وزارة الصناعة

Ministry of Industry

The new investment law



Fundamental provisions of Law **22-18**
of July **24**, **2022** relating to investment

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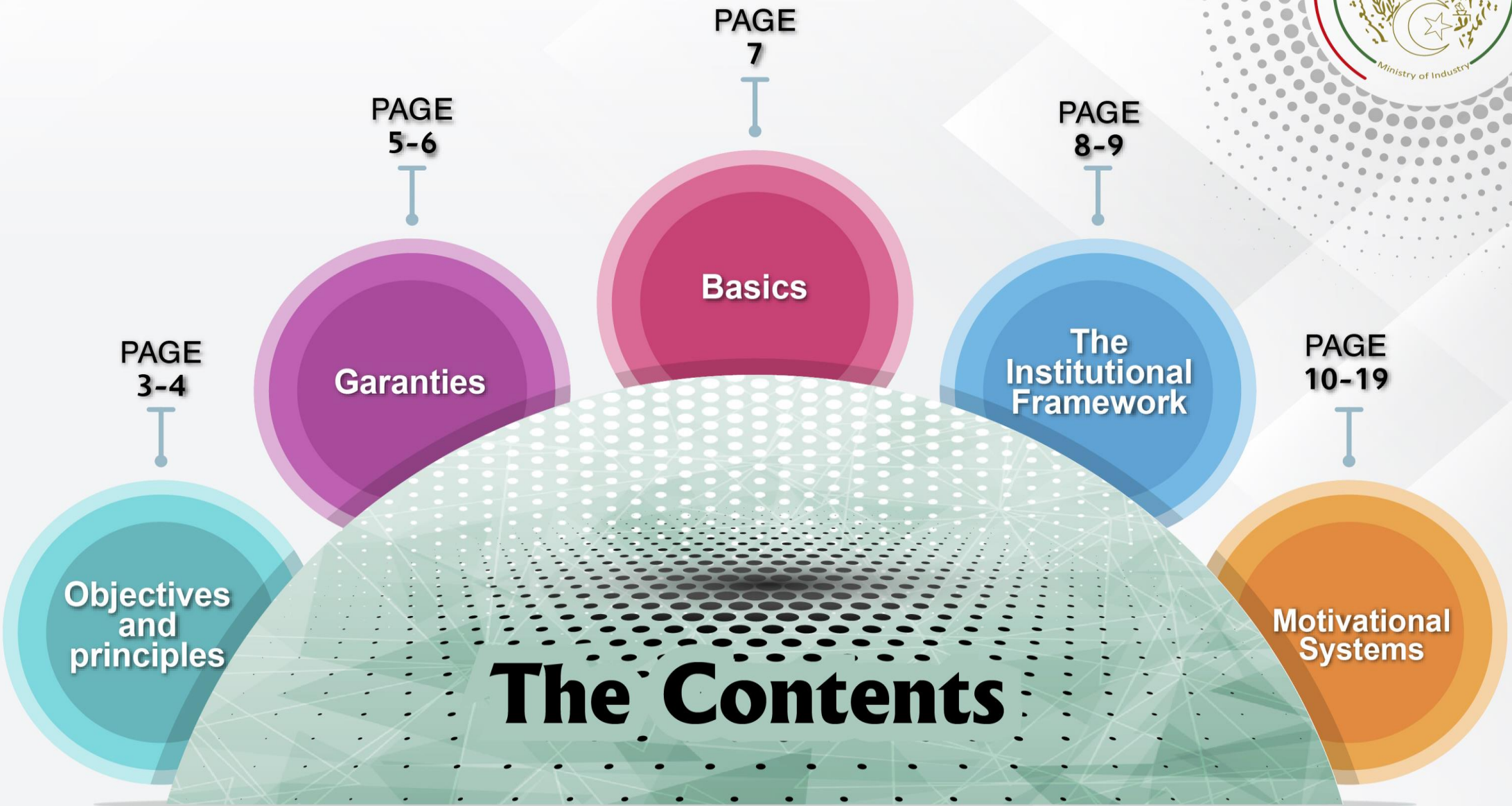


7 OBJECTIVES

OBJECTIVES



3 PRINCIPLES

Principles enshrined in the Investment Law

01 Freedom to invest

02 Transparency

03 Equality

10 GARANTIES

01

Ensuring that investment projects benefit from lands belonging to the private property of the state:
• Grants are made by qualified bodies, in accordance with the terms and conditions stipulated in the applicable legislation and regulation;
• The relevant information is provided by the Agency on the investor's digital platform.

02

Exemption from foreign trade and bank domiciliation procedures on:
• External contributions in kind that fall exclusively within the framework of transfers of activities from abroad;
• New goods that are included in the external in-kind quotas.

03

Ensuring the state's protection of intellectual property rights in accordance with the applicable legislation.

04

Protect investment from the effects of revising or repealing this law that may occur in the future, unless explicitly requested by the investor.

05

Protect the investment from any harnessing carried out by the administration, except in the cases stipulated by law. Such harnessing entails fair and equitable compensation.

06

Right to appeal to the Supreme National Investment Appeals Committee established by the President of the Republic. In addition to the right of litigation. The Committee must decide on such appeals within a period not exceeding one (1) month from the date of their referral

10 GARANTIES

07

Right of recourse to international dispute settlement bodies (conciliation, mediation, arbitration) as well as right of recourse to national justice.

08

The right to transfer or assign goods and services that benefited from the advantages of Law 22-18, as well as those granted under the previous provisions, on the basis of a license received by the Agency.

10

Acceptance as “external quotas”, reinvestment in capital, interest and dividends.

09

Benefit from transfer guarantee for:

a. The capital invested and the returns arising therefrom;

b. Shares in kind, provided that they are externally sourced and subject to evaluation in accordance with the rules and procedures governing the establishment of companies;

c. The real net income resulting from the assignment and the liquidation of foreign-sourced investments, even if the amount exceeds the initial invested capital.

Condition for benefiting from the transfer guarantee:

External source funding share of investors' total investment cost should be: 25% of the investment amount.

11

The investor retains the rights and benefits acquired under previous legislation.

BASIC CONCEPTS

Definition of certain concepts

01 **Investor:**
Any natural or moral person, whether national or foreign, resident or non-resident, within the meaning of the regulation of disbursement, shall make an investment in accordance with the provisions of this Law.

02 **Construction Investment:**
Any investment made to create technical capital out of nowhere by acquiring assets for the purpose of establishing the production activity of goods and/or services.

03 **Expansion investment:** Every investment made with the aim of raising the production capacities of goods and/or services by acquiring new means of production in addition to the existing ones. Acquisition of supplementary accessory equipment and/or associated with the expansion nature of the investment is not authorized. Similarly, the acquisition of refurbishment or replacement equipment similar to those in place.

04 **Rehabilitation investment:** Each investment made for the acquisition of goods and/or services aimed at matching existing materiel and equipment in order to remedy technological delays or due to the depreciation of its wear and tear which affect it in order to raise productivity or re-establish an activity that has been suspended for at least three (3) years.

05 **Transfer of activities from abroad:**
Transfer to Algeria of an enterprise subject to foreign law for all or part of its activities from abroad.

INSTITUTIONAL FRAMEWORK

01 **National Investment Board**

The mechanism for proposing the State's investment strategy; and ensuring its overall coherence and evaluating its implementation.

02 **Algerian Investment Promotion Agency**

Investment Policy Implementation Body:
- Promotion and valorization of investment in Algeria and abroad.
- Inform and sensitize the business community.
- Recording and processing investment files.
- Accompanying investors.
- Management of benefits.
- Follow-up of the progress of investment projects.

Single window for major projects and foreign investment

A single interlocutor with national competence for:
- Foreign investors;
- National investors with major projects (investment amount ≥ two (02) billion Algerian Dinar).

Decentralized single window

A single point of contact at the local level for national investors

- With local jurisdiction.
- Accompanying local investors in realizing projects.

INVESTOR DIGITAL PLATFORM



1. Interconnected with the information systems of the bodies and departments in charge of the investment process.
2. Providing all the necessary information, especially investment opportunities in Algeria, the real estate offer, incentives and benefits associated with the investment and related procedures.
3. Ensure the dematerialization of all procedures and the online completion of all investment-related formalities.
4. The digital investor platform is the electronic instrument for guiding, supporting and monitoring investments from their registration and during the period of their operation.

MOTIVATIONAL SYSTEMS

01 Sectoral System

The incentive system for priority sectors

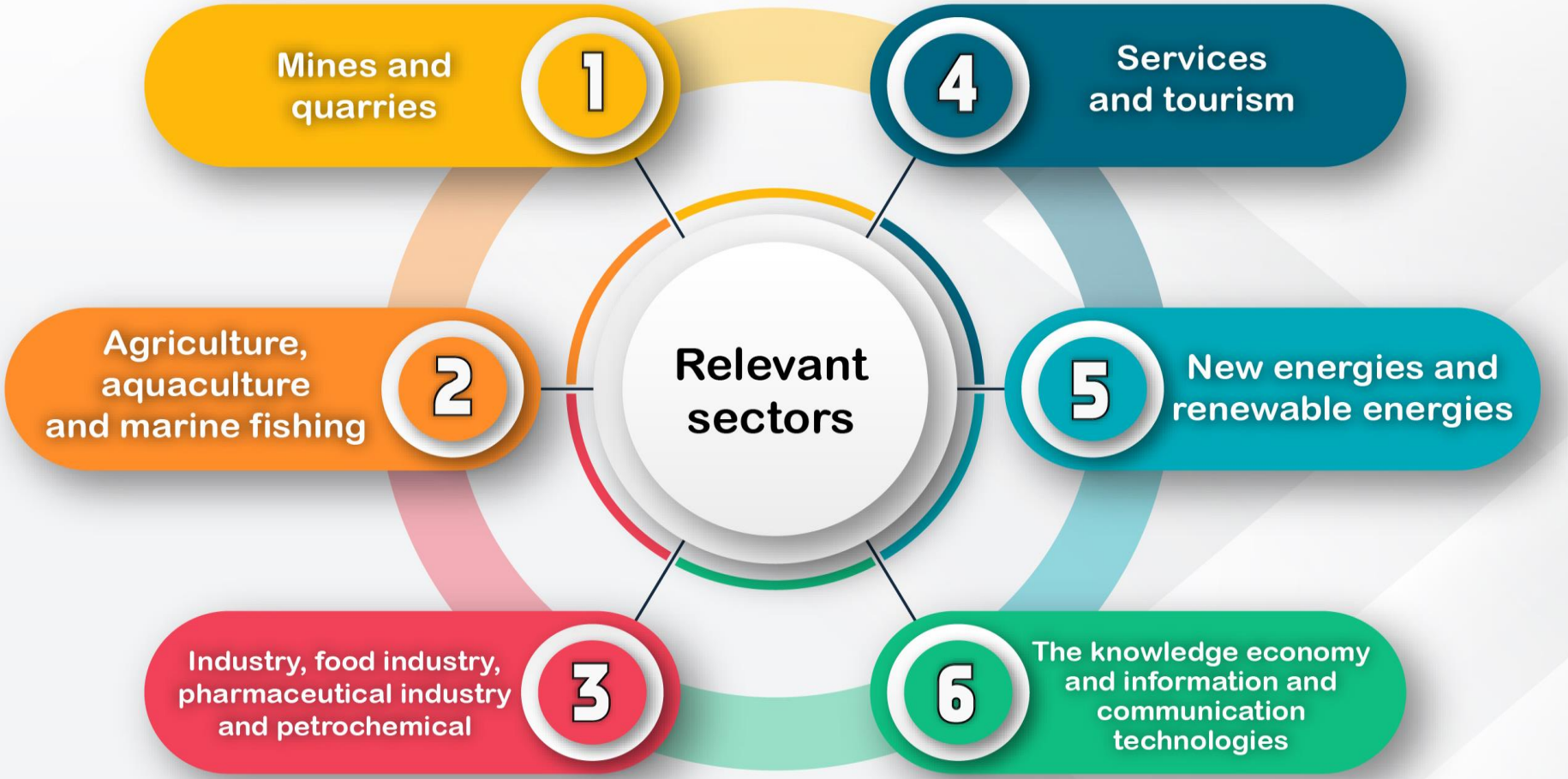
02 The Regions System

The incentive system for the regions to which the State attaches special importance.

03 The Structured Investments System

The incentive system for investments of a structured nature

Motivational Systems : Sectoral System



The list of activities that are not eligible to benefit from the specific advantages is determined under the title of Sectors System in accordance with Executive Decree No. 22-300 of September 8, 2022, that defines the lists of activities, goods and services that are not eligible for benefits, as well as the minimum limits of financing to benefit from the funding to take advantage of the transfer guarantee.

Motivational Systems : Sectoral System



Benefit period: Three (03) years, renewable for two additional years.

Motivational Systems : Sectoral System

Advantages granted under the title of exploitation stage

01 Exemption from tax on corporate profits

02 Exemption from fees for professional activity

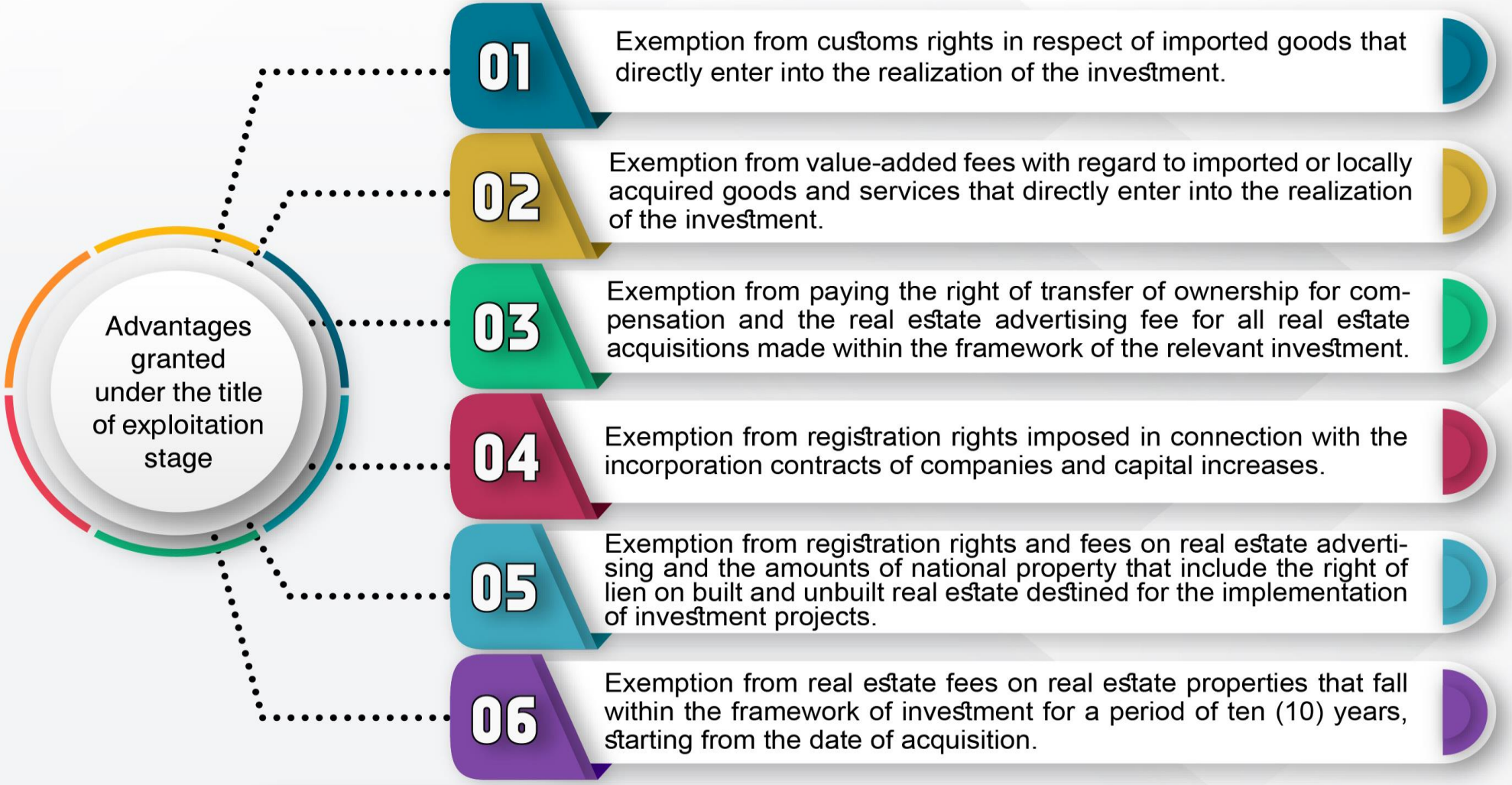
Benefit period: from three (03) to five (05) years, starting from the date on which the exploitation was initiated.

Motivational Systems : Zone System



The list of activities that are not eligible to benefit from the advantages specified under the title of the Regions System is determined in accordance with Executive Decree N°. 22-300 of September 8, 2022, specifying the lists of activities, goods and services that are not eligible to benefit from the advantages, as well as the minimum limits of funding to take advantage of the financing to benefit from the transfer guarantee.

Motivational Systems : Zone System



Benefit period: Five (05) years, renewable for two additional years

Motivational Systems : Zone System



01 Exemption from tax on corporate profits

02 Exemption from fees for professional activity

Benefit period: from five (05) to ten (10) years from the date of commencing the exploitation from the tax on corporate profits

Motivational Systems : Structured investment system

Concerned Investments

1 Investments with high capacity for wealth creation and job creation that raise the Territory's attractiveness and are a driving force for economic activity for sustainable economic, social and regional development.

2 For the structured investment system, investments that meet the following criteria are eligible:

- Level of direct work positions: equal to or greater than five hundred (500) work positions.
- Investment amount: equal to or more than ten (10) billion Algerian dinars.

The criteria for the qualification of beneficial investments are set out in the "Structured Investment System", in accordance with Executive Decree N°. 22-302 of September, 08, 2022, which sets out the criteria for the qualification of structured investments and how to benefit from the advantages of exploitation and evaluation networks.

Motivational Systems : Structured investment system



01 Exemption from customs rights in respect of imported goods that directly enter into the realization of the investment.

02 Exemption from value-added fees with regard to imported or locally acquired goods and services that directly enter into the realization of the investment.

03 Exemption from paying the right of transfer of ownership for compensation and the real estate advertising fee for all real estate acquisitions made within the framework of the relevant investment.

04 Exemption from registration rights imposed in connection with the incorporation contracts of companies and capital increases.

05 Exemption from registration rights and fees on real estate advertising and the amounts of national property that include the right of lien on built and unbuilt real estate destined for the implementation of investment projects.

06 Exemption from real estate fees on real estate properties that fall within the framework of investment for a period of ten (10) years, starting from the date of acquisition.

Duration: Five (05) years extendable for two additional years

Note: The benefits of the realization stage may be transferred to the parties contracting with the beneficiary investor, who are charged with the realization of the investment, for the latter's account.

Motivational Systems : Structured investment system



01 Exemption from tax on corporate profits

02 Exemption from fees for professional activity

Benefit period: from five (05) to ten (10) years from the date of commencement of exploitation.

Additional motivation: Structured investments may benefit from the support of the State by taking part or in full charge of the preparatory work and the basic facilities necessary for their realization, on the basis of an agreement prepared between the investor and the Algerian Investment Promotion Agency.

Greetings from
The Ministry of Industry