



# **INVESTOR'S PRACTICAL GUIDE IN ALGERIA**

RESPONSES TO YOUR QUESTIONS

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## INVESTOR'S PRACTICAL GUIDE IN ALGERIA

Responses to your questions

### Who can invest in Algeria ?

Any corporate body or natural person, resident or non resident.

### What are the activities opened to investment?

All economic activities of producing goods and services with the exception of some activities.

### What are company's forms in Algeria?

Companies belonging to persons:

- individual company;
- general partnership;
- limited partnership;
- joint venture.

Capital companies – minimum issued capital:

- joint stock company: 1 000 000 Dinars;
- limited liability company: 100 000 Dinars;
- sole ownership with limited liability: 100 000 Dinars;
- partnership limited by shares: 1 000 000 Dinars.

### What are administrative and advertising procedures to constitute a company?

#### a- Setting up of a company:

- drawing up of authenticated memorandum of association before a notary;
- publication of memorandum of association in the official bulletin of legal advertisements;
- deposit in the office of the clerk of the court of the memorandum of association;
- registration in trade register within two months following the setting up of the company.

The required file contains the following documents:

- forms withdrawn at the National Center of Trade Register;
- original and copy of memorandum of association;
- original and copy of rental agreement of the premise in the name of the Company;
- certificate of non registration issued by the Directorate General of NCTR;
- copy of insertion of articles of association in the official bulletin of legal advertisements and national newspaper;
- original of receipt justifying the payment of stamp duties (4000 DZD);
- original of receipt of payment of registration fees with TR;
- copy of police background report and copy of birth certificate for each director, manager, etc;
- approval or authorisation for regulated activities.

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### **b- Declaration of Existence**

It must be made at the Inspectorate of Taxes territorially competent, within thirty (30) days from the beginning of the activity.

### **c- Foreign trader card (if need be)**

It is issued by services in charge of regulations of the province territorially competent. The application to be formalised must be backed up with the following documents:

- copy of trade register of the corporate body abroad;
- copy of articles of association of the represented company, drawn up in authentic deed;
- certified copy of passport;
- five (5) identity photos.

### **How long trade register can be obtained?**

24 hours

### **What are basic principles of labour law?**

- legal duration of work: 40 hours per week full- time, arranged according the employer's needs;
- legal daily amplitude: 8 hours with one break hour including half hour which is considering as working time;
- legal volume of overtime: 20% of the legal duration of work;
- guaranteed minimum wage: 12 000 DZD per month;
- payment of overtime: increase of 50% of hourly wage with time off in lieu of hours worked on legal day off;
- contract of employment: contract for indeterminate period – contract for determined period in certain defined cases;
- minimum age required 18 years.

### **Is employment of foreigners authorised?**

Yes, subject to permit or authorisation of work.

### **What are procedures related to the employment of foreigners?**

#### **a. Procedure of obtaining work permit.**

An application enclosed to the concerned person's file is submitted by the employer at the National Agency of Employment – Department of labour.  
The permit is generally given within two or three weeks.

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### **b. Procedure for obtaining resident's permit.**

An application is submitted with the police station territorially competent, backed up with administrative file.

### **What are main taxes applied to companies in the common law?**

- corporate income tax: mainly 19% for activities producing goods, activities of building trade and civil engineering works as well as tourist activities and 25% for activities of trade and services.
- income tax: 15% withholding tax for natural person shareholders. For salaried employees: the rate varies according to wage brackets from 0% to 40%;
- professional activity tax: general rate of 2% of turnover;
- value added tax: 17%, a rate reduced of 7% is applied to goods, products and specific operations;
- land tax: applied on constructed and non constructed properties, for living, commercial or industrial use, according to calculation scale.

### **Did Algeria conclude tax conventions?**

Yes. There are 24 bilateral non double taxation conventions.

### **Is it possible to recourse to international arbitration in Algeria?**

Yes. Moreover, Algeria is member of 1958 New York Convention of International Center for Settlement of Investment Dispute between States and nationals of other States (ICSID) and United Nations Commission on International Trade Law (UNCITL).

### **What are customs regulations applied to importation?**

Import is almost free except for some restrictive prohibitions for protection reasons of public order, public health and environment protection.

In terms of taxation, there are 4 rates: 0% for products of first necessity, 5% for gross raw material, 15% for semi-finished products intended to transformation, 30% for finished products intended to consumption.



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### **What are bodies in charge of management of economic real estate?**

According to sectors of activities, main bodies are:

- Industry: ANIREF
- tourism: ANDT
- agriculture: Algerian Agency of Steppic Zones
- fishing: SGP SOGEPOR
- for the whole sectors: CALPIREF (provinces), AGERFA (Algiers), URBA (provinces), Land Agencies (coming under private sectors)

### **About ANDI**

ANDI is a governmental agency in charge of investment in Algeria (see page n°1- ANDI to support you).

### **Who takes benefits from advantages granted by ANDI?**

Any corporate body or natural person, resident or non resident, wishing to create a company subject to Algerian law, having chosen to invest in economic activity of production of non excluded goods or services.

### **What kinds of investments are entitled to advantages?**

- creation of new activity (Greenfield);
- extension of production capacities by including supplementing investments;
- rehabilitation and/or restructuring;
- partial or total privatisation.

### **What are advantages granted by ANDI?**

#### **General Scheme**

Stage of project's carrying out (3 years):

- exemption from VAT on non exclude goods and services;
- exemption from customs duties on non excluded imported equipments;
- exemption from property transfer tax in return for all property acquisitions.

Operating Stage: exemption (3 years)

- corporate income tax;
- professional activity tax.

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### Special Scheme:

#### a- zones to be developed

Stage of project's carrying out (3 years):

- exemption from VAT on non excluded goods and services;
- exemption from customs duties on non excluded imported goods and services;
- registration fees 2‰;
- exemption from property transfer tax in return for all property acquisitions.

Operating stage: exemption (10 years):

- corporate income tax;
- professional activity tax.

#### b- projects of National Interest (Convention):

Stage of project's carrying out (5 years):

- exemption from duties, taxes, taxations and other tax deductions on all goods and services imported or locally purchased;
- exemption from registration fees;
- exemption from transfer fee on landed acquisitions and legal advertisement.

Operating stage: exemption from 3 to 10 years:

- corporate income tax;
- professional activity tax.

### How can we obtain advantages?

In order that an investment project can obtain fiscal and parafiscal advantages stipulated by the law, the investor must fill an investment declaration, to be withdrawn with One-Stop-Shop of ANDI or downloaded from ANDI web site: [www.andi.dz](http://www.andi.dz). This declaration is submitted with the One-Stop-Shop territorially competent, backed up with developed and quantitative lists of goods and services to be acquired.

### How long the decision of granting advantages for carrying out the project can be obtained?

72 hours for projects coming under the general system and those of zones to be developed.

### How long the decision of granting advantages to operating activity can be obtained?

10 days from submitting of the application.

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**Where can we obtain other information about investment?**

**[www.andi.dz](http://www.andi.dz)  
[www.investinalgeria.dz](http://www.investinalgeria.dz)  
[www.mipi.dz](http://www.mipi.dz)**