sent by INSTAT to ALBEITI Secretariat and the latter shared with us.
[2] This information is officially sent by the Albanian Custom Administrate to ALBEITI Secretariat and the latter shared with us.
[3] Petroleum exploration and production opportunities in Albania, published by AKBN – www.akbn.gov.al
[4] This information is officially sent by AKBN to ALBEITI Secretariat and the latter shared with us.

Legal framework governing the oil and gas sector

Exploration, development, and production of oil and gas in Albania are regulated by Law no.7746 "On Petroleum (Exploration and Production)" dated 28 July 1993 ("Law on Petroleum"). Since the adoption of the Law, it has been amended by Laws No.7853 (29 July 1994), 7811 (12 April 1994), and 9975 (28 July 2008)[5].

The Ministry of Energy and Industry ("MEI") is responsible for monitoring of the implementation of this legislation.

Law on Petroleum expressly states that all petroleum deposits existing in their natural condition in strata lying within the jurisdiction of Albania are the exclusive property of the Albanian State. The law permits MEI to enter into a Petroleum Agreement, under which an oil company may be granted exclusive rights to explore and produce oil and gas for a limited period.

Government of Albania is currently revising the Law on petroleum. The draft revisions were not published by the date of this report.

Albpetrol – oil company owned by the Albanian Government

Albpetrol Sh. A. ("Albpetrol") was incorporated on 20 March 1993, with the Albanian Government being its sole shareholder. Apart from the distribution of dividend, there are no other transfer policies between the State and Albpetrol. In addition, Albpetrol is subject to taxes applicable to oil commercial entities such as profit tax, royalty, VAT etc.

In 1993, the Law on petroleum granted Albpetrol sh.a. with the administration of all existing oilfields in Albania and four exploration blocks in the area of Dumre, Panaja, Velçe and Delvine. Extension of Albpetrol exploration and production rights were defined in a separate agreement approved on 26 July 1993 ("The Albpetrol Agreement"). In 12 April 2012, under the same terms, the Council of Minister Decision (VKM) 279 dated 12 April 2012 granted Albpetrol with exploration blocks 1, 5, 6, 7 and 8.

Under Law No.10490 dated 15 December 2011, the Albanian Parliament decided to privatise Albpetrol. Following this decision, the Law on Petroleum was subsequently amended in 2012 by Law No. 31/2012 to redefine the position of Albpetrol as a commercial enterprise. Accordingly, exploration and production rights granted to Albpetrol as primary licensee would be subject to the regular terms referred in the Law on petroleum for oil and gas economic operators. In pursuing better utilisation and production efficiency, the Law allows Albpetrol to sub-grant its exploration and production rights to oil and gas companies, subject to approval by the Ministry of Energy and Industry.

Petroleum Agreements

Petroleum agreements have all been developed as Production Sharing Agreements (PSAs), signed by the National Agency of Natural Resources (AKBN) on behalf of the Government of Albania. Albpetrol is party to the agreements when PSAs grant oil fields under Albpetrol administration. PSAs for oil fields discovered are granted for an initial production period no longer than 25 years and can be extended further as provided for in the Petroleum Law.

The Law on Petroleum defines PSAs as agreements under which:

- the Licensee may recover costs incurred from the petroleum produced in the contract area or from a proportionate part thereof, and
- the stock of petroleum outstanding after the recovery of contract costs is divided between the Licensee and the State in accordance with a scale or formula specified in the petroleum agreement"[6].

[5] Summary of the Albanian legal framework for petroleum exploration and production – www.akbn.gov.al.
[6] Law No. 7746 on Petroleum (Exploration and Production), Article 2

Overview of licensees in the oil and gas sector

Licensees and oil fields in the production phase during 2011 were as follows:

Licensee	Area of operations	Website[7]
BANKERS PETROLEUM ALBANIA LTD	▪ Pator-Marinza, onshore	www.bankerspetroleum.com/;
Sherwood International Petroleum Ltd (subsidiary of Bankers Petroleum Albania Ltd)	▪ Kucova	www.bankerspetroleum.com/;
DEGA NE SHQIPERI E STREAM OIL & GAS LTD	▪ Gorisht-Kocul, ▪ Cakran-Mollaj, ▪ Ballsh-Hekalit and ▪ Delvina	www.streamoilandgas.com/;
IEC VISOKA INC-Dega ne Shqiperi (Transoil Group in 2012)	▪ Visoka	www.transoilgroup.com/;

All petroleum agreements for exploitation and production of oil and gas presented above, were signed with Albpetrol, in its capacity of primary licensee. Accordingly, Albpetrol held a share of oil produced under these agreements. In addition, Albpetrol exclusively operated some oil and gas fields in 2011.

Exploration licences in force during 2011[8] were as follows:

Licensee	Area of operations (onshore)	Website[9]
BANKERS PETROLEUM ALBANIA LTD	▪ Block F onshore	http://www.bankerspetroleum.com/
Petromanas Albania GmbH.	▪ Blocks A, B, D, E and 2, 3; onshore;	http://www.petromanas.com/
SAN LEON DURRESI B.V	▪ Durres block, offshore,	http://www.sanleonenergy.com/home.aspx
Capricorn Albania Limited (Orion Albania Limited)	▪ Joni block offshore	http://www.cairnenergy.com/
Sky Petroleum - Albanian Branch, *(Suspended its activity in 2012)*	▪ Blocks 4, 5 Dumre, onshore	http://www.skypetroleum.com/

An overview of the current license situation and the sites opened to exploration and production licensing is provided respectively in AKBN website: www.akbn.gov.al, and Albpetrol website: www.albpetrol.al for licenses administered by Albpetrol.

Detailed terms of Petroleum agreements are currently not disclosed for public access.

Significant developments in the oil and gas sector after 2011

After 2011, new exploration licenses were granted to Emanuelle Adriatic Energy Limited on Adriatic Blocks 2, 3 and 4 offshore blocks.

In February 2012[9], Petromanas Energy Inc. parent of Petromanas Albania GmbH, entered into an agreement with a wholly-owned subsidiary of Royal Dutch Shell plc, whereby Shell acquired 50% of participating interests rights on onshore exploration Blocks 2-3 in exchange for payments and carried costs up to USD 50.3 million. In June 2013, Shell further acquired an additional 25% of interest in Blocks 2-3.

In late 2013, Petromanas Energy Inc. and Royal Dutch Shell plc announced positive test results from Shpirag-2 well for a capacity at rates of 1,500 to 2,200 barrels per day oil equivalent.

In 2013, Albpetrol sublicensed exploitation and production rights on Pekish-Murriz, Frakullë, Panaja, Povelce, Divjakë, Ballaj-Kryevidh, Finiq-Karne, Amonicë and Drashovicë to Phoenix Petroleum Sh.a.[10]

[7] Further information on petroleum activity of the licensees can be found at the oil and gas companies' website.
[8] http://www.akbn.gov.al/index.php/sq/hidrokarburet/situata-aktuale-e-licensimit-karbu
[9] Sourced from Company's website: http://www.petromanas.com/Exploration-Portfolio/Albania/index.php
[10] Sourced from Company's website: http://imc.al/p-oil-gas.html

2.2.2 Mining sector overview

Albania has a longstanding history in mining with significant mineral deposits of chromium, nickel, copper, and limestone. Chromium reserves have been estimated to be close to 36.9 million tons[11] and copper reserves at around 27 million tons[14]. Reforms of the mining industry present considerable governance challenges. The sector was previously dominated by state-owned enterprises and started to open up to private investment in 1994. The mining objects[14] given in concession so far are:

- Bulqiza chromium mine and ferrochrome smelters in Burrel and Elbasan Cities;
- Chromium Mines in Kalimash, Kukës district, Vlahnë, Has district and Kalimashi dressing plant;
- Munella, Lak Rosh, Karma 2 copper mines and also the dressing plant in Fush Arrëz town;
- Selenica Bitum mine, Vlora district mine and its bitumen smelting furnace

As a traditional mining country, Albania contains an increasing number of medium, small-scale mining and quarry companies, and only a couple of large-scale industrial mining companies.

An overview of the Albanian mining potential is provided by the National Natural Resources Agency in its website: www.akbn.gov.al.

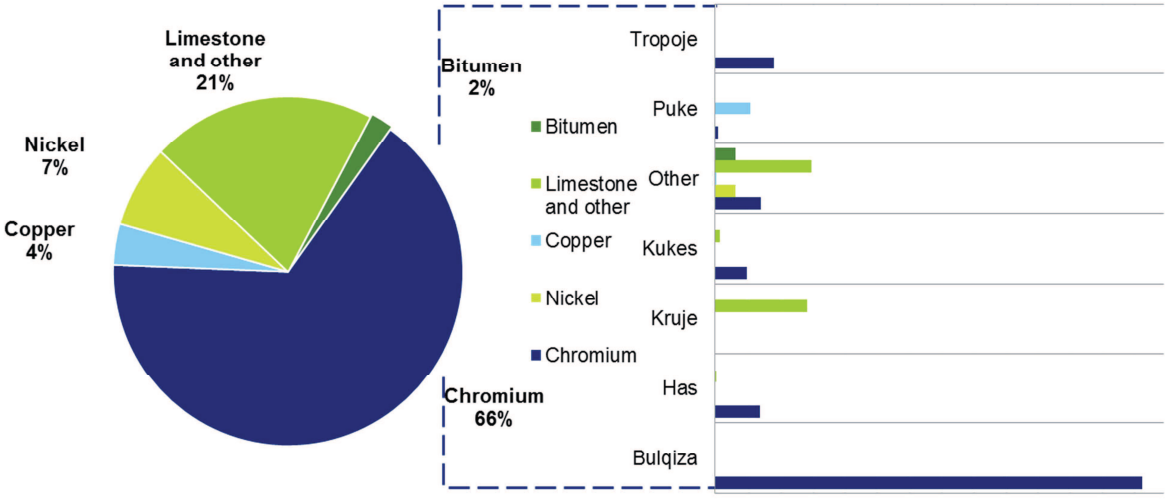
In November 2011, AKBN reported 752 mining licenses[12], out of which 673 production licenses, operating mostly in Bulqiza, Kruja, Berat, Tirana and Librazhd districts.

The Ministry of Energy and Industry published in its website: www.energjia.gov.al a licensee register summarising all production licenses granted up to November 2011. This register contains information on license holders, date of license award, commodity produced and surface area granted. Detailed information on the licensees' shareholders and shareholding can be accessed at the National Registration Centre website: http://www.qkr.gov.al/nrc/default1.aspx.

Currently, MEI[12] is in the process of setting up an interactive licensee portal, which would provide updated information on license terms and current holders. This portal will show licenses granted in each area and free sites, via an interactive digital map.

461 out of 673 mineral production licensees[13] reported their activity for the year 2011. Production activity reported by licensees to AKBN for 2011 amounted to USD 217.5 million. Figure 4 below presents an overview of the relative size of the production value in USD by mineral and geographical areas as follows:

Figure 4 – Relative size of mineral production value and production districts



Based on data presented by AKBN, production of chromium in 2011 amounted to USD 143 million. Bulqiza contributed with 70% of total production of chromium estimated at USD 100 million.

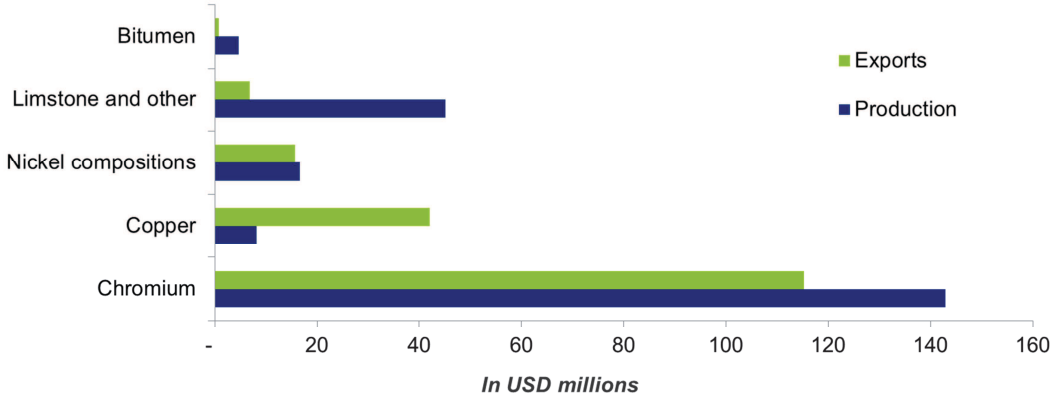
[11] Invest in Albanian Natural Resources – Mineral Resources, published in August 2010, at by the National Agency of Natural Resources (AKBN) website – www.akbn.gov.al

[12] This information is officially sent by MEI to ALBEITI Secretariat and the latter shared with us.

[13] This information is officially sent by AKBN to ALBEITI Secretariat and the latter shared with us.

Exports form the mining sector in 2011 amounted to USD 180.5 million or 83% of total production value. The chart below presents exports and the production value of minerals in 2011:

Figure 5 – Exports vs. production of minerals in USD



Chromium contributes with the largest share of production at 66% of total mineral production value (Figure 4 on page 10). Exports of chromium amounted to USD 115 million or 81% of production, in 2011. Customs data show that chromium exports are directed to China, Netherland, Austria and Switzerland (Figure 2 on page 7).

Albchrome (ACR – previously Albanian Chrome), operating the Bulqiza mine, was the largest industrial company extracting chromium in Albania. Many medium and small-scale companies (more than 200 licences) were extracting chromium in Buliqza, Tropoja, Has, Kukes etc.

Exports of **copper** in 2011 amounted to USD 42 million, five times larger than the production in 2011**.** Changes between production and sales seasons are explained by year on year fluctuations of the international price of copper. Turkey and China are the main export destinations for this commodity (Figure 2 on page 7).

Beralb was the only industrial company extracting copper in 2011, comprising 99% of copper production value in 2011. Beralb holds production licences for the mines of Munelle, Lak Roshi, Karma and Fushe-Arres, all located in the province of Puke.

Nickel was mostly extracted in the form of iron-nickel and nickel silicate, in the regions of Elbasan, Pogradec and Librazhd. Production value was generated from medium and small-scale mining companies extracting this mineral in 2011, with few licensees collecting production of nickel from the medium and small-scale producers.

A large number of small-scale **limestone** mining companies operate throughout the country. Antea Cement operating in Kruja district was the largest producer of limestone in 2011 contributing with 19% of total production value.

Legal framework governing the mining sector

The mining sector in Albania is regulated by Law No.10304 “On the Mining sector in the Republic of Albania”, dated 15 July 2010 (“Law on Mining”), which entered into force in August 2010 and abrogated the Mining Law No.7796, dated 17th February 1994. Despite the fact that the Law entered in force in 2010, its implementation effectively started in mid-2011 when accompanying instructions were approved and published.

The Ministry of Energy and Industry, is responsible for granting exploration and production licenses in the mining sector. The initial term of a production license shall be for 25 years, subject to renewal for additional 10 years. The exploration licenses are initially granted for 3 years, and are subject to further extension. AKBN and Albanian Geological Service (“AGS”) support MEI with the pre and post-licensing procedures, AKBN for production licenses and AGS for exploration licenses, respectively.

Pre-licensing procedures include promotion of free sites, instruction of potential operators, technical verification of proposed production plan, and negotiation of investment plan and other terms. Post-licensing procedures include monitoring of licensees activity through periodical reports collected from the licensees and monitoring site visits.

Under the new Law on Mining, licensees in this sector are no longer required to pay surface tax. Instead, the new Law introduces the concept of incorporating an environmental rehabilitation plan and commitment toward the annual investment and work. AKBN and AGS approve these financial plans respectively for

the licensees under their supervision. Accordingly, licensees shall deposit financial guarantees each year in favour of MEI, in accordance with the approved annual plans.

Detailed terms of Mining licenses are currently not disclosed for public access.

EITI reporting regulation

Article 36 of Law on mining explicitly requires mining companies operating in Albania to disclose their tax payments in accordance with the Extractive Industries Transparency Initiative. Council of Minister Decision No. 233 dated 23 March 2011 provides EITI reporting instructions.

AKBN and MEI provide a summary of laws and regulations in force for the mining sector in their respective websites: www.akbn.gov.al and www.energjia.gov.al.

2.3 Trans Adriatic Pipeline Project (TAP project)

Trans Adriatic Pipeline (TAP) AG is a joint venture company established with the purpose of planning, developing and building the TAP natural gas pipeline. TAP's shareholding is now comprised of BP (20%), SOCAR (20%), Statoil (20%), Fluxys (16%), Total (10%), EON (9%) and Axpo (5%).

TAP will transport natural gas from Shah Deniz II field in Azerbaijan to Europe. The approximately 870 km long pipeline will connect with the Trans Anatolian Pipeline (TANAP) near the Turkish-Greek border at Kipoi, cross Greece and Albania and the Adriatic Sea, before coming ashore in Southern Italy. Accordingly, Albania will become a central transit country for energy security of the European Union, but also for the diversification of gas supply sources, marking the opening of the Southern Gas Corridor (Power) for Europe. TAP is expected to promote the economic development and job creation along the pipeline route, including Albania. It will be a major source of foreign direct investment and it is not dependent on grants or subsidies. With the first gas sales to Georgia and Turkey targeted for late 2018, the first deliveries to Europe will follow approximately a year later.

Further information on TAP project can be found at: www.trans-adriatic-pipeline.com/ and www.energjia.gov.al.

The Government of Albania is committed to supporting the TAP project through several steps of State authorisations and permits. In order to facilitate the process, the Government of Albania has established the "Commission on State Aid" chaired by the Minister of Economic Development, Trade and Entrepreneurship, operating conform to the provisions of law no. 9374, dated 21 April 2005 "On State aid", amended.

TAP agreement and any revenue stream (i.e. transit fees etc.) expected from this project are not currently disclosed for public access.

2.4 Government's revenue from the extractive industry

The Albanian State receives its share of the value created from the extractive industry through:

- Taxation of petroleum and mining activities
- Charges / fees and
- Dividends from ownership in Albpetrol sh.a

Revenue generated from the extractive industry for royalties, profit tax, share on oil production, signature bonuses, and other industry related payments is presented in Table 2 as follows:

Table 2 – Revenue generated from the extractive industry in 2011

In Lek million

	Oil and gas sector			Mining sector			Albpetrol			Total revenue		
Revenue streams	**Total revenue**	**Scope in 2011**	**Scope in %**	**Total revenue**	**Scope in 2011**	**Scope in %**	**Total revenue**	**Scope in 2011**	**Scope in %**	**Total revenue**	**Scope in 2011**	**Scope in %**
-Share of oil production	3,558	3,558	100%	-	-	-	(3,558)	(3,558)	100%	-	-	-
Sub-total	**3,558**	**3,558**	**100%**	**-**	**-**	**-**	**(3,558)**	**(3,558)**	**100%**	-	-	-
- Royalty	3,851	3,851	100%	720	302	42%	390	390	100%	4,961	4,543	92%
- Profit tax	-	-	-	1,073	602	56%	163	163	100%	1,236	765	62%
- Dividend	-	-	-	-	-	-	189	189	100%	189	189	100%
- Signature bonuses	114	114	100%	-	-	-	-	-	-	114	114	100%
- Other taxes	N/a	-	N/a	N/a	21	N/a	N/a	-	N/a	N/a	21	N/a
Allocated to the State budget	**3,965**	**3,965**	**100%**	**1,793**	**925**	**50%**	**741**	**741**	**100%**	**6,499**	**5,631**	**86%**
Allocated to Albpetrol	**-**	**-**	**-**	**-**	**-**	**-**	**2,817**	**2,817**	**100%**	**2,817**	**2,817**	**100%**
Total	**7,523**	**7,523**	**100%**	**1,793**	**924**	**50%**	**-**	**-**	**-**	**9,316**	**8,448**	**91%**

N/a – Not available

Oil and gas sector generated cash flows at Lek 7,523 million or 81% of total revenue (Table 2). Out of these cash flows, shares of oil production of Lek 3,558 million is collected by Albpetrol from production licenses under its administration, whereby share of oil production equivalent to Lek 1,472 million is paid in 34,695 ton of crude oil. Accordingly, the oil and gas sector paid net cash flows of Lek 3,965 million to the State budget.

As a licensee, Albpetrol pays royalty, profit tax and dividend amounting to Lek 741 million.

In total, oil and gas sector and Albpetrol contributed with Lek 4,706 million (equivalent to USD 47 million) to the State budget in 2011. This contribution comprised 10% of total production of oil in 2011 – reported at USD 456.5 million.

Mining sector generated cash flows of Lek 1,793 million (equivalent to USD 17.9 million) or 19% of total revenue of Lek 9,316 million. **This contribution comprised 8% of total production of minerals in 2011 – reported at USD 217.5 millon.**

Out of the total revenue presented above - Lek 9,316 million, the State budget collects the amount of Lek 6,499 million or 71%. This contribution represents 1.98%of total revenue in the State budget amounting to Lek 330.4 billion[14].

The relative size of the revenue from extractive industry to the State budget

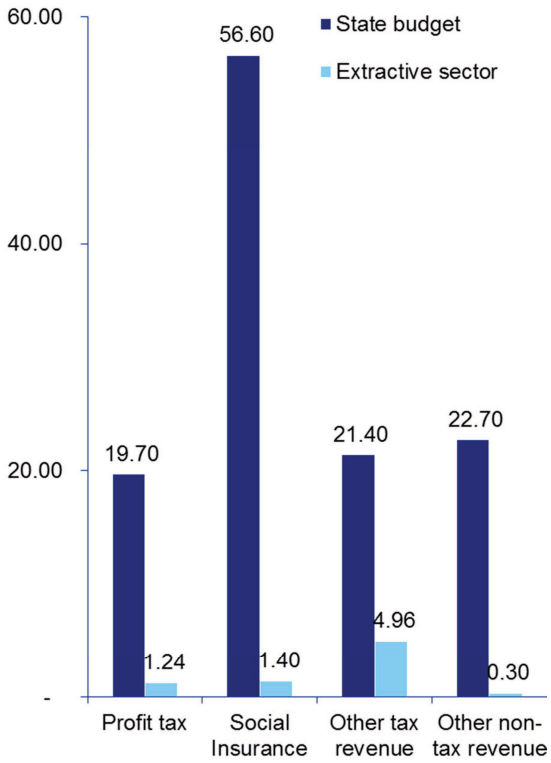
The relative sector contribution on profit tax, social insurance, other taxes (royalty) and non-tax revenue (signature bonuses and dividend) is presented below in Figure 6[15]:

Profit tax – 6.3%

The extractive sector in Albania has contributed with 6.3% of profit tax collected in 2011, whereby mining contributed the largest share at 5.5%. Profit tax at Lek 0.16 billion (0.8%) is paid by Albpetrol.

[14] Article IV Consultation – Staff Report, IMF, October 2012.
[15] The comparison does not include taxes which are not applicable to the sector and for which accurate statistics could not be found.

Figure 6 – Relative size of cash flows from the sector to the State budget



Profit tax in Albania was charged at 10% of each company's net profit in accordance with "Law on Income tax" No. 8438, dated 28 December 1998, amended. Full requirements of this Law apply to the mining sector.

Taxation on petroleum is regulated by Decree no. 782 "On fiscal system in petroleum sector" dated 22 December 1994 ("Law on petroleum taxation").

Under this law, taxation is levied on each company at 30 - 55% on taxable profit based on the production level. In determining the taxable profit, the licensee is allowed to deduct all capital and operating expenses as specified in the terms of the License Agreement. Such deductions have resulted in no profit tax collected from oil and gas companies during 2011. In 2012, Law on petroleum taxation was amended to 50% flat tax on profit.

Social insurance – 2.5%

Social insurance is paid based on Law and regulations applicable in Albania. The extractive sector contributed at 2.5% to total revenue from Social Insurance, whereby petroleum and mining sector contributed with 1.25% each. Based on data provided by the Albanian Institute of Statistics[16] - INSTAT, the extractive sector employed 9,101 employees, or 3.24% of employment in Albania.

Royalties – 23.2%

Royalties (also known as "ad-valorem" tax) are exclusively applied to the taxable value (or fiscal value) of revenues from extractive activity in accordance with Law No. 9975 "On national taxes", dated 28 July 2008, amended. Royalty tax contribution in 2011 amounted to 23.2% of other taxes[17], whereby the petroleum sector contributed 21.8% and the mining sector 1.4%. Under this law, royalty tax on petroleum extraction is applied at 10% while mining sector pays at 4-7% of revenue from extraction.

Royalty levied from taxable sales of oil, gas, and minerals is recorded in the State Budget. According to Law on National taxes no. 9975, dated 28 July 2008, amended, 25% of royalty tax shall be allocated to each local government unit ("LGU") in proportion with their contribution within the terms of the annual budget law. In 2011, 25% of total Royalty collected amounted to Lek 1,240 million (Table 2: Lek 4,961 million x 25%).

According to the Ministry of Finance, in 2011, revenues from the royalty payments were recorded in the State Budget in a pool and no accurate records were held on royalty generated out of each local government unit. The Ministry of Finance has reported that no sub-national transfers were made to LGUs during the year.

Subsequently, annual budget laws[18] for 2012, 2013 and 2014 have foreseen specific terms for allocation of royalty when exceeding the unconditional grant the National budget transfers to each LGU. This allocation was limited to 20% of the unconditional grant in 2012 and subsequently increased to 50% in 2013. On such terms, LGUs can benefit, if their portion of 25% transferable royalty amounts from 101% up to 150% of the unconditional grant. Under this condition, the portion of royalty transferable would vary from 1% to 50% of the unconditional grant.

In 2014, the regulation is amended to include the increase of the royalty generated from the mining sector up to 80% of the unconditional grant.

[16] This information is officially sent by INSTAT to ALBEITI Secretariat and the latter shared with us.
[17] Royalty is presented within other taxes group.
[18] Annual budget laws can be found in the Ministry of Finance website: www.financa.gov.al.

2.5 Payments reconciled

Based on the substantial revenue that flows to the state from the extractive industry, the MSG defines the payments to be included in the reporting. Accordingly, licensees shall report these payments made in the year 2011 in relation to the oil, gas and mining activity. The MSG, through the terms of references for EITI reporting, specified revenue streams to be reconciled as follows:

Figure 6 - Cash flows to be reported by licensees and recipient government bodies

Licensees	General Directorate of Taxes	Albanian Custom Administrate	Ministry of Energy and Industry	National Agency of Natural Resources	Albpetrol
Cash flow paid: **All licensees (including Albeptrol)** **1.** Royalties **2.** Profit tax **3.** Tax on dividend **4.** Other material payments (if any) **Oil and gas (only)** **5.** Signature bonuses **6.** Share of production allocated to Albpetrol **Mining (only)** **7.** Surface tax **Albpetrol (only)** **8.** Dividend paid to MEI	**Cash flow collected:** **1.** Royalties (internal sales) **2.** Profit tax **3.** Tax on dividend **4.** Other material payments (if any)	**Cash flow collected:** **1.** Royalties (exports) **4.** Other material payments (if any)	**Cash flow collected:** **7.** Surface Tax **4.** Other material payments (if any) **8.** Dividend from Albpetrol	**Cash flow collected:** **5.** Signature Bonuses **4.** Other material payments (if any)	**Cash flow collected:** **6.** Share of production allocated to State-owned oil company **4.** Other material payments (if any)

In Albania, the MSG (through terms of references) have excluded payments that are not directly related to upstream oil, gas and mining activity or that are not made to the state.

Accordingly, indirect taxes such as VAT or import duties are not required to be reported. VAT is a general consumer tax and applies to a wide variety of goods and services. Similarly, the import duties and local taxes are general in nature and apply to all industries. Such fees and taxes are similar for all industries and no special rates apply for oil, gas and mining companies.

The EITI Standard provides no materiality for explanation of discrepancies. Consequently, to the extent possible, all deviations should be explained independently of materiality.

2.6 Audit requirements in Albania

In Albania, every limited liability company ("Ltd" or "Sh.p.k."), except for small companies, is subject to statutory audit. Law on Audit no. 10091 "on Statutory audit, organization of the registered auditor and chartered accountant profession", dated 5 March 2009 defines as small companies those that meet two of the following criteria:

1) Total assets are lower than Lek 40 million
2) An average of no more than 30 persons are employed, and
3) Annual revenue does not exceed Lek 30 million.

Limited liability companies electing to report under IFRS for statutory purposes are subject to audit requirements regardless the thresholds set above.

Joint stock companies ("JSC" or "Sh.a.") are subject to statutory audit regardless of their size.

The audit is based on laws, regulations, and auditing standards and practices generally accepted in Albania, including International Standards on Auditing. The Financial statements are submitted to the National Registration Centre (www.qkr.gov.al) within July 31 of the subsequent calendar year.

No special audit requirements were imposed with regard to the numbers reported under EITI. Despite this, some companies elected to provide assurance on the declarations submitted following to our request in 2011. 4 out of 9 oil companies provided assurance on EITI reporting, while mining companies provided assurance on the declarations submitted only for 17 out of 58 cases.

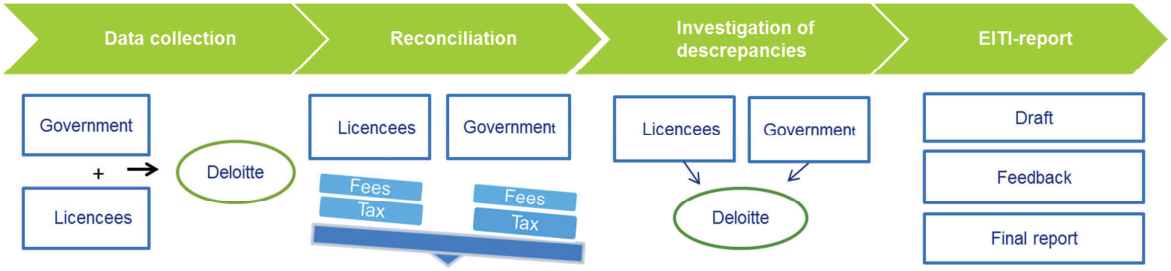
The Supreme State Auditor in Albania performs audits on the State's activities and accounts. The audit is performed in accordance with laws and regulations for the Office of the Supreme State Auditor, and with the standards and guidelines of the Office of the Supreme State Auditor in its website: http://www.klsh.org.al/. The auditing standards and guidelines are based on the INTOSAI standards for government auditing..

3. Process

3.1 The overall process

The reconciliation process related to the EITI reporting consisted of the following steps:

- Collection of payment data from authorities and licensees that provide the basis for reconciliation;
- Comparison of amounts reported by the authorities and the licensee to determine if there is a discrepancy between what the authorities report as received and the licensees report to have paid in taxes;
- Contact with authorities and licensees to clarify the reason for the discrepancy;
- Reconciliation of reported figures against other publicly available information, including the State Budget accounts, where these provided at a disaggregated level;
- Preparation of draft report summarizing the results of the work and lessons learned including recommendations for improvement and follow up on prior year's recommendations;
- Input from stakeholder groups on the draft report;
- Final report



3.2 Selection of reporting licensees

MSG and EITI Albania selected 67 reporting entities, including:

- all petroleum companies operating in 2011, represented by 8 private licensees and Albpetrol; and
- 58 mining companies out of 461 active licenses reported by AKBN in 2011.

In the mining sector, the EITI report included all companies operating an exploration license (6 in 2011) and the largest producers in terms of the following criteria:

1. Selection included all companies reporting revenue equal to or larger than 750,000 USD and
2. For each mineral the following sub-criteria were applied in selection of the reporting entities:
   - ✓ for the chromium sub-sector, selection included all companies that reported production more than 2.000 tons p.a.;
   - ✓ for the copper sub-sector, selection included all companies reporting production in excess of 100 tons p.a.;
   - ✓ for the nickel sub-sector, all companies that reported production above 5.000 tons per year;
   - ✓ for the bitumen and bitumen sands sub-sector, for limestone sub-sector that reported production above 50.000 tons per year;

In addition,4 governmental bodies and Albpetrol have declared cash flows received from the licensees.

3.3 Data collection

On May 9, 2014, EITI Albania arranged an orientation seminar for all the reporting companies participating in the EITI 2011 reporting. Deloitte made a thorough presentation of the EITI reconciliation process and the revenue streams to be reconciled. Instructions for 2011 reporting were attached to the formal request from the MEI asking participants to report within the deadline set forth and to collaborate with Deloitte during the reconciliation and investigation of discrepancies. The reporting templates were distributed through CDs to the participants in the seminar and also electronically available via email. The entities were required to report directly to the administrator, Deloitte, and also direct any questions regarding the reporting templates to Deloitte.

EITI Albania supported by the Ministry of Energy and Industry, issued official requests for participation in the EITI reporting process to all the reporting institutions and governmental agencies. In order to accelerate the compilation of the database and the reconciliation process, MEI asked the licensees and the recipient government institutions to submit the electronic declarations via email on 14 May 2014, and subsequently submit paper based official reporting in the period 16 May 2014 until at the latest 29 May 2014.

Licensees reported their payments between 14 May and 3 June 2014. Government agencies reported payments collected between 19 May and 13 June 2014. Deloitte notified EITI Albania on the status of the reporting process on a daily basis. The entities and governmental agencies were contacted and reminded of the reporting requirement.

Government agencies and 67 licensees had to report in 2011, out of which 63 entities have reported by the date of this report.

3.4 Reporting templates

MSG and EITI Albania have developed standard reporting templates to facilitate the reporting from the licensees and governmental agencies. The templates have been tailored to include the most relevant cash flows. These cash flows are assumed to include the following:

Oil and gas sector

- Share of oil production paid to Albpetrol
- Royalty
- Profit tax
- Tax on dividend
- Signature bonuses

Mining sector

- Royalty
- Profit tax
- Tax on dividend
- Surface tax

Albpetrol

- Royalty
- Profit tax
- Dividends

Other significant payments made to the State and to Local Government

Other payments are required to be specified separately if exceeding USD 50,000 (equivalent to Lek 5,000 thousand) for payments made to the State and 5,000 USD (equivalent to Lek 500 thousand) for payments made to the LGUs.

3.5 Procedures performed

The process of compiling the reporting and resolving discrepancies was performed by Deloitte in the period from 13 May to 20 June 2014.

Deloitte has performed the following procedures on the reported figures:

- Reported figures per licensee were compiled item by item against reported figures from government. Based on this compilation, discrepancies were specified item by item for each licensee.
- If the reporting from governmental agencies agreed with the licensee's reporting, the government figures were considered to be confirmed by the licensee's reporting, and no further follow-up was necessary.
- In those cases where discrepancies appeared, licensees were contacted for further explanations. Deloitte gave information on whether discrepancies related to taxes or fees or amounts disclosed from the other party.

- The licensees were asked to provide details of the amounts (dates and figures). In most cases this enabled us to explain discrepancies.
- To the extent that we did not succeed in finding the reason for the discrepancy through contact with the licensees, we contacted the governmental agency and asked for details of the cash flows.
- Due to lack of disaggregated information, we could not compare the reported cash flows under EITI with cash flows from the petroleum and mining industry as presented in the state accounts of 2011.

This process does not confirm that there were no other payments made to the government other than those that were reported, as such amounts may have been omitted in the reporting from licensees or governmental agencies.

The current regulations do not require us to perform detailed testing in order to uncover such omissions; and to uncover these omissions would be difficult even through detailed testing of all licensees.

During the EITI implementation, some uncertainties arose as to how to report cash flows from financial guarantees, which do not directly contribute the State's share of revenue, and what to include in the reporting from the MEI. Analysis of cash flows from financial guarantees is presented in Appendix 2.

The result of our procedures is presented in chapter 4.

4. Reconciliation of reported payments

This chapter presents reconciliation of cash flows to the State budget from the oil and gas licensees, the selected mining licensees and a reconciliation of payments collected from Albpetrol and contribution of the latter to the State budget.

4.1 Reconciliation of aggregated cash flows paid to the State budget from the oil and gas sector

In total, 8 oil companies were asked to report payments to the State budget, respectively 4 production licensees and 5 exploration licensees. Bankers Petroleum holds both production and exploration licenses.

We received declarations for 6 out of 8 oil companies. The two companies who failed to report were respectively Sky Petroleum – Albanian branch and IEC Visoka (Transoil group in 2012). We were informed that Sky Petroleum – Albanian branch suspended its activity in 2012, however the business appears to be active in the National Registration Centre. Their contribution amounts to 0.27% of the total cash flows paid by the oil and gas sector to the State budget.

The table below aggregated cash flows paid to the State budget from the oil and gas sector. A disaggregated overview company-by-company is presented in Appendix 1.

Table 3 - Aggregated payments from the oil and gas sector to the State budget

Amounts in Lek thousands

Aggregated payments	Initial reporting	Discrepancy resolved		Without counterparty	Adjusted amount
		Licensee	Government		
Licenses	3,958,872	(1,841)	-	10,090	3,965,670
Government	3,965,670	-	1,451	-	3,965,670
Discrepancy	**(6,798)**	**(1,841)**	**(1,451)**	**10,090**	**-**

According to the official submitted declarations, payments reported by the licensees were TLEK 6,798 higher than payments reported by the Government. All discrepancies were explained through reconciliation work. A list of the discrepancies noted is presented in the reconciliations by revenue stream below.

The column “without reporting from counterparty”, TLEK 10,090, includes unilateral reporting of AKBN for signature bonuses collected by Sky-Petroleum – Albanian Branch.

Table 4 - Aggregated payments from the oil and gas sector to the State budget – by revenue stream

Amounts in Lek thousands

Revenue Stream	Sum of Licensee	Sum of Government	Discrepancy resolved		Unsolved	Without counter-party
			Licensee	Government		
Royalty – exports	3,129,712	3,128,070	(1,642)	-	-	-
Royalty – internal sales	724,850	723,398		1,451		
Signature Bonuses	104,310	114,201	(199)	-	-	10,090
Total	**3,958,872**	**3,965,670**	**(3,292)**	**1,451**	**-**	**10,090**

Royalty stands out as the largest cash flow paid from the oil and gas sector to the State budget, with 97% of the total payments reported above in Table 4.

In case of exports, the licensees deposit in advance prepayments for royalty at the Custom’s account. Royalty is withheld out of this prepayment on the export date. The Government’s revenue is recorded on the export date. Prior to that date, the prepaid deposit pertains to the licensee. Therefore, prepayments are not considered as cash revenue, until used to pay royalty on export.

Two production licensees contributed the largest share of the cash flows to the State budget, respectively at 94.5% (Bankers Petroleum) and 4.6% (Stream oil and gas).

Other reporting matters

As at the date of this report, all licenses submitted officially signed declarations and authorisations for publication of data, beside the electronic declarations submitted earlier via email. We received assurance from the statutory auditor on EITI reporting from 4 out of 6 licensees.

4.1.1 Royalties – oil and gas sector

Royalties are applied at 10% of the taxable value (or fiscal value) of revenues from sales of oil and gas extracted. Royalty for exports is collected by the Albanian Customs Administrate and for domestic sales by the General Tax Directorate.

Table 5 - Aggregated reconciliation of Royalty on exports – oil and gas

Amounts in Lek thousands

Aggregated payments	Initial reporting	Discrepancy resolved		Without counter-party	Adjusted amount in
		Licensee	Government		
Licenses	3,129,712	(1,642)	-	-	3,128,070
Albanian Custom Administrate	3,128,070	-	-	-	3,128,070
Discrepancy	**1,642**	**(1,642)**	**-**	**-**	**-**

Only 2 out of 4 production licensees reported Royalty payments on exports.

The discrepancy of TLEK 1,642 resulted because the licensee reported prepayments to the Custom, instead of royalty paid.

There are no unsolved discrepancies from the reconciliation shown above. A disaggregated overview company-by-company is presented in Appendix 1.

Table 6 - Aggregated reconciliation of Royalty on internal sales – oil and gas

Amounts in Lek thousands

Aggregated payments	Initial reporting	Discrepancy resolved		Without counterparty	Adjusted amount in
		Licensee	Government		
Licenses	724,850		-	-	724,850
General Directorate of Tax	723,399	-	1,451	-	724,850
Discrepancy	**1,451**	**-**	**(1,451)**	**-**	**-**

Only 2 out of 4 production licensees reported Royalty payments on internal sales.

Tax authorities did not report the payment of Lek 1,451, for which the licensee provided a supporting payment slip showing Tax authorities as payment beneficiaries. On the other hand, Tax authorities informed us that due to limitations in their reporting systems, they cannot provide assurance on the completeness of royalty reported for each licensee.

There are no unsolved discrepancies from the reconciliation shown above. A disaggregated overview company-by-company is presented in Appendix 1.

4.1.2 Signature Bonuses

Signature bonuses are occasionally determined (based on contract negotiations) upon the granting of exploration permits or production licenses in oil and gas within the context of the specific contractual terms and conditions. Signature bonuses are recovered both by Albpetrol (for the signature of production licenses) or AKBN (for the signature of exploration permits).

No signature bonuses were collected by Albpetrol in 2011. Signature bonuses collected by AKBN are detailed as follows:

Table 7 - Reconciliation of Signature bonuses from petroleum sector

Aggregated payments	Initial reporting in TLEK	Discrepancy resolved		Without counterparty in TLEK	Adjusted amount in TLEK
		Licensee	Government		
Licenses	104,310	-	-	10,090	114,400
AKBN	114,201	199	-	-	114,400
Discrepancy	**(9,891)**	**(199)**	**-**	**10,090**	**(9,891)**

Only 3 out of 5 exploration licensees reported payment of signature bonuses. AKBN (the Government) reported receipt of signature bonuses for 4 out of 5 exploration licensees.

The discrepancy of TLEK 199 resulted from application of different foreign exchange rates in reporting. Payments for signature bonuses are defined in USD.

The column “without counterparty” includes the unilateral disclosure by AKBN for the payment made by Sky Petroleum – Albanian Branch. There are no unsolved discrepancies from the reconciliation shown above. A disaggregated overview company-by-company is presented in Appendix 1.

4.2 Reconciliation of aggregated cash flows paid to the State budget from the mining sector

In total, 58 mining licensees were asked to report payments to the State budget, 53 production licensees and 6 exploration licensees, respectively. Beralb holds both production and exploration licenses.

We received declarations for 56 out of 58 licensees. The two companies who failed to report until the date of this report were Eldon 06 Sh.p.k. and Latonia Tirana Sh.a. Based on unilateral declarations from the government agencies, the cash flows from these two companies amount to 0.3% of total cash flows reported.

The table below presents the aggregated cash flows reported by mining companies.

Table 8 - Aggregated payments from the mining sector to the State budget

Amounts in Lek thousands

Aggregated payments	Initial reporting	Discrepancy resolved		Without counterparty	Adjusted amount
		Licensee	Government		
Licenses	944,530	(15,166)	-	2,250	931,614
Government	924,593	-	(12,351)	5,129	917,361
Discrepancy	**19,937**	**(15,166)**	**12,351**	**(2,879)**	**14,243**

The licensees initially reported payments of TLEK 944,530 to the Government, which were TLEK 19,937 above the payments reported by the Government.

The discrepancies of TLEK 15,166 and TLEK 12,351 were explained through the reconciliation work. A list of discrepancies noted is presented in the reconciliations by revenue stream below.

The column “without reporting from counterparty”, includes amounts reported unilaterally by licensees or the Government, however, no reporting from both.

A disaggregated company-by-company overview is presented in Appendix 2.Reconciliation of cash flows from mining by revenue stream is presented as follows:

Table 9 - Aggregated payments from the mining sector to the State budget – by revenue stream

Amounts in Lek thousands

Revenue Stream	Sum of Licensee	Sum of Government	Discrepancy resolved		Unsolved	Without counterparty
			Licensee	Government		
Profit Tax	616,934	601,567	(16,436)	(11,004)	9,985	(50)
Royalty – exports	254,017	244,507	(2,498)	(708)	4,737	2,983
Royalty – internal sales	53,930	57,692	2,106	(1,261)	(395)	-
Dividend tax	15,913	15,948	748	713	-	-
Surface Tax	3,736	4,880	914	(91)	(85)	(54)
Total	**944,530**	**924,593**	**(15,166)**	**(12,351)**	**14,242**	**2,879**

Royalty and profit tax comprise respectively 65% and 33% of total reported cash flows from the mining sector. Contributions from the two largest producers of chromium and copper comprise together 54.4% of the total cash flows reported from the mining sector. Respectively, Beralb (copper) contributed with payments TLEK 292,389 or 31% and Albchrome (chromium) contributed with TLEK 220,883 or 23.4%.

Although not required to do so, some of the licensees reported large amounts of penalties paid to Tax authorities during 2011, in relation to profit tax underestimation. Had the penalties been included in the reconciliation process, the cash flows would have been higher for at least Lek 200 million.

Other reporting matters

In the following 4 cases we received explicit non-authorization for publication of the payments at the disaggregated company level in the report:

- Selenice Bitumi Shpk
- Mineral Bitumen Shpk
- Xhireton Shpk
- Marei Shpk

Accordingly reported cash flows from these licensees have been aggregated. Their contribution amounts to 3% of the total reported payments.

4.2.1 Profit Tax – mining sector

In 2011, profit tax was derived at 10% of taxable profit. Profit tax is recovered by the General Directorate of Tax.

Table 10 - Reconciliation of profit tax from mining sector

Amounts in Lek thousands

Aggregated payments	Initial reporting	Discrepancy resolved		Unsolved	Adjusted amount
		Licensee	Government		
Licensees	616,934	(16,436)	-	50	600,448
General Directorate of Taxes	601,567	-	(11,004)	-	590,563
Discrepancy	**15,367**	**(16,436)**	**(11,004)**	**50**	**9,985**

In total, 43 out of 56 Licensees have reported profit tax payments, while Tax authority reported receipt of profit tax from 45 out of 56 licensees. Based on the official reporting submitted, discrepancies were identified in 19 cases. Out of these discrepancies, 12 were explained through reconciliation work. The main reasons and explanations for the resolved discrepancies were as follows:

- Profit tax payments were netted with VAT receivable balance and resulted in lower or nil net cash flows.
- Amounts not reported initially by Tax authority. These cash flows were reported from the Licensees payment documents showing the beneficiary entity.
- In some cases the Licensees had not reported payments, which were declared from the Tax authority.

Payments classified as “without counterparty” include the unilateral declaration from the Government for the amount of TLEK 50 paid by Elidon-06 Sh.p.k.

There are still 7 unsolved discrepancies by the date of this report. In 3 cases, licensees reported payments higher than the Tax authority in total for TLEK 20,220. In 4 cases, the Tax authority reported payments higher than the Licensees in total for TLEK 10,235. The net discrepancies amount to TLEK 9,985.

A disaggregated overview company-by-company is presented in Appendix 2.

4.2.2 Royalties – mining sector

Royalties are applied at a rate that varies from 4-7% of the taxable value (or fiscal value) of revenues from sales of minerals extracted. Royalties for export are recovered by the Albanian Customs Administrate and Royalties for domestic sales are recovered by the General Tax Directorate.

Table 11 - Reconciliation of royalty from mining sector – exports

Amounts in Lek thousands

Aggregated payments	Initial reporting	Discrepancy resolved		Without counterparty	Adjusted amount
		Licensee	Government		
Licenses	254,017	(2,498)	-	2,146	253,665
Albanian Custom Administration	244,507	-	(708)	5,129	248,928
Discrepancy	**9,510**	**(2,498)**	**708**	**2,983**	**4,737**

In total, 34 out of 53 producers have reported royalty payments for export sales, while Custom authority reported receipt of royalty from 36 out of 53 licensees. Based on the official reporting submitted, discrepancies were identified in 28 cases. Out of these discrepancies, 24 were explained through reconciliation work. The main reasons and explanations for the resolved discrepancies were as follows:

- Although otherwise instructed, almost all licensees reported prepayments to the Custom, instead of royalty held out of these prepayments. This caused a small timing difference.
- In few cases, licensees and government entities omitted or misclassified payments in their initial declarations.

There are still 4 unsolved discrepancies at the date of this report. In 2 cases, licensees reported payments higher than the Government in total for TLEK 4,866. In 2 cases, the Government reported payments higher than the Licensees in total for TLEK 129. The net discrepancies amount to TLEK 4,737.

Payments classified as “without counterparty” include the unilateral declaration from the Custom authority for the amount of TLEK 2,146 paid by Elidon-06 Sh.p.k. and the unilateral declaration from ISAKU Sh.p.k for royalty payments at TLEK 5,129. The Custom authority, informed us that ISAKU Sh.p.k was not reported in their system at all. On the other hand, the licensee provided supporting documents.
A disaggregated company-by-company overview is presented in Appendix 2.

4.2.2 Royalties – mining sector (continued)

Table 12 - Reconciliation of royalty from mining sector – internal sales

Amounts in Lek thousands

Aggregated payments	Initial reporting	Discrepancy resolved		Without counterparty	Adjusted amount
		Licensee	Government		
Licenses	53,930	2,106	-	-	56,036
General Directorate of Tax	57,692	-	(1,261)	-	56,431
Discrepancy	**(3,762)**	**2,106**	**1,261**	**-**	**(395)**

In total, 24 out of 53 producers have reported royalty payments for internal sales, while Tax authority reported receipt of royalty from 27 out of 53 licensees. Based on the official reporting submitted discrepancies were identified in 15 cases. Out of these discrepancies, 9 were explained through reconciliation work. The main reasons and explanations for the resolved discrepancies were as follows:

- Licensees and the Tax authority reported penalties which are not included.
- Licensee initially omitted payments reported by tax authority. When contacted, the licensee admitted these payments were made to the Tax authority.
- In one case, the licensee paid the license financial guarantee to the Tax authorities, instead of depositing in escrow account. The latter recorded the payment as royalty.
- In another case, the Tax authority presented as royalty a payment which the licensee reported as tax on dividend.

There are still 6 unsolved discrepancies by the date of this report. In 3 cases Licensees reported payments higher than the Government in total for TLEK 1,511. In 3 cases the Government reported payments higher than the Licensees in total for TLEK 1,896. The net discrepancies amount to TLEK 395.

A disaggregated company-by-company overview is presented in Appendix 2.

4.2.3 Surface tax

Surface Fees are taxes payable by holders of mining exploration or production licenses on the basis of the geographical area. Under the new Law on Mining licensees in this sector are no longer required to pay surface tax. Instead the new Law introduces the concept of incorporating an environmental rehabilitation plan and commitment toward the annual investment and work. Surface Fees were recovered by the Ministry of Energy and Industry up to April 2011.

Table 13 - Reconciliation of surface tax from mining sector

Amounts in Lek thousands

Aggregated payments	Initial reporting	Discrepancy resolved		Without counterparty	Adjusted amount in
		Licensee	Government		
Licenses	3,736	914	-	54	3,825
MEI	4,880	-	(91)	-	3,910
Discrepancy	**(1,144)**	**914**	**(91)**	**54**	**(85)**

Only 18 out of 56 licensees have reported surface tax payments, while MEI reported receipt of surface tax from 25 out of 56 licensees. Based on the declarations submitted discrepancies were identified in 9 cases. Discrepancies in 8 cases were explained through reconciliation work.

The main reasons and explanations for the resolved discrepancies:

- Licensee misclassified payment as licensee fee or financial guarantee.
- In some cases the Licensees omitted the payments declared from the Government. When contacted, licensees confirmed the payments.

There is yet 1 unsolved discrepancy on the date of this draft report.

The surface tax declared from the Government also includes unilateral reporting from the Government for payments made by Licensee "Latonia Tirana Sh.a.". This Licensee has not reported for the EITI Report 2011.

A disaggregated company-by-company overview is presented in Appendix 2.

4.2.4 Financial guarantees

Financial guarantees payments were introduced by the new Law on mining respectively for:

- Environment rehabilitation plan
- Minimum investment plan in production licensees and
- Minimum work-plan in exploration licenses

The financial guarantees are determined at the beginning of each license year, based on the annual plan approved by AKBN and the Albanian Geological Service respectively for production and exploration licenses. Accordingly, operators shall deposit each year financial guarantees in commercial banks, in accordance with the annual environmental plan and investment / work plan. The guarantee for environmental rehabilitation is preserved and processed at the end of the license terms for site rehabilitation. The guarantee for the investment and work plan is released at the end of the license upon completion of 90% of the approved plan. These payments are not included in the State budget, unless the licensee is in breach with the terms under guarantee.

The table below includes 3 licensees that reported to have deposited the financial guarantee in the MEI accounts and 1 licensee that has deposited the payment of TLEK 425 to the Tax authorities' account. The latter has considered the payment as royalty.

Table 14 - Reconciliation of financial guarantees

Amounts in Lek thousands

Aggregated payments	Initial reporting in TLEK	Discrepancy resolved		Without counterparty in TLEK	Adjusted amount in TLEK
		Licensee	Government		
Licenses	1,757	425	-	-	1,757
MEI	-	-	-	1,332	1,757
Discrepancy	**1,757**	**425**	**-**	**1,332**	**-**

A disaggregated overview company-by-company is presented in Appendix 2.

4.2.6 Summary of cases not reported by the Government

In the following, we summarise discrepancies that need to be further investigated by the reporting Government entities:

Table 15 – Cases to be investigated further by Government entities

Amounts in Lek thousands

Licensee	Sum of Licensee	Sum of Government	Discrepancy resolved		Unsolved	Without Counter-party	Comments
			Licensee	Custom Authorities			
Royalty paid on export to the Custom authority							
ISAKU Sh.p.k.	5,129	-	-	-	-	5,129	Amount not declared by Custom authority.
Profit tax paid to the Tax authority							
BYTYÇI Sh.p.k.	2,955	2,370	-	585	-	-	Amount not declared by Tax, supported with payment documents.
REJ Sh.A.	2,283	25	-	2,258	-	-	Amount not declared by Tax, supported with payment documents.

4.3 Reconciliation of cash flows collected from Albpetrol

Albpetrol holds share in oil produced by the license agreements under its administration. Licensees and Albpetrol reported the following cash flows for the share of oil production in 2011:

Table 16 - Aggregated cash flows from the petroleum sector on oil share of production – collected from Albpetrol

Amounts in Lek thousands

Licensee	Sum of Licensee	Sum of Albpetrol	Discrepancy resolved		Unsolved	Without counter-party	Comments
			Licensee	Albpetrol			
BANKERS PETROLEUM ALBANIA LTD	2,138,373	2,135,196	3,176	-	-	-	Foreign exchange effect
DEGA NE SHQIPERI E STREAM OIL & GAS LTD	1,410,506	1,410,506	-	-	-	-	
IEC Visoka	-	12,248	-	-	-	(12,248)	Without counterparty
Total	**3,548,878**	**3,557,950**	**3,176**	**-**	**-**	**(12,248)**	

Based on official submitted declarations, payments reported by the licensees were TLEK 3,548,878 or TLEK 9,072 lower than payments reported by the Albpetrol.

- The discrepancy TLEK 3,176 results from different exchange rate applied in reporting. Share of oil production is measured in USD.
- The column “without reporting from counterparty”, includes the unilateral declaration of Albpetrol for share on oil collected from IEC Visoka, that did not submit its declaration in return.

Payments in kind amount to 1,471,566 thousand Lek for 34,695 ton of crude oil. In accordance with our mandate, our work focused on reconciling quantities and values. We did not perform any procedures to confirm correct application of prices. No differences emerged from the comparison of oil quantity transfer.

There are no unsolved discrepancies on the date of this report.

4.4 Reconciliation of cash flows paid by Albpretol to the State budget

In 2011, Albpetrol contributed the following to the State budget:

Table 17 - Summary of cash flows collected and contributed by Albpetrol

Amounts in Lek thousands

Revenue Stream	Sum of Albpetrol	Sum of Government	Discrepancy resolved		Unsolved	Comments
			Albpetrol	Government		
Royalty	415,360	389,903	-	25,457	-	(i)
Profit Tax	230,552	162,937	(48,724)	-	18,891	(ii)
Dividend paid to the State	147,963	147,963	-	-	-	
Dividend paid to the State – *tax on dividend*	15,164	40,543	-	(25,379)	-	(i)
Total	**809,039**	**741,346**	**(48,724)**	**78**	**18,891**	**-**

(i) Discrepancy of Lek 25,457 thousand relates to a misclassification of payment between royalty and tax.

(ii) Tax Authorities report the amount of TLEK 48,724 as penalty for profit tax, while Albpetrol reports the payments as profit tax.

By the date of this report, we could not obtain an explanation for the discrepancy of TLEK 18,891. In addition to profit tax of TLEK 162,937, tax Authorities reported penalties for profit tax at the amount of TLEK 85,013.

5. Lessons learned from this year's reconciliation

The EITI reporting was completed in June 2014 and includes payments made in 2011. This is the third year that licensees and governmental bodies in Albania report payments from the petroleum and mining activities based on the EITI principles. The first reporting was completed in 2011 (the implementation year) for payments made in 2009.

Below, we present a summary of experiences learned in 2011, a follow up on prior years' experience, and the recommendations for the next reporting years.

5.1 Follow up on prior year recommendations

Prior year's recommendations and follow up on their implementation is presented as follows:

5.1.1 Definition of scope

In order to address time and logistic difficulties without compromising the relevance and coverage of the EITI process, the former administrator's recommendations were to:

(i) increase the materiality threshold so that only reconciliation of cash flows from the key players is focused; and
(ii) consider proceeding with unilateral declarations for smaller operators.

Follow up on EITI reporting in 2011

Materiality threshold for selection of licensees operating in mineral production was increased from an annual turnover of USD 500,000 to USD 750,000. Accordingly, the number of selected mineral production licensees was reduced from 81 to 53, while the percentage of coverage slightly fell from 79.3% to 71.4%.

5.1.2 Strengthen access to reliable data

While aiming to increase access to reliable data and on a timely basis, the former administrator recommended the appointment of an EITI focal point in every concerned Government agency including MEI, AKBN, Albanian Geological Service, General Directorate of Taxes, Albanian Custom Administrate etc., but also within the major extractive companies operating oil, gas, and mining.

Follow up on EITI reporting in 2011

We noted that focal points were appointed in the MSG, as recommended, representing the Government reporting agencies and major extractive companies. Despite this fact, we noted that access to reliable and comprehensive data at the time required to compile this report, was hindered and limited by several barriers. Some of these barriers and suggested remedial actions are listed in the following points.

5.1.3 Treatment of declarations from the local authorities

In order to address time and logistic difficulties without compromising the relevance and coverage of the EITI process, the former administrator recommended considering fiscal contribution to local authorities through unilateral declarations by these local authorities.

Follow up on EITI reporting in 2011

In 2011, EITI Albania asked the Ministry of finance to provide this information from the Government reporting systems. We understood that, no accurate data could be obtained from the Government's records with regard to fiscal contribution collected from each municipality and commune from the extractive industry.

Disclosure of local government revenue from the extractive industry will enhance overall comparisons and analysis of the EITI report. Under these conditions, for the future reports, we recommend unilateral declaration of revenue to be obtained directly from the concerned municipalities and communes.

5.2 Strengthening regulatory aspects in the context of EITI reporting

We understand that current regulation of EITI for the mining sector is addressed by the Law on Mining and CMD no. 233 dated 23 March 2011. For the oil and gas sector, EITI reporting requirements are agreed upon though memorandum of understandings signed with each oil operator. Current EITI regulation describes certain reporting obligations from the licenses, but does not address the reporting obligations of the recipient government institutions and the level of disaggregation of the data published.

During this engagement, we raised the following observations which can be overcome through improving the regulation of EITI.

a) Publishing of EITI reconciliation disaggregated at company level

In the context of increased transparency, the EITI new global standard requires payments to be reconciled and published at a disaggregated level. This implies showing reconciliation of payments for each company separately in the report. Current EITI regulation in Albania does not provide clear instructions on the level of aggregation in the report so that those licensees can have a full understanding of how their payments will appear in the report.

b) Reporting of the recipient Government institutions

The reporting requirements for the recipient Government institutions currently conflict with their statutory duty to maintain confidentiality over the information obtained in terms of their regulatory duties. This confidentiality provisions, referred to in the laws applicable to tax and custom procedures in Albania[19], allow access to the data only upon explicit consent from the Licensee. In addition, Government bodies may exchange the data under strict confidentiality terms.

c) Solution for the Reporting of 2011

In order to address these barriers for 2011 reporting, EITI Albania signed a Memorandum of Understanding (MoU) with the General Directorate of Taxes allowing for transfer and use of the data for the purpose of EITI. This MoU allows ALBEITI to use the data obtained to produce the report, upon respecting confidentiality of the information.

Further, in order to proceed with the publishing of disaggregated data, MSG and EITI Albania agreed that licensees explicitly consent disclosure of the information declared from the Licensees and the recipient Government institutions in the EITI report at a disaggregated level.

As at the date of this report, 4 out of 67 reporting licensees refused granting their consent.

d) Recommendation for the future EITI reporting

In the context of annual reporting, we suggest that these barriers should be addressed through the regulation of EITI reporting.

Since EITI implementation in the mining sector is regulated by the Law on mining, we recommend the consent on the EITI cash flow disclosure and the required level of disaggregation is granted through respective law. In case of the petroleum sector, this consent can be expressed as an extension of current memorandum of understanding, signed between the oil and gas companies and EITI Albania. In order to comply with current tax and custom procedures, this extension in the MoU shall also include the recipient government entities.

5.3 Setting annual time-schedule process for EITI reporting

In order to facilitate the reconciliation and reporting work, we suggest establishing an annual time-scheduled process including the following:

5.3.1 Updating and publishing forms and instructions and selection of the reporting entities

- Reporting templates and instructions shall be reviewed and updated for changes in EITI scope and requirements, regulation updates, and new facts affecting the extractive industry (i.e. new revenue streams, licensees etc.).
- Provided that the EITI Albania systems support this application, approved templates and instructions may be published on the ALBEITI website, where can be downloaded by the reporting entities, filled and uploaded through a dedicated portal on the website. Officially signed forms would be submitted thereafter by mail within the deadline set or be uploaded on the same web portal.
- Selection of the reporting entities should be planned and communicated months ahead of the reconciliation work schedule. We suggest requesting all licensees (where possible) to submit

[19] Law No. 9920, dated 19 May 2008 "On tax procedures in the Republic of Albania, amended" and Law No.8449, dated 27 January1999 "Custom Code in the Republic of Albania, amended".

electronic declarations via web or email. Reconciliation work may focus on a sample based on the scope of EITI reporting and changes in the sector.

Declarations not selected for the reconciliation process may be presented unilaterally in the report, compared to production data and total cash flows reported by the government institutions etc.

5.3.2 Setting a deadline for submission of declarations and reconciliation work

The annual deadline for submission of declarations should be planned ahead and be included in the reporting entities schedule. As a result, the time required for collection of data is expected to be reduced and the accuracy of reporting would most likely be improved. The same deadline should be established for both licensees and recipient government entities.

June 1st of the following calendar year might be considered as the deadline with the reconciliation work performed in June and July.

5.4 Addition in the EITI scope

Although not required to do so, in 2011, the licensees and the government entities reported payments of penalties for underestimation of profit tax and late payments amounting about Lek 200 million. This cash flow seems to be significant to the Government and we recommend the multi-stakeholder group to consider whether this cash flow should be considered as part of the EITI reconciliation in the future.

5.5 Access to timely and reliable data from the Government

Appointment of EITI focal points among the concerned Government institutions positively contributes to the increase of awareness and the coordination of EITI activities. However, further efforts need to be made to improve reporting and analysis of extractive industry activity and cash flows.

5.5.1 Improve access to reliable reporting on timely basis

Recipient government agencies' reporting came with significant delay and many discrepancies. Through inquiry and communications, we understood that their management information systems and structures did not support EITI reporting requirements due to the following:

a) The extractive industry payments could not be easily traced from the Tax reporting systems

We understand that, in 2011, Tax management information system accounted and reported only the following taxes and contributions: VAT, profit tax, social and health insurance contributions and personal income tax. For these taxes, the system could print a cash flow statement for each registered business based on the Tax identification number ("NUIS").

Payments for royalties, withholding tax, tax on dividend etc. were recorded in the accounting books maintained at each Regional tax office. This limitations increased manual search work, time required to report and chances of errors in reporting.

We were informed that the General Directorate of Taxes has invested into a new management system that would account for and report comprehensive information for all taxpayers and cash flows in the future.

b) Some custom points operated through the custom system during 2011

Similar to the Tax authority, information on royalty for custom offices operating out of the system is maintained in the respective offices' accounting books. These limitations increased manual search work and time required to report.

The Albanian Custom Administrate reported that this deficiency is solved and that all custom offices are currently operating within the custom system.

We understand that the system development at the Tax and Custom authorities may improve reporting significantly from the year when the new systems will come into operation. Until this date, we suggest that for the year 2012 and 2013 the reporting requirements are submitted at least one month before the deadline so that these authorities may extract and provide accurate information.

In the future, in order to facilitate reporting, these Government bodies can adapt the accounting and reporting systems in order to separately identify licensees operating in the extractive sector.

5.5.2 Publication of statistics and facts on the extractive industry

The new EITI standard imposes certain requirements on provision of contextual information for the activity and regulation in the extractive industry, including disclosure of:

- Overview of the extractive industry in terms of reserves, regions, current structure and size, significant exploration activities etc.;

- Contribution in the economy, employment and export levels;
- Total government revenue generated by the extractive industry and funds earmarked for specific programmes / geographic regions and sub-national transfers;
- Public information on license allocations, register of licensees, beneficial owners, contract terms etc.

We noted progressive efforts made by MEI, AKBN and Albpetrol by publishing information on their website, however data is scattered across different sources and further improvements are still necessary to provide a comprehensive and consistent reporting on the extractive industry.

The contextual information in this report is referenced to different sources dispersed across public sector and often not publicly available. Certain analyses were limited due to unavailability of statistics on the sector. Where available, national statistics included information for a wider sector.

In order to enhance completeness and accuracy, reliability and accessibility of the contextual information, we recommend that the Ministry of Energy and Industry publishes on a periodical basis (at least annually) contextual information including: the potential of the industry and current production, the contribution to the economy, the strategy on the sector, events and facts, current regulation, and forthcoming changes, etc.

5.5.3 Tests on completeness of revenue

We understood that the production data provided by AKBN was based on self-declarations submitted from the licensees. In addition to declarations submitted, we suggests that AKBN provides a comparison of the production declared with the measurements made from AKBN throughout the year.

5.5.4 Disclosure of total government revenue

We could not obtain a full disclosure of Government revenue from the extractive sector for 2011. We understand that the Government revenues and expenditures are recorded through a single cash management system: the Treasury system. This system can provide information on a monthly basis on revenue generated for each tax. The current public charter of accounts set up in the system, cannot identify and separately account the revenue generated from the extractive industry as a whole and disaggregated by taxes. This barrier could be overcome through establishing, for each of the taxes, sub-accounts that will record the revenue paid from the licensees operating in the extractive industry.

This change requires cooperation from the Ministry of Finance and maintenance of an updated public licensees register for the extractive industry. Same register should be furnished in real-time to all government institutions receiving and administering taxes.

Updated information from the Government's reporting system will enhance statistics from the sector and can be compared with other information such as production levels, structure of the industry, number of licenses etc.

5.6 Strengthening access and quality of statistics on the sector

In context of improving reporting and statistics on the extractive sector, we recommend the Ministry of Energy and Industry consider whether to implement similar reporting requirements as in the EU Directives on Accounting and Transparency[20]

Based on the requirements by the Ministry established licensees may disclose EITI payments and other information in an annex to the annual financial statements.

Disclosures can be further extended to include other information useful for statics on the sector such as: production size, investments, and environmental payments, which can be collected and elaborated annually and provide the basis for reporting statistics and facts on the industry. Furthermore, the Ministry should follow up on strict application of local legislation related to the financial reporting and auditing of financial statements of the companies in this sector. This will enable increase in the quality and quantity of the financial information produced in relation to the extraction activity in Albania.

20 EU Accounting Directive 2013/34/EU

Glossary and abbreviations

ALBEITI	The EITI secretariat in Albanian, established under the Ministry of Energy and Industry
Administrator	Independent company hired to perform the reconciliation of reported payments and revenues from the licensees and the government
Aggregation	Payments are combined so that the figures show totals per revenue stream
Counterparty	In the report the Government is the counterparty to the licensee and the licensee is the counterparty to the Government
Disaggregation	Payments are detailed per revenue stream and/ or per licensee
EITI	Extractive Industry Transparency Initiative
EITI Albania	The EITI secretariat in Albanian, established under the Ministry of Energy and Industry
Government	Used in this report as a collective term comprising the General Directorate of Tax, the Ministry of Energy and industry, the Albanian Custom Administration, the National Natural Resources Agency (AKBN) and Albpetrol, when not separately disclosed.
IFRS	International Financial Reporting Standards published by the International Federation of Accountants (IFAC).
Licensee	Company that has been awarded a license interest in a license production in the Albanian territory
License	License awarded by MEI to perform exploration and production in the Albanian territory
LGU	Local Government Unit
M^3	Meter cube
MLEK	Million Albanian Lek
MEI	Ministry of Energy and Industry
MSG	Multi-stakeholder working Group
Nm^3	Normal meter cube
Nickel compositions	Nickel compositions extracted in Albania include iron-nickel and nickel-silicate.
Licensee	Company appointed by MEI to operate the activity in accordance with the license permit
Albpetrol Sh.a.	Oil company 100% owned by the Albanian Government.
Petroleum	Collective term meaning oil and gas
Reconciliation	The process of comparing reported data from licensees and the Government, and explain any discrepancies
Tariff revenue	Revenue from transportation and processing of oil and gas
TLEK	Thousand LEK
TUSD	Thousand US dollar
USD	US dollar
Without counterparty	Amount reported by either the Government or licensees but not by both parties

Appendix 1: Disaggregated reconciliation from the oil and gas sector

Payments per company

Amounts in Lek thousands

Company	Sum of Licensee	Sum of Government	Discrepancy resolved		Unsolved	Without counterparty
			Licensee	Government		
BANKERS PETROLEUM ALBANIA LTD	3,743,059	3,743,059	-	186	-	-
DEGA NE SHQIPERI E STREAM OIL & GAS LTD	182,302	179,209	(1,642)	1,451	-	-
Petromanas Albania GmbH	30,270	30,257	-	13	-	-
SAN LEON DURRESI B.V	3,241	3,241	-	-	-	-
Sky Petroleum - Albanian Branch	-	10,090	-	-	-	(10,090)
Total	**3,958,872**	**3,965,856**	**(1,642)**	**1,650**	**-**	**(10,090)**

The column "without counterparty" includes unilateral declaration form AKBN for signature bonuses reported by Sky Petroleum - Albanian Branch.

Royalty

Amounts in Lek thousands

Licensee	Sum of Licensees	Sum of Government	Discrepancy resolved		Unsolved	Without Counterparty	Comments
			Licensee	Government			
BANKERS PETROLEUM ALBANIA LTD	3,672,260	3,672,260	-	-	-	-	Foreign exchange rate effect.
DEGA NE SHQIPERI E STREAM OIL & GAS LTD	182,302	179,209	(1,642)	1,451	-	-	The licensee reported prepayments at the Custom.
Total	**3,854,562**	**3,851,469**	**(1,642)**	**1,451**	**-**	**-**	

Signature bonuses

Amounts in Lek thousands

Licensee	Sum of Licensee	Sum of Government	Discrepancy resolved		Unsolved	Without counter-party	Comments
			Licensee	Government			
BANKERS PETROLEUM ALBANIA LTD	70,799	70,613	-	186	-	-	Foreign exchange effect
Petromanas Albania GmbH	30,270	30,257	-	13	-	-	Foreign exchange effect
SAN LEON DURRESI B.V	3,241	3,241	-	-	-	-	
Sky Petroleum - Albanian Branch	-	10,090	-	-	-	(10,090)	Without counterparty
Total	**104,310**	**114,201**	**-**	**199**	**-**	**(10,090)**	

Appendix 2: Disaggregated reconciliation from the mining sector

Payments per company

Amounts in Lek thousands

Company	Sum of Licensee	Sum of Government	Discrepancy resolved		Unsolved	Without Counterparty
			Licensee	Government		
BERALB Sh.A.	292,389	277,164	-	-	15,225	-
ALBCHROME Sh.p.k.	220,883	237,766	948	(15,935)	-	-
SALILLARI Sh.p.k.	59,220	32,836	(26,384)	-	-	-
EGI-K Sh.p.k.	29,192	29,713	-	(521)	-	-
MINIERA E KROMIT KATJEL Sh.p.k.	26,351	26,231	(120)	-	-	-
SHKALLA Sh.p.k.	20,990	18,555	(347)	2,088	-	-
FABRIKA E PASURIMIT TE KROMIT BULQIZE Sh.p.k.	18,941	19,004	63	-	-	-
ERNISI Sh.p.k.	18,339	8,497	-	-	9,842	-
FUSHE KRUJA CEMENT FACTORY Sh.p.k.	15,421	15,633	212	-	-	-
GENTARI Sh.p.k.	14,750	21,752	7,002	-	-	-
KROMEX Sh.p.k.	14,686	23,612	(21)	-	(8,947)	-
KOKA Sh.p.k.	14,080	13,828	(252)	-	-	-
HERBI Sh.p.k.	13,409	13,409	-	-	-	-
HEIDORN & BINJAKU SH.P.K	13,107	13,108	1	-	-	-
ANTEA CEMENT Sh.A.	10,864	11,415	364	(187)	-	-
STONE PRODUCTION Sh.p.k.	10,766	10,493	1	-	274	-
ALB-CANAJ SHPK	9,801	9,696	-	-	105	-
11 HERONJTE BATER Sh.p.k.	9,711	9,336	(375)	-	-	-
DRINI BULQIZE Sh.p.k.	9,534	9,534	-	-	-	-
GJONI Sh.p.k.	9,990	9,896	(181)	(87)	-	-
SHPRESA - AL Sh.p.k.	7,317	7,247	(70)	-	-	-
ISAKU Sh.p.k.	6,609	1,552	72	-	-	5,129
FAVINA SHPK	6,390	6,405	-	(15)	-	-
KLOSI Sh.p.k.	5,615	5,723	-	(108)	-	-
BYTYÇI Sh.p.k.	5,512	4,527	(404)	581	-	-
REJ Sh.A.	5,408	3,588	313	2,258	(125)	-
VËLLAZËRIA Sh.p.k.	4,895	5,308	413	-	-	-
GEROLD SHPK	4,582	4,622	-	-	(40)	-
RAL Sh.p.k.	4,260	6,548	1,469	-	(819)	-
RIER Sh.p.k.	4,090	4,089	(1)	-	-	-
Prodhime Karbonike Sh.a.	3,446	3,064	(373)	-	9	-
UNITED QUARRIES Sh.p.k.	3,426	3,851	-	(425)	-	-
ALB - XHOI Sh.p.k.	3,387	3,214	(173)	-	-	-
KUARCI BLACE Sh.p.k.	2,884	3,572	688	-	-	-
RUNJA Sh.p.k.	2,833	2,833	-	-	-	-
BABASI COO Sh.p.k.	2,122	4,141	1,565	-	(454)	-
FENI KORÇA Sh.A.	1,980	1,912	(68)	-	-	-
NELI Sh.p.k.	1,881	1,881	-	-	-	-
ERVIN Sh.p.k.	1,732	1,732	-	-	-	-
ARIS ALBANIA Sh.p.k.	1,560	943	(607)	-	10	-
LESHNICA Sh.p.k.	1,522	1,958	436	-	-	-
KRASTA Sh.p.k.	1,481	1,482	1	-	-	-
LUBIMA Sh.p.k.	1,397	1,397	-	-	-	-
RA KROM - TIRANA Sh.p.k.	241	241	-	-	-	-
KOXHERI Sh.p.k.	211	211	-	-	-	-
LAMNICA Sh.p.k.	110	110	-	-	-	-
LATOMIA TIRANA Sh.A.	-	54	-	-	-	(54)
ELIDON - 06 SHPK	-	2,196	-	-	-	(2,196)
JAB RESOURCES sh.p.k.	-	1	1	-	-	-

Appendix 2: Disaggregated reconciliation from the mining sector (continued)

Payments per company (continued)

Amounts in Lek thousands

Company	Sum of Licensee	Sum of Government	Discrepancy resolved		Unsolved	Without Counterparty
			Licensee	Government		
Balkan Resources sh.p.k.	-	623	-	-	(623)	-
TIREX EXPLORATIONS Sh.p.k.	-	4	-	-	(4)	-
KNAUF - TIRANA Sh.p.k.	-	40	-	-	(40)	-
Other Entities - Without approval for detailed presentation	27,215	28,046	661	-	(170)	-
Total	**944,530**	**924,593**	**(15,166)**	**(12,351)**	**(14,243)**	**2,879**

Royalty – internal sales

Amounts in Lek thousands

Company	Sum of Licensee	Sum of Tax Authorities	Discrepancy resolved		Unsolved	Without Counter-party	Comments
			Licensee	Tax Authorities			
FUSHE KRUJA CEMENT FACTORY Sh.p.k.	15,421	15,421	-	-	-	-	
EGI-K Sh.p.k.	4,578	4,578	-	-	-	-	
ANTEA CEMENT Sh.A.	7,258	7,258	-	-	-	-	
GENTARI Sh.p.k.	-	537	537	-	-	-	The licensee omitted the payment
KOKA Sh.p.k.	1,327	1,327	-	-	-	-	
STONE PRODUCTION Sh.p.k.	3,604	3,331	-	-	274	-	
11 HERONJTE BATER Sh.p.k.	850	850	-	-	-	-	
GJONI Sh.p.k.	942	1,655	-	(713)	-	-	Tax authorities presented dividend tax reported as royalty.
ALB-CANAJ SHPK	121	16	-	-	105	-	
HERBI Sh.p.k.	465	465	-	-	-	-	
SHPRESA - AL Sh.p.k.	389	384	(5)	-	-	-	This amount is penalty
SALILLARI Sh.p.k.	4,446	4,446	-	-	-	-	
GEROLD SHPK	3,995	3,995	-	-	-	-	
KLOSI Sh.p.k.	345	453	-	(108)			This amount is penalty.
REJ Sh.A.	25	25	-	-	-	-	
RAL Sh.p.k.	1,419	2,237			(819)		
VËLLAZËRIA Sh.p.k.	-	8	8	-	-	-	The licensee omitted the payment
KUARCI BLACE Sh.p.k.	149	149	-	-	-	-	
FAVINA SHPK	1,833	1,848	-	(15)	-	-	Tax authorities presented penalties.
UNITED QUARRIES Sh.p.k.	1,749	2,174		(425)	-	-	The licensee omitted the amount as a financial guarantee.
RUNJA Sh.p.k.	1,245	1,245	-	-	-	-	
KRASTA Sh.p.k.	1,088	1,089	1	-	-	-	Rounded
BABASI COO Sh.p.k.	665	2,684	1,565	-	(454)		The licensee omitted a payment of TLEK 1,564.
ERVIN Sh.p.k.	64	64	-	-	-	-	
NELI Sh.p.k.	17	17	-	-	-	-	
Balkan Resources sh.p.k.	-	623	-	-	(623)	-	
Other Entities - Without approval for detailed presentation	1,935	813			1,122		
Total	**53,930**	**57,692**	**2,106**	**(1,261)**	**(395)**	**-**	

Appendix 2: Disaggregated reconciliation from the mining sector (continued)

Royalty – exports

Amounts in Lek thousands

Company	Sum of Licensee	Sum of Custom Authorities	Discrepancy resolved		Unsolved	Without Counter-party	Comments
			Licensee	Custom Authorities			
BERALB Sh.A.	46,270	46,270	-	-	-	-	
ALBCHROME Sh.p.k.	40,774	41,722	948	-	-	-	The licensee reported prepayments to the Custom.
EGI-K Sh.p.k.	8,282	8,803	-	(521)			Licensee has paid the difference in 2010, not in 2011 as reported from the Custom.
HEIDORN & BINJAKU SH.P.K	12,843	12,844	1	-	-	-	Rounded
FABRIKA E PASURIMIT TE KROMIT BULQIZE Sh.p.k.	11,881	11,944	63	-	-	-	The licensee omitted the payment.
ERNISI Sh.p.k.	11,262	6,406	-	-	4,856		
SHKALLA Sh.p.k.	11,158	10,811	(347)	-	-	-	The licensee reported prepayments to the Custom.
ANTEA CEMENT Sh.A.	3,606	3,793	-	(187)	-	-	Licensee has paid the difference in 2010, not in 2011 as reported from the Custom.
GENTARI Sh.p.k.	9,181	9,181	-	-	-	-	
KROMEX Sh.p.k.	9,086	9,065	(21)	-	-	-	Foreign exchange rate effect.
KOKA Sh.p.k.	7,674	7,423	(252)				The licensee reported prepayments to the Custom.
STONE PRODUCTION Sh.p.k.	4,550	4,550	-	-	-	-	
11 HERONJTE BATER Sh.p.k.	6,809	6,434	(375)	-	-	-	The licensee reported prepayments to the Custom.
GJONI Sh.p.k.	6,432	6,251	(181)	-	-	-	The licensee reported prepayments to the Custom.
ALB-CANAJ SHPK	6,772	6,772	-	-	-	-	
HERBI Sh.p.k.	6,341	6,341	-	-	-	-	
ISAKU Sh.p.k.	5,129	-	-	-	-	5,129	
MINIERA E KROMIT KATJEL Sh.p.k.	4,554	4,434	(120)	-	-	-	The licensee reported prepayments to the Custom.
SHPRESA - AL Sh.p.k.	4,111	4,046	(65)	-	-	-	The licensee reported prepayments to the Custom.
KLOSI Sh.p.k.	3,060	3,060	-	-	-	-	
REJ Sh.A.	3,100	3,225	-	-	(125)	-	
RAL Sh.p.k.	1,475	1,456	(20)	-	-	-	The licensee reported prepayments to the Custom.
VËLLAZËRIA Sh.p.k.	2,490	2,401	(89)	-	-	-	The licensee reported prepayments to the Custom.
BYTYÇI Sh.p.k.	2,323	1,919	(404)	-	-	-	Amount of TLEK 234 is presented twice by mistake and TLEK 171 is prepaid to the custom.

Appendix 2: Disaggregated reconciliation from the mining sector (continued)

Royalty – exports

Amounts in Lek thousands

Company	Sum of Licensee	Sum of Custom Authorities	Discrepancy resolved		Unsolved	Without Counter-party	Comments
			Licensee	Custom Authorities			
Prodhime Karbonike Sh.a.	2,018	1,645	(373)	-	-	-	The licensee reported prepayments to the Custom.
KUARCI BLACE Sh.p.k.	1,700	1,650	(50)	-	-	-	The licensee reported prepayments to the Custom.
ALB - XHOI Sh.p.k.	1,600	1,427	(173)	-	-	-	The licensee reported prepayments to the Custom.
FENI KORÇA Sh.A.	1,600	1,532	(68)	-	-	-	The licensee reported prepayments to the Custom.
ARIS ALBANIA Sh.p.k.	1,464	847	(607)	-	10	-	
RIER Sh.p.k.	1,381	1,380	(1)	-	-	-	Rounded
LESHNICA Sh.p.k.	1,330	1,317	(13)	-	-	-	The licensee reported prepayments to the Custom.
DRINI BULQIZE Sh.p.k.	1,276	1,276	-	-	-	-	
LUBIMA Sh.p.k.	1,047	1,047	-	-	-	-	
ELIDON - 06 SHPK	-	2,146	-	-	-	(2,146)	Without counterparty.
JAB RESOURCES sh.p.k.	-	1	1	-			
TIREX EXPLORATIONS Sh.p.k.	-	4	-	-	(4)		
Other Entities - Without approval for detailed presentation	11,438	11,084	(352)	-	-	-	
Total	**254,017**	**244,507**	**(2,498)**	**(708)**	**4,737**	**2,983**	**-**

Appendix 2: Disaggregated reconciliation from the mining sector (continued)

Profit tax

Amounts in Lek thousands

Licensee	Sum of Licensee	Sum of Government	Discrepancy resolved		Unsolved	Without counter-party	Comments
			Licensee	Government			
BERALB Sh.A.	246,119	230,894	-	-	15,225	-	Due to penalties included in tax payments.
ALBCHROME Sh.p.k.	180,109	196,044	-	(15,935)	-	-	Tax authorities reported prepayments made in 2010.
SALILLARI Sh.p.k.	54,774	28,390	(26,384)	-	-	-	Profit tax compensated with VAT.
MINIERA E KROMIT KATJEL Sh.p.k.	15,708	15,708	-	-	-	-	
SHKALLA Sh.p.k.	9,662	7,574	-	2,088	-	-	Amount not declared by Tax, supported with tax reconciliation act.
EGI-K Sh.p.k.	8,832	8,832	-	-	-	-	
DRINI BULQIZE Sh.p.k.	8,258	8,258	-	-	-	-	
ERNISI Sh.p.k.	7,077	2,091	-	-	4,986	-	
FABRIKA E PASURIMIT TE KROMIT BULQIZE Sh.p.k.	7,060	7,060	-	-	-	-	Profit tax netted with VAT.
HERBI Sh.p.k.	6,603	6,603	-	-	-	-	
KROMEX Sh.p.k.	5,600	14,462	-	-	(8,862)	-	
GENTARI Sh.p.k.	5,569	12,003	6,434	-	-	-	Profit tax netted with VAT.
KOKA Sh.p.k.	5,079	5,079	-	-	-	-	
FAVINA SHPK	4,551	4,551	-	-	-	-	
BYTYÇI Sh.p.k.	2,955	2,370	-	585	-	-	Amount not declared by Tax, supported with payment documents.
SHPRESA - AL Sh.p.k.	2,817	2,817	-	-	-	-	
RIER Sh.p.k.	2,709	2,709	-	-	-	-	
ALB-CANAJ SHPK	2,408	2,408	-	-	-	-	
VËLLAZËRIA Sh.p.k.	2,304	2,794	490	-	-	-	Profit tax netted with VAT.
REJ Sh.A.	2,283	25	-	2,258	-	-	Amount not declared by Tax, supported with payment documents.
STONE PRODUCTION Sh.p.k.	2,035	2,036	1	-	-	-	Rounded
GJONI Sh.p.k.	1,903	1,903	-	-	-	-	
11 HERONJTE BATER Sh.p.k.	1,884	1,884	-	-	-	-	
NELI Sh.p.k.	1,864	1,864	-	-	-	-	
ALB - XHOI Sh.p.k.	1,787	1,787	-	-	-	-	
KLOSI Sh.p.k.	1,710	1,710	-	-	-	-	

Appendix 2: Disaggregated reconciliation from the mining sector (continued)

Profit tax (continued)

Amounts in Lek thousands

Licensee	Sum of Licensee	Sum of Government	Discrepancy resolved		Unsolved	Without counter-party	Comments
			Licensee	Government			
UNITED QUARRIES Sh.p.k.	1,677	1,677	-	-	-	-	
RUNJA Sh.p.k.	1,588	1,588	-	-	-	-	
ISAKU Sh.p.k.	1,401	1,473	72	-	-	-	Licensee omitted the payment.
BABASI COO Sh.p.k.	1,440	1,440	-	-	-	-	
Prodhime Karbonike Sh.a.	1,428	1,419	-	-	9	-	
ERVIN Sh.p.k.	1,325	1,325	-	-	-	-	
KUARCI BLACE Sh.p.k.	988	988	-	-	-	-	
RAL Sh.p.k.	774	2,263	1,489	-	-	-	Profit tax netted with VAT.
GEROLD SHPK	587	627	-	-	(40)	-	
FENI KORÇA Sh.A.	380	380	-	-	-	-	
LUBIMA Sh.p.k.	350	350	-	-	-	-	.
RA KROM - TIRANA Sh.p.k.	241	241	-	-	-	-	
KRASTA Sh.p.k.	190	190	-	-	-	-	
LESHNICA Sh.p.k.	184	633	449	-	-	-	Licensee omitted the payment.
KOXHERI Sh.p.k.	155	155	-	-	-	-	
LAMNICA Sh.p.k.	110	110	-	-	-	-	
ELIDON - 06 SHPK	-	50	-	-	-	(50)	Without counterparty
KNAUF - TIRANA Sh.p.k.	-	40	-	-	(40)	-	
Other Entities - Without approval for detailed presentation	12,456	14,762	1,013	-	(1,293)	-	Profit tax netted with VAT
Total	**616,934**	**601,567**	**(16,436)**	**(11,004)**	**9,985**	**(50)**	

Appendix 2: Disaggregated reconciliation from the mining sector (continued)

Surface tax

Amounts in Lek thousands

Licensee	Sum of Licensee	Sum of Government	Discrepancy resolved		Unsolved	Without counter-party	Comments
			Licensee	Government			
FUSHE KRUJA CEMENT FACTORY Sh.p.k.	-	212	212		-	-	Licensee reported this payment as license fee.
ANTEA CEMENT Sh.A.	-	364	364		-	-	Licensee reported this payment as license fee.
BABASI COO Sh.p.k.	17	17	-	-	-	-	
LATOMIA TIRANA Sh.A.	-	54	-	-	-	-	Without counterparty
REJ Sh.A.	-	313	313		-	-	Licensee reported this payment as license fee
HEIDORN & BINJAKU SH.P.K	264	264	-	-	-	-	
MINIERA E KROMIT KATJEL Sh.p.k.	89	89	-	-	-	-	
STONE PRODUCTION Sh.p.k.	576	576	-	-	-	-	
VËLLAZËRIA Sh.p.k.	101	105	4	-	-	-	
KROMEX Sh.p.k.	-	85	-	-	(85)	-	
LESHNICA Sh.p.k.	8	8	-	-	-	-	
BYTYÇI Sh.p.k.	234	238	-	(4)	-	-	Licensee reported this difference as license fee
11 HERONJTE BATER Sh.p.k.	168	168	-	-	-	-	
GJONI Sh.p.k.	-	87		(87)	-		Licensee reported this payment as license fee
GENTARI Sh.p.k.	-	31	31	-	-	-	Licensee omitted the payment.
ISAKU Sh.p.k.	79	79	-	-	-	-	
KRASTA Sh.p.k.	203	203	-	-	-	-	
ERVIN Sh.p.k.	143	143	-	-	-	-	
KOXHERI Sh.p.k.	56	56	-	-	-	-	
KUARCI BLACE Sh.p.k.	47	37	(10)	-	-	-	TLEK 10 pertains to an affiliated company
ARIS ALBANIA Sh.p.k.	96	96	-	-	-	-	
FAVINA SHPK	6	6	-	-	-	-	
RAL Sh.p.k.	92	92	-	-	-	-	
SHKALLA Sh.p.k.	170	170	-	-	-	-	
Other Entities - Without approval for detailed presentation	1,387	1,387	-	-	-	-	
Total	**3,736**	**4,880**	**(914)**	**(91)**	**(85)**	**-**	

Appendix 2: Disaggregated reconciliation from the mining sector (continued)

Tax on dividend

Amounts in Lek thousands

Licensee	Sum of Licensee	Sum of Government	Discrepancy resolved		Unsolved	Without counter-party	Comments
			Licensee	Government			
MINIERA E KROMIT KATJEL Sh.p.k.	6,000	6,000	-	-	-	-	
EGI-K Sh.p.k.	7,500	7,500	-	-	-	-	
GJONI Sh.p.k.	713	-	-	713	-	-	Tax authorities presented dividend tax reported as royalty.
KLOSI Sh.p.k.	500	500	-	-	-	-	
ALB-CANAJ SHPK	500	500	-	-	-	-	
KUARCI BLACE Sh.p.k.	-	748	748				The licensee omitted the payment.
ERVIN Sh.p.k.	200	200	-	-	-	-	
DRINI BULQIZE Sh.p.k.	-	-	-	-	-	-	
RAL Sh.p.k.	500	500	-	-	-	-	
Total	**15,913**	**15,948**	**748**	**713**	**-**	**-**	

Financial guarantees

Amounts in Lek thousands

Licensee	Sum of Licensee	Sum of Government	Discrepancy resolved		Unsolved	Without counter-party	Comments
			Licensee	Government			
LESHNICA Sh.p.k	50	-	-	-	50	50	Without counterparty.
ERNISI Sh.p.k	973	-	-	-	973	973	Without counterparty.
REJ Sh.A.	309	-	-	-	309	309	Without counterparty.
UNITED QUARRIES Sh.p.k	425	-	425	-	-	-	Licensee paid the amount to Tax Authorities.
Total	**1,757**	**-**	**425**	**-**	**(1,332)**	**-**	

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