ALGERIA

LEGAL & TAX FRAMEWORK FOR INVESTMENT — JUNE 2026 EDITION

Africa's largest country by area and a major energy player, Algeria draws its economy from **hydrocarbons** (gas and oil, operated by Sonatrach) and is pursuing a diversification policy. **Algeria is not an OHADA member**: company law, accounting and arbitration follow a **national** framework. The country overhauled its investment framework in 2022 (Law 22-18) and relaxed the local-ownership rule (51/49), while maintaining **strict exchange controls**. This factsheet summarises the macroeconomic, tax and legal data relevant to an entry decision.

POPULATION
~48 M
mid-2026 est. (Worldometer)

CURRENCY
DINAR · DZD
Non-convertible — strict control (Bank of Algeria)

GDP GROWTH
~2.9%
2026f (IMF) · up to ~3.7% (World Bank)

INFLATION
~3.9%
2026f (IMF) — moderate (~1.7% over 9M 2025)

GDP PER CAPITA
≈ $6,050
2025 (IMF)

HEAD OF STATE
A. TEBBOUNE
Abdelmadjid Tebboune — President, re-elected September 2024

CAPITAL
ALGIERS
Main economic and administrative hub

BUSINESS FRAMEWORK
NATIONAL
Non-OHADA — Commercial Code, SCF, CACI/CCMA

STRENGTH
HYDROCARBONS
Gas & oil (Sonatrach) · major supplier to Europe

HYDROCARBONS: A PILLAR UNDERGOING DIVERSIFICATION

Algeria remains a **major gas supplier to Europe** (Medgaz, Transmed), with Sonatrach as the central operator across gas, oil, oilfield services and petrochemicals. In parallel, the country is diversifying into **renewables** (a large-scale solar programme), **mining** (iron, phosphates, zinc — the Gara Djebilet and Bled El Hadba projects) and **agri-food** (import substitution). **Investment Law 22-18** (24 July 2022) and the relaxation of the 51/49 rule — foreign ownership up to 100% outside strategic sectors — shape access to these sectors, subject to **exchange controls** that remain among the strictest in the region.

A NATIONAL BUSINESS-LAW FRAMEWORK

- **National law (non-OHADA).** Algeria does not apply the OHADA Uniform Acts: company law is governed by the Commercial Code, and security interests, contracts and insolvency by Algerian law.
- **Arbitration.** International commercial arbitration is governed by the **Code of Civil and Administrative Procedure** (Law 08-09); the **CACI/CCMA** (chamber of commerce) administers mediation and arbitration. Algeria is a party to the 1958 New York Convention.
- **Accounting.** National framework — **Financial Accounting System (SCF)**, in force since 2010 and IFRS-based.
- Also a member of the **African Union** and the **AfCFTA**, and a **WTO** observer.

COMMON COMPANY FORMS

FORM	MIN. CAPITAL
SPA (joint stock co.)	DZD 1,000,000 (5M if public offering) · 7 shareholders min.
SARL (LLC)	Set freely by the by-laws
EURL	Set freely
Branch	Attached to the foreign company

Investment one-stop shop: AAPI — Algerian Investment Promotion Agency, formerly ANDI (aapi.dz).

TAX REGIME — THE ESSENTIALS

TAX	RATE	NOTES
Corporate income tax (IBS)	**19 / 23 / 26%**	By sector: 19% goods production · 23% construction, tourism · 26% others (trade, services). Reduced 10% on reinvested profits.
VAT	**19%**	Standard 19%, reduced 9%. Threshold depends on the regime (actual or IFU), to be confirmed with the DGI.
Withholding (non-residents)	**30%**	Services and royalties: 30%, final withholding ("3 taxes in 1"). Dividends: 15%. Interest: 10%. Reduced by tax treaty.
Tax treaties	**FRANCE**	France–Algeria treaty signed 17/10/1999, in force since 2002. Source: DGI Algeria (mfdgi.gov.dz).

Source: PwC Worldwide Tax Summaries — Algeria, updated 14/07/2025 · 2025-2026 Finance Acts · DGI (mfdgi.gov.dz).

ATTRACTIVE SECTORS

- **Hydrocarbons & energy** — gas and oil (Sonatrach); a major gas supplier to Europe (Medgaz, Transmed). Oilfield services and petrochemicals.
- **Renewables** — a large-scale solar programme under development.
- **Mining** — iron, phosphates, zinc; structuring projects (Gara Djebilet, Bled El Hadba).
- **Agriculture & agri-food** — import-substitution policy, processing.
- **Industry & automotive** — assembly, subcontracting, within diversification.

INVESTMENT INCENTIVES

- **Investment Law 22-18** of 24 July 2022 — incentive regimes (general, zones, strategic sectors), guarantees and stability.
- **AAPI** (formerly ANDI) — investment one-stop shop and granting of advantages.
- **Zone regimes** — enhanced incentives in the South and the High Plateaus.
- **51/49 relaxation** — foreign ownership up to 100% outside strategic sectors.

FOREIGN-EXCHANGE REGULATION

- **Strict control.** The Algerian dinar is not convertible. Operations with abroad are controlled by the Bank of Algeria; capital movements, imports and transfers are tightly regulated and subject to authorisation.
- **Repatriation of dividends and capital.** Guaranteed for investments financed by a duly registered foreign-currency contribution — hence the importance of tracing the initial contribution.
- **Export proceeds.** Mandatory repatriation within the timelines set by the regulation.

SECURING THE INVESTMENT

In Algeria, the central issue is aligning the overhauled investment framework (Law 22-18, 51/49 relaxation) with some of the strictest exchange controls in the region. Upfront structuring — financing, sector eligibility, arbitration — drives the success of the project.

THE UGGC ANGLE — SECURING THE INVESTMENT

- § **Exchange & repatriation** — fund the investment with a registered foreign-currency contribution: the condition for later dividend repatriation.
- § **Ownership & strategic sectors** — check eligibility for 100% foreign ownership and, failing that, structure the required local partnership.
- § **Arbitration & litigation** — a well-drafted arbitration clause (CACI/CCMA); New York Convention applicable to enforcing awards.
- § **Tax & structuring** — sectoral IBS, 30% final withholding, tax treaties, AAPI regimes.

UGGC Africa supports you in Algeria through its pan-African platform — africa@uggc.com.

Disclaimer. This country factsheet is provided for general information, as at June 2026; it does not constitute legal or tax advice and cannot bind UGGC Africa. The figures come from public sources and are subject to change (finance acts, exchange regulation, strategic-sectors list). Any investment decision should be the subject of a tailored analysis.

Sources: IMF (World Economic Outlook 2025-2026) · World Bank · Worldometer (population) · PwC Worldwide Tax Summaries — Algeria (14/07/2025) · DGI (mfdgi.gov.dz) · AAPI (aapi.dz) · Bank of Algeria (bank-of-algeria.dz). uggcafrica.com.