



People's Democratic Republic of Algeria
Ministry of Industry

LAW N° 22-18
RELATING TO
INVESTMENT
2022



**LAW N° 22-18 RELATING TO INVESTMENT OF 25 DHU EL HIDJA 1443
CORRESPONDING TO JULY 24th, 2022**

The President of the Republic,

In view of the Constitution, notably its articles 61, 141 (2nd Paragraph), 143, 144 (2nd Paragraph), 145, and 148;

In view of the amended and completed Organic Law No 18-15 on the Finance Laws of 22 Dhu El Hidja 1439 corresponding to September 2nd, 2018;

In view of the amended and completed Ordinance No 75-58 on the Civil Code of September 26th, 1975;

In view of the amended and completed Ordinance No 75-59 of September 26th, 1975, on the trade Code;

In view of the Law No 01-20 on the Territorial Planning and Sustainable Development of 27 Ramadhan 1422 corresponding to December 12th 2001;

In view of the Law No 03-10 of 19 Jomada El Oula 1424 corresponding to July, 19th 2003, on the Environment Protection as part of the sustainable Development;

In view of the amended and completed Ordinance No 03-11 on Currency and Credit of 27 Jomada Ethania 1424 corresponding to August 26th 2003,

In view of the amended and completed Ordinance No 08-04 of Aoual Ramadhan 1429 corresponding to September 1st 2008 laying down the terms and modalities for granting land in the private domain of the State intended for the implementation of investment projects;

In view of the amended and completed Law No 08-09 on the Code of Civil and Administrative Procedure of 18 Safar 1429 corresponding to February 25th 2008;

In view of the amended Law No 16-09 of 29 Chawal 1437 corresponding to August 3rd 2016, on the Investment Promotion, notably its article 37;

In view of the amended Law No 20-07 of 12 Chawal 1441 corresponding to June 4th 2020, on the Complementary Finance Law for 2020, notably its article 49;



- After consulting the Council of State;
- After adoption by Parliament;

Hereby enacts the Law set out below:

Chapter One General Provisions

Article One- This Law is aimed to lay down the rules governing the investment, and to define investors' rights and duties, as well as incentive schemes, applicable to investments in economic activities for the production of goods and services performed by natural or legal persons, national or foreign, resident or non-resident;

Article 2 – The provisions of this Law are intended to enhance investment with the purpose of:

- Enhancing priority sectors of activities with high added value;
- Ensuring a sustainable and balanced territorial development;
- Enhancing natural resources and local raw materials;
- Fostering technology transfer, innovation and knowledge-based economy;
- Wide-spreading the use of new technologies;
- Boosting the creation of sustainable jobs and promoting human resources skills;
- Strengthening and enhancing the competitiveness of the national economy and its exporting capacity building;

Article 3- This Law enshrines the following principles:

- Freedom to invest: Any natural or legal person, national or foreign, resident or non-resident who desires to invest is free to decide on his/her investment in compliance with the legislation and regulations in force;
- Transparency and equality in dealing with the investments.

Article 4 – Are governed under the provisions of this Law, the investments performed through:

- The acquisition of tangible or intangible assets directly involved in the activities of goods and services production as part of the creation of



- new activities, the extension of the production capacity and/or rehabilitation of the production tool;
- The participation in any corporate capital in the form of shares in cash or in kind;
 - The relocation of activities from abroad.

Article 5- For the purpose of this Law, it is understood by:

Investor: Any natural or legal person, national or foreign, resident or non-resident, within the meaning of foreign exchange regulations, who performs any investment according to the provisions of this Law;

Creative investment: Any investment performed with the aim of producing technical capabilities through assets purchase for the production of goods and/or services-centered activities.

Extensive investment: Any investment performed with the aim of increasing capacity building for the production of goods and/or services through acquiring new production means in addition to those existing ones. The acquisition of ancillary and/or related additional equipment does not confer on the investment the character of extension. The same applies to the acquisition of the renewal or replacement of the equipment similar to those existing ones.

Rehabilitation investment: Any performed investment consisting of good and/or services purchase operations dedicated to the compliance of the existing materials and equipment for addressing the impact of technological obsolescence or time tear and wear thereupon in order to increase productivity or resume any activity that has been interrupted for at least three (03) years.

Relocation of activities from abroad: Any action by which a company under foreign laws wholly or partly transfers its activities from abroad to Algeria.

CHAPTER II GUARANTEES AND OBLIGATIONS

Article 6 – The investment projects qualified for the incentive scheme, specified in this law are entitled to benefit from land from the private real estate of the state.

The land is granted by land entities, according to the terms and modalities provided for in the legislation and regulations in force.



The information on the land availability are made available for the investor by the land entities, mainly through the investor's digital platform as stated in article 23 below.

Article 7 – Foreign contributions in kind exclusively involved in the activities of relocation operations from abroad are exempted from foreign trade and bank domiciliation procedures.

Are also exempted from foreign trade and bank domiciliation, new properties which constitute an external contribution in kind.

Article 8 – The investments performed from the capital contribution in cash, which are imported through bank channels and denominated in a regularly quoted convertible currency by the Bank of Algeria and sold to it, where the amount is equal to or higher than the minimum thresholds, and determined according to the overall costs of the project, are entitled to benefit from the guaranty of the invested capital transfer and the resulting income.

The reinvestments in capital of profits and dividends that are declared as transferable according to the legislation and regulations in force, are approved as external contributions.

The transfer guarantee, and the minimal thresholds mentioned in the first paragraph above as well are applied to the contributions in kind which are performed under the forms set forth in the legislation in force provided, they are of external origin and subject to an assessment, according to the rules and procedures governing the incorporation of companies.

The transfer guarantee mentioned above in the first paragraph also involves the actual net proceeds from the sale and the liquidation of investments of foreign origin, even if their amount is higher than the initially invested capital. The enforcement terms of the provisions of this article are defined by regulation.

Article 9 – The State ensures the protection of intellectual property rights, according to the legislation in force.

Article 10 – The performed investment can only be subject to the administrative requisition in the cases provided for by law. The requisition gives rise to a fair and equitable compensation, according to the legislation in force.



Article 11 – “A High National Commission for Investment Appeals”, hereinafter referred to as the “Commission”, is established under the Presidency of the Republic. It has the duty to decide on the appeals filed by investors.

The appeals are forwarded to the Commission within a period of no more than two (02) months, from the date of the notification of the decision in dispute. The Commission shall decide on these appeals within a period of no more than one (01) month, from the date of its referral.

Furthermore, the investor can file a court appeal before the competent jurisdiction, according to the legislation in force.

The composition and functioning of the Commission, as well as the enforcement terms of this article, are defined by regulation.

Article 12 – In addition to the provisions of the above mentioned article 11, any dispute which arises out from the enforcement of this Law, between the foreign investor and the Algerian state, as a result of the investor’s act or of a measure taken by the Algerian state against him, is subject to the competent Algerian Jurisdictions, unless otherwise stated in bilateral or multilateral conventions ratified by the Algerian state and related to conciliation, mediation, and arbitration or a compromise between the Agency mentioned below in article 18 acting on the state’s behalf, and the investor that allow the parties to refer to arbitration.

Article 13 – The effects of revisions and abrogation related to this Law, which may occur in the future, do not apply to the investments made under this Law, unless the investor expressly requests that.

Article 14 – Goods and services, which benefited from the advantages provided for in the provisions of this Law and those granted by the previous provisions, can be subject to transfer or assignment under the authorization of the Agency mentioned in article 18 below.

The enforcement terms of the provisions of this article are determined by regulation.

Article 15 – The investor shall:

-Ensure that the legislation in force and the relevant standards, mainly those related to the protection of the environment, public health, competition, labor, and transparency of accounting, tax and financial information as well, are respected;



-Provide any information requested by the administration, necessary the monitoring and evaluation of the implementation of the provisions of this Law.

CHAPTER III ON THE INSTITUTIONAL FRAMEWORK

Article 16 – Entities in charge of the investment are as follows:

- 1) -The National Investment Council;
- 2) -The Algerian Investment Promotion Agency.

Article 17 – The National Investment Council, which is created under the provisions of article 18 which remain in force, of the ordinance No 01-03 of 1 Jumada Ethania 1422 corresponding to August 20th 2001 on the investment development, has the duty to make proposals on the strategy of the state in the investment area, to ensure its overall coherence, and to make the evaluation of its implementation as well.

The National Investment Council shall draw up an annual report. It shall forward it to the President of the Republic.

The composition and the functioning of the National Investment Council are defined by regulation.

Article 18 – The National Investment Development Agency, which is created under article 6, which is still in force, of the ordinance No 01-03 of August 20th 2001 on the investment development, is now called the “Algerian Investment Promotion Agency”, hereinafter referred to as “The Agency”.

The Agency, in coordination with the administrations and entities concerned, has the duty to:

- Foster and enhance in Algeria and abroad as well, investment and attractiveness of Algeria, in relation with the Algerian diplomatic and consular representations abroad;
- Inform and sensitize business circles;
- Manage the investor digital platform;
- Register and process investment applications;
- Assist the investors in fulfilling formalities linked to their investments;
- Manage advantages, including those related to the project portfolio declared or listed before the date of the publication of this Law;
- Follow up the state of the investment projects progress.



The following one-stop shops are set up under the Agency:

- One-stop shops for major projects and foreign investments
- Decentralized one-stop shops.

The Agency receives a royalty fee for processing investment requests.

The organization and the functioning of the Agency, as well as the amount and collection terms of the royalties are defined by regulation.

Article 19 - The one-stop shop for major projects and foreign investments, under national jurisdiction, is the single point of contact which is responsible for the support missions in fulfilling all the steps necessary for the realization of major investment projects and foreign investments as well.

Qualifying criteria for major investment projects are defined by regulation.

Article 20 –The decentralized one-stop shops are the single points of contact at a local level. They ensure assistance and support missions for the benefit of investors in performing the investment-related formalities.

Article 21 – The one-stop shop for major projects and foreign investments and decentralized one-stop shops gather the representatives from the entities and administrations directly responsible for the implementation of the procedures related to:

- Investment projects implementation;
- Issuance of decisions, authorizations and all documents related to the exercise of any activity linked to the investment project;
- Investment land access;
- Follow-up of the commitments made by the investor.

Article 22 – Notwithstanding provision to the contrary, entities and administrations' representatives within the one-stop shops are entitled to provide within the deadlines set up by the legislation and regulations in force, all decisions, documents, and licenses in relation to the implementation and the operation of the investment project registered at the one-stop shops.

Article 23 – A “digital platform for investors” is set up and the Agency is entrusted with its management. It provides all necessary information, mainly on investment



opportunities in Algeria, land access, incentives and other relevant investment advantages, and procedures as well.

This digital platform, which is interconnected to the information systems of different entities and administrations responsible for the investment process, helps implement all the procedures and the fulfillment of all investment formalities.

It also constitutes an investments guidance, support and monitoring tool since their registration and during their operation.

The management terms of this platform are defined by regulations.

CHAPTER IV INCENTIVE SCHEMES AND CONDITIONS OF ELIGIBILITY FOR ADVANTAGES

Article 24 – For the purpose of article 4 of this Law, investments shall benefit, at the investor’s request, from only one of the incentive schemes mentioned below:

- The incentive scheme for priority sectors hereinafter referred to as the “Sectors Schemes”;
- The incentive scheme for zones the state pays a particular attention thereto, hereinafter referred to as the “Zone Scheme”;
- The incentive scheme for investments with a structuring nature, hereinafter referred to as the “Structuring Investments Scheme”.

Article 25 – For the benefit from the advantages provided for by the provisions of this Law, investments shall be, before their performance, subject to registration with the competent one-stop shop mentioned in article 18 of this Law.

The investment registration is materialized by the immediate delivery of a certificate accompanied by the list of goods and services eligible for the advantages authorizing the investor to assert with the administrations and organizations concerned.

The implementation terms of this article, and the list of goods and services non eligible for the advantages provided for in the provisions of Law are defined by regulations.

Article 26 – Are eligible for the “sectors Scheme” the investments carried out in the following activities:

- Mines and quarries;



- Agriculture, aquaculture, and fishing;
- Industry, agro-business industry, pharmaceuticals and petrochemicals industry;
- Services and tourism;
- New energies and renewables;
- Knowledge-based economy, information and communication technologies.

The list of the activities not eligible to the advantages provided for under the sectors scheme, is set up by regulation.

Article 27 – The investments eligible for the “Sectors Scheme” are entitled to, in addition to tax, para-fiscal, and customs incentives provided for in the Common Law, the following benefits:

- **Under the implementation phase:**
 - 1) Exemption from customs duties for imported goods directly entering in the investment implementation;
 - 2) VAT exemption for imported or locally purchased goods and services directly entering in the investment implementation;
 - 3) Exemption from transfer duty, for valuable consideration, and from the land advertisement tax for all real estate acquisitions made as part of the investment concerned;
 - 4) Exemption from registration fees payable for the articles of incorporation of companies and capital increase;
 - 5) Exemption from registration fees, land advertisement tax, and the public land remuneration relating to the concessions of built and non-built real estate dedicated to implementing investment projects;
 - 6) Exemption from land tax on real estate properties entering in investment, for a period of ten (10) years, from the acquisition date.

Under the operation phase: For a period ranging from three (03) to five (05) years, from the date of entry into operation of:

- 1) Exemption from corporate profit tax (IBS);
- 2) Exemption from the tax on professional activity (TAP).

Article 28 – Are entitled to the “Zones Scheme”, investments made in:

- Localities of High plateau, the South, and the Greater South;



- Localities the development of which requires a particular support from the state;
- Localities with potential natural resources to be enhanced.

The list of the localities depending on the areas to which the state attributes a particular interest is set up by regulation.

Article 29 – Investments entitled to the “Zones Scheme” the activities thereof are not excluded from the benefits set out in this article, may benefit, in addition to tax, para-fiscal, and customs incentives provided for in the Common Law, from the following advantages:

- **Under the implementation phase:** Benefits provided for by article 27 of this law.
- **Under the operation (exploitation) phase:** For a period ranging from five (05) to ten (10) years, from the date of entry into operation:
 - 1) Exemption from the corporate profit tax (IBS);
 - 2) Exemption from the professional activity tax (TAP);

The list of the activities not eligible to the benefits provided for by the “Zones Scheme”, is set up by regulation.

Article 30 – Are entitled to the “Structuring investments scheme”, investments with high potential of job and wealth creation, likely to increase the attractiveness of the territory, and to create a spillover effect on the economic activities for a sustainable development.

The qualifying criteria for investments entitled to the “Structuring investments scheme”, are set up by regulation.

Article 31 – Investments entitled to the structuring investments scheme shall benefit, in addition to tax, para-fiscal, and customs incentives provided for by the Common Law, from the following:

- **Under the implementation phase:** The benefits provided for in article 27 of this Law.

The benefits of the implementation phase set out in this article can be transferred to the sub-contractors of the recipient investor in charge of the investment implementation, for the latter’s account.



- **Under the operation (exploitation) phase:** For a period ranging from five (05) to ten (10) years, from the date of entry into operation:
 - 1) Exemption from the corporate profit tax (IBS);
 - 2) Exemption from the professional activity tax (TAP);

Structuring investments may benefit from the support of the state by ensuring, partly or entirely, the development and infrastructures works necessary for their realization, on the basis of an agreement made between the investor and the Agency which is acting on the state's behalf. The agreement is concluded after its approval by the Government.

The implementation terms and modalities of the provisions of this article are set up by regulation.

Article 32 – Subject to the term of the exemption from the land tax levied (proposed imposed) on the real estate properties entering in the investment, the investments set out in article 4 of this Law, shall be performed within a deadline of no more than three (03) years. This deadline is extended to five (05) years for the investments depending on the “Zones Scheme”, and the “Structuring investments Scheme” as well.

The realization deadline starts from the investment registration date with the Agency or from the date of the delivery of the building permit, if necessary.

The realization deadline may be extended by twelve (12) months renewable, exceptionally once (01) for the same period when the realization of the investment exceeds a defined progress rate.

The realization terms and modalities of the provisions of this article are set up by regulation.

Article 33 – The period of the benefits, during the operating phase, is set up on the basis of the evaluation grids while taking into account of the above-stated objectives in article 2, and the standards set up for each incentive scheme as well.

Extension and rehabilitation investments are entitled to the benefits granted during the operating phase, proportionally to the new investments compared to the total performed investments.

The terms and modalities for enjoying benefits during the operating phase, as well as the evaluation grid, are laid down by regulation.



CHAPTER V MISCELLANEOUS PROVISIONS

Article 34 – In the event of the exercise of a combined or multiple activities, only those entitled can benefit from the advantages of this Law.

The recipient of these advantages shall keep, to this end, an accountancy which allows to determine the turnover and the results corresponding to the activities entitled to the benefits.

Article 35 – The coexistence of the advantages of the same nature set out in the legislation in force with those provided for by this Law, shall not be entitled to the cumulative implementation. Investments are entitled to the most favorable incentives.

Article 36 – As part of the follow-up, the administrations and organisms involved in the implementation of the provisions of this Law, are responsible for ensuring, in accordance with their powers, and during the allowed depreciation period of the properties acquired under benefits, compliance by the investors of their commitments made during the investment registration.

In the event of noncompliance with the commitments resulting from the implementation of the provisions of this Law or from the engagements taken by the investor, these benefits can be partly or totally withdrawn without prejudice to the sanctions provided for by the legislation in force.

The terms and modalities of the implementation of the provisions of this article are set up by regulations.

Article 37 – Whoever may hinder, in bad faith, by any means the investment process, is punished under the provisions of the legislation in force.

CHAPTER VI TRANSITIONAL AND FINAL PROVISIONS

Article 38 – Rights and benefits legally acquired by the investor are maintained, under the previous legislations of this Law.

Without prejudice to the provisions of paragraph 3rd of article 32 above, the investments benefiting from the advantages provided for in the laws on the



investment development and promotion prior to this Law, and in all subsequent legal texts as well, are still governed by the laws under which they are registered and/or declared, until the expiry of the period of these advantages.

Article 39 – The projects portfolio which previously depended on the powers of the National Investment Council is transferred to the Agency.

Article 40 – Are repealed all the provisions contrary to this Law, including Law No 16 – 09 of 29 Chawal 1437 corresponding to August 3rd 2016 on the investment promotion, with the exception of its article 37 which remains in force.

Without prejudice to the provisions of article 38 of this Law, the enforcement legal texts of the above-mentioned Law No 16 – 09 of 29 Chawal 1437 corresponding to August 3rd 2016, remain in force until the enactment of the enforcement legal texts provided for in this Law.

Article 41 – This Law will be published in the “*Official Gazette*” of the People’s Democratic Republic of Algeria.

Done in Algiers, on 25 Dhu El Hidja 1443 corresponding to July 24th 2022

Abdelmadjid TEBBOUNE