

A 2016

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Analysis of the main provisions provided for by the new Algerian investment code

PwC Algeria tax & legal team is delighted to provide you with an analysis of the main provisions introduced by the law n° 16-09 dated August 3, 2016 relating to the investment promotion (hereinafter referred to as "the investment code"). The latter was published in the Official Journal on 03 august 2016.

This new law repeals the provisions of Ordinance No. 01-03 of 20 August 2001; amended and supplemented, relating to the investment development and promotion, except its Articles 6, 18 and 22. Are also repealed the provisions of Article 55 of the Finance Law for 2014.

Moreover, the new law introduced new measures meant to stimulate the investment flows in Algeria, and strengthen the country's economic competitiveness and attractiveness. This article will analyze the main provisions of the new investment code, while studying their potential implications.

PwC Algeria team hopes you will enjoy reading the hereby analysis and remains at your disposal for any further details.

I. Background

At first, it should be recalled that the Algerian authorities have introduced, through the complementary Finance Law (CFL) for 2009, a series of measures aimed to increase control over foreign investment in Algeria. These measures included:

- The limitation, for foreign shareholders, of the ownership threshold in Algerian companies at 49 %;
- The introduction of a State's and public companies' pre-emptive right on shares disposal made by or for the benefit of foreign shareholders;
- An obligation to resort to local financing, etc.

These measures, and other converging provisions provided for by subsequent Finance laws, came to amend Ordinance 01-03 relating to the investment promotion, with the aim of establishing a new economic orientation. It has enacted a transition from a policy designed to attract Foreign Direct Investment (FDI) to a regulatory approach aimed to align these inflows with the objectives of the country's economic policy.

These objectives include the promotion of investment in order to develop a domestic supply of goods and services able to ensure imports substitution and exports diversification. In this regard, we recall that the latter are still largely dominated by hydrocarbons.

However, following the introduction of these measures, a significant reduction in FDI flows to Algeria was observed, as evidenced by the Bank of Algeria economic reports, which reported a drop of the annual volume of FDI from \$ 2.9 billion in 2009 to \$ 1.4 billion in 2014.

Furthermore, Algeria has lost 31 places in World Bank's annual Doing Business ranking, declining from the 132nd rank in 2009 to the 163rd rank in 2016.

In this context, the government has decided to reform the legislative and regulatory framework governing investment in Algeria. This desire for reform was first initiated in the Prime Minister's instruction No° 258 of 7 August 2013, relating to the investment promotion, and improvement of the business environment, in which it was instructed to revise the investment code so as to make it a "*real promotional tool defining clearly and unequivocally the rights and obligations of investors.*"

Then, it should be noted that Article 43 of the country's basic law was amended

within the framework of the constitutional amendment adopted by the Algerian parliament on February 7, 2016. The amended article 43 states that *"The State work to improve the business environment. It encourages, without discrimination, the development of enterprises in the service of the national economic development"*

Therefore, the adoption of the new investment code appears to be part of a government initiative intended to enhance the dynamics of investment in the country, and improve the country's attractiveness to foreign investors.

More specifically, the government aims to achieve three objectives through this new law:

- To promote the national production of goods and services activities through facilitation and investment promotion;
- Modulate the benefits according to the adopted economic policy;
- Improving the business environment.

II. Main measures introduced by the new investment code

The new law reorganizes, based on the three objectives outlined above, the legislative and institutional framework governing investment in Algeria. It was structured around the following:

- General provisions on the conditions of admission and establishment of investments and the guarantees offered to investors;
- The incentive schemes and their implementation in line with the country's economic policy;
- The revision of the institutional framework governing investment;
- Transitional measures, pending the publication of new regulations.

1- The general provisions

The new investment code provides for an adjustment of the general framework governing investment in Algeria, including Foreign Direct Investments. It provides for the introduction of new provisions, the repositioning of certain rules included in the previous code (the above-mentioned Ordinance 01-03) in

other legislation, as well as the adaptation or repeal of some others.

We have chosen to focus on the following:

1.1 Redefining the type of investments within its scope

The new investment code sets a redefinition of the type of investments included within its scope and eligible to the benefits it provides. In this context, it excludes certain types of investments previously eligible to the benefits under ordinance 01-03, while extending such benefits to other types of investments, including those made through the contribution of renovated goods.

Thus, Article 1 of the new code provides that *"this law is intended to fix the rules applicable to national and foreign investment in the economic activities of production of goods and services"*. While ordinance 01-03 was intended to rule, in addition to the activities of production of goods and services, investments made in connection with the award of concession /and or license.

Moreover, article 2 of the new investment code, defining the meaning understood by the term "investment", states that it covers:

- 1- The acquisition of assets within the framework of the creation of new activities, production capacity expansion and / or rehabilitation;
- 2- Investments in the capital of a company.

In this regard, it should be noted that the acquisition of assets within the framework of restructuring operations, as well as restart of business made during a partial or total privatization are no longer defined as investments. Consequently, they are not concerned by the benefits scheme provided for by the new investment code.

Moreover, Article 6 of the new investment Code states that *«are considered as investments, within the meaning of Article 2 above, and eligible for benefits, goods, including renovated ones, constituting external contributions in kind, within the framework of business relocation operations made from abroad»*. The new Law specifies that these goods receive customs clearance

exempted from the foreign trade and bank domiciliation formalities.

The Algerian legislator introduced this measure in order to encourage the relocation of industrial activities to Algeria, given the fact that transfer of activities are rarely performed through the transfer of unused industrial assets.

Furthermore, the previous ban on renovated equipment imports has had the effect of disadvantaging domestic companies in comparison with foreign companies deployed in Algeria. Indeed, as foreign companies were allowed to import renovated equipment, it allowed them to reduce capital and operating costs at the expense of Algerian companies, forced to import exclusively more expensive unused equipment.

In addition, the same article states that goods subject to an exercise of a purchase option by the lessee, in the framework of an international leasing, are also considered as investment eligible for benefits. However, the benefit of this measure is subject to a requirement, specifying that the goods must be brought into the country in an unused condition.

In this regard, we can consider that this redefinition of the type of investments eligible to the preferential regime provided for in the investment code reflects the desire to establish a certain selectivity in the treatment of investments, by promoting the activity of production of goods and service.

However, by excluding restructuring and privatization investments from the benefits provided for by the investment code, this could have the effect of reducing the attractiveness of the public enterprise privatization program that have been recently revived by the government through article 62 of the Finance Act 2016.

1.2 Redefinition of the principle governing the treatment of foreign investors

The ordinance N° 01-03 of 20 August 2001 had consecrated the principle of national treatment of foreign investors, which meant that foreign investors should receive similar treatment to Algerian individuals and legal entities.

However, and as explained by the legislator in the explanatory memorandum of the new code of investment, the principle of national treatment of foreigners was undermined by the FDI regulatory scheme put in place since 2009. The treatment of foreign investors is now clearly differentiated from the one applicable to the national resident investor.

This differentiation of treatment does not only contradict the principle of national treatment of foreign investors, but contravenes also to the international commitments resulting from the numerous bilateral, regional, and multilateral agreements signed by Algeria in the field of investment encouragement and protection.

To recall, these agreements usually contain provisions enshrining equal treatment between Algerian and foreign investors. For instance, article 4-1 of the agreement for the encouragement and reciprocal protection of investments signed between Algeria and Jordan provides that "*Each Contracting Party, shall in its territory provides to the investments of investors from the other contracting party, a treatment no less favorable to the treatment applicable to its own investors or investors of a third State*".

In this context, article 21 of the new investment code replaces the national treatment by the principle of a fair and equitable treatment. Thus, this article provides that «*Subject to bilateral, regional, and multilateral agreements signed by the Algerian government, individuals and legal entities receive fair and equitable treatment with respect to the rights and obligations attached to their investments.*»

Therefore, the new drafting of the article enacts the abandonment of the principle of national treatment of foreign investors. Indeed, within the meaning of Article 21, foreign investors receive fair and equitable treatment, not in comparison with Algerian investors, but only given the right and obligations attached to their investments.

However, the legislator reaffirms the primacy of international conventions signed by Algeria, as it is stated in the article 21 that the principle of fair and

equitable treatment of foreign investors will be subject to bilateral, regional and multilateral agreements signed by the Algerian state.

Therefore, investors from countries that have signed promotion and reciprocal protection of investments agreements with Algeria may invoke the provisions of these agreements, including those on equal treatment of investors, to demand an equal treatment with the one received by Algerian investors.

1.3 Repositioning of the Rule 51/49 outside the investment code

The new Investment Code repeals the provisions of article four (4) bis of the Ordinance 01-03 relating to rule of the national resident shareholder majority (hereinafter referred to as the 51/49 rule). As mentioned above, the provisions of this article have been included within the ordinance 01-03 by the Article 58 of the Complementary Finance Law (CFL) for 2009.

However, the repeal of the provisions of the above mentioned article 4 bis in the new investment code does not imply the removal of the rule of 51/49. Indeed, prior to the promulgation of the new code of investment, the Algerian legislator has transferred the 51/49 the rule to article 66 of the Finance Law (FL) 2016.

The latter provides that: "*The exercise of production of goods and services activities along import by foreigners is subject to the constitution of a company whose capital is held at least at 51% by a national resident shareholding*".

Therefore, this rule remains in force.

The repositioning of this rule at the Finance Law level, meets the need for the government to strengthen its effectiveness.

In this framework, it's worth noting that as the investment code covers only the activities of production and good service, the scope of this rule was limited in these two sectors. Therefore, by removing this rule from the Investment Code, the legislator intends to expand its scope.

In this regard, article 66 of the FL for 2016 included both production activities of goods and services along import

activities within the scope of the 51/49 rule.

1.4 The redefinition of the State's preemptive right

Articles 30 and 31 of the new investment code came to strengthen and redefine the procedures for exercising State's preemptive right on shares transfer made by or for the benefit of foreigners.

To recall, this measure was introduced by article 62 of the CFL for 2009, and was then modified successively by articles 46 of the CFL for 2010 and article 57 of the FL for 2014. However, the new investment code provides for new modalities of its exercise.

In this regard, it should be noticed that when article 4 quinquies of the Ordinance 01-03 provided for a state's and public companies' preemptive right on the disposal of shares made by or for the benefit of foreigners, public enterprises are no longer mentioned in article 30 of the new investment code.

Moreover, the new investment code removes the provisions of article 4 quinquies of the Ordinance 01-03 which subordinated, on pain of nullity, any transfer of share made by or for foreigners, to the presentation of a preemptive waiver certificate duly issued by the competent services of the Minister of the investment. In this regard, the new investment code provides for a regulation, which would latter define the modalities of exercise, or waiving, of the state's pre-emptive right.

Besides, article 31 of the new Investment Code repeals the provisions of section 4 sexies of the ordinance 01-03 establishing an obligation to inform the Algerian government following an indirect sale of Algerian company, which had received benefits or facilities during its implantation in Algeria.

Thus, article 31 of the new investment code provides for an obligation to inform the Council of State's capital participations (CPE) following an indirect sale of an Algerian company that received benefits or facilities when implanted. However, this article came

with a new definition of the indirect sale, meant as any transfer equal or superior to 10% of the shares of the foreign company that holds shares in an Algerian company.

This percentage relates to the sale in one or more combined operations for the benefit of the same purchaser. As such, it should be recalled that under the ordinance 01-03, any transfer of shares of a company holding shares in an Algerian law company was considered as an indirect sale.

By limiting the information requirement to the transactions that involves only an indirect transfer of share exceeding 10% of the foreign company's capital, the legislator intends to cover only the transactions conferring a right of control to the new shareholders.

This comes to rectify the inapplicability of the previous measure, which extended the obligation to inform the government in case of any shares transfer. This is explained by the fact that it is impossible, even for the companies which has issued the shares, to follow up the daily electronic exchanges of its shares, except those which relates to a significant number of shares.

It must be emphasized also on the fact that the new Law provides for a significant change to the consequences deriving from the obligation to inform the State in case of indirect transfers of the shares of an Algerian Law Company that has received any kind of benefits during its installation in Algeria.

In this regard, while article 4 sexes of the ordinance 01-03 provided for a "*right to purchase the shares of the company involved in the direct or indirect sale*", the new law transforms the right to purchase into a preemptive right. The latter gives the State a priority in the shares acquisition, whereas the notion of "right to purchase" gave no priority to the State.

Furthermore, as article 4 sexes of the ordinance 01 -03 did not set a method for the determination of the number of shares that the State or the public company may purchase, this provision was inapplicable.

Therefore, and in order to ensure the applicability of the new provisions provided for by its article 31, the new investment code specifies the procedures for exercising the State's preemptive right in this case.

In this regard, under the provisions of this article, the Algerian State can preempt the number of shares equal to the shares disposed abroad by the company holding stakes in the Algerian law company, without exceeding the percentage held in the latter

1.5 Establishment of a minimum capital contribution threshold for the benefit of the transfer guarantee

Article 25 of the new investment code, conditioned the benefit of the transfer guarantee, for foreign investors, of the invested capital, and the revenues arising therefrom, to the import of a capital denominated in freely convertible currency. However, this article has established a minimum threshold of capital, which must be determined on the basis of the overall cost of the project, and according to rules, which will be latter laid down by a specific regulation.

Moreover, capital investment earnings and dividends, which are declared as transferable, are also considered by the new investment code as external contribution

The introduction of this provision aims to put an end to the phenomenon of under-capitalization of foreign companies in Algeria. Indeed, it was found a disproportion between the insignificance of the amount of contributions required by the Commercial Code for the constitution of companies, with the unlimited levels of transfers to which those contributions may give rise.

Finally, Article 25 of the new investment Code extends the transfer guarantee, as well as the aforementioned minimum threshold to the contributions in kind, provided they are from an external origin, while being subject to an assessment in accordance with the rules and procedures governing the establishment of companies.

To recall, under ordinance 01-03, only the capital contribution, by means of freely convertible currencies, regularly quoted

by the Bank of Algeria and whose importation is duly noted by the latter where eligible for the transfer guarantee.

1.6 Other measures deleted by the new investment code:

The new investment code has removed various measures provided for by the Ordinance 01-03 because of their irrelevance, and the deterrent effect they exercised on investors. These include:

- The rule of positive currencies balance;
- The obligation for corporations under foreign law, owning shares in companies established in Algeria, to communicate the list of their shareholders.

The new investment code provides for the repositioning of certain measures provided for by the Ordinance 01-03 within the Finance Act 2016 and that, because of their financial nature. It includes:

- The obligation to resort, in general, to local financing of investments, which was repositioned in article 55 of the Finance Act for 2016;
- The rules governing the partnership with public enterprises, which was repositioned in article 62 of the Finance Act 2016.

2- The new tax ememption regime :

The new investment code reconfigures the incentive system on the basis of two objectives mentioned in the government's action plan:

- The Modulation of the benefits depending on the country's economic policy;
- The Simplification and the acceleration of procedures.

The new Law also provides for new eligibility rules for benefits, as explained below.

2.1 General rules for eligibility to benefits:

The new investment code includes new provisions defining the investment eligible for benefits. Thus, article 5, limit

them to the new activity creation investment, production capacity expansion and / or rehabilitation on activities and goods, provided that they are not the subject to any exclusion in the access to benefits.

The legislator specified that the list of activities, goods and services as well as the modalities of access to benefits for investments other than creation, will be fixed by regulatory means.

Moreover, the new Law explains the treatment applicable in case of an exercise of a mixed activity. In this regard, article 5 provides that the investor wishing to obtain benefits must hold a separate accounting enabling him to isolate the figures relating to the eligible activities.

In addition, Article 5 paragraph 4 subordinates the access to benefits for investments other than those of activity creation to a minimum threshold. The latter will be specified by regulation.

Finally, article nine (9) of the new investment code, provides that the consumption of the benefits relating to the realization of the registered investment is subject to:

- The registration in the trade register;
- Possession of the tax identification number;
- The taxation under the real profits regime.

The legislator specified that the application modalities of the article above would be fixed, if necessary, by regulation.

2.2 Reconfiguration of tax exemption regime:

In order to synergize the existing incentive schemes, and to provide the industrial sector with specific advantages, the new Law is reorganizing the architecture of the incentives scheme provided for by the ordinance 01-03.

In this regard, it worth noting that when the latter was segregated between a general incentive scheme and a derogatory regime, the new investment

code provides for an incentive scheme organized around three levels:

Level 1: common provisions addressing all eligible investments;

Level 2: Additional benefits for privileged activities and / or highly job-creative companies;

Level 3: Exceptional advantages in favor of investments of special interest to the national economy.

In parallel, and in order to ensure the consistency of the overall incentive system of the country, the new investment code repeals the provisions of article 55 of the Finance Law for 2014. To recall, the latter provided for benefits applicable in the framework of foreign investment realized through partnership, which contributes to the transfer of expertise to Algeria and / or produces goods as part of an activity deployed in Algeria, with an integration rate of over 40%.

2.2.1 Common incentives to the eligible investments

These regime concern common provisions addressing all investments, including those located in the localities in the south and the high plateaux as well as those located in any other area whose development requires special State's contribution. To recall, the latter type of investment was included in the Ordinance 01-03 under the derogatory regime.

In addition, it should be noted that new provisions have reinforced the benefits provided for by the Ordinance 01-03 with respect to the realization and operationalization phases.

In this framework, the new Law maintains all previous provisions provided for by the Ordinance 01-03 with respect to the realization phase. This include an exemption from VAT and customs duties for goods and services imported or acquired locally entering directly in the realization of the investment, and an exemption from transfer tax on property acquisitions made as part of the investment concerned, etc.

Furthermore, Article 12 of the new investment code introduced new benefits under the general scheme, which are as follows:

- A 90% deduction on the amount of the annual domanial remuneration set by the local domanial authorities for the investment realization period;
- Exemption from property tax on immovable property acquired within the scope of the investment for a period of ten (10) years from the date of acquisition;
- Exemption from registration duties on acts of incorporations and capital increases.

In addition, the new investment code repealed the provisions of article 9 bis of the ordinance 01-03, subordinating the granting of benefits under the general scheme to a written commitment from the beneficiary to give preference to products of Algerian origin. It also repeals the provision limiting the benefit of the exemption from VAT under the general scheme to the acquisitions of Algerian origin.

Under the operationalization phase, the new investment code maintains the benefits provided for by the Ordinance 01-03, which includes an exemption from Corporate Income Tax and the Tax on Professional Activity for a minimum duration of three (3) years.

Moreover, the new Law establishes a 50% deduction on the amount of the annual domanial remuneration set by the local domanial authorities.

For their part, the benefits for investments in areas whose development requires special contribution of the State are now included in the common benefits regime applicable to all investments. These benefits includes:

- Under the realization phase and in addition to the aforementioned benefits provided in connection with

investments made outside the areas to promote, article 13 of the new Code provides for the following benefits:

- Partial or total taking in charge by the State, after the Agency's assessment, of expenditures concerning infrastructure works necessary to the implementation of investment;
- Reducing the amount of the annual domanial remuneration for the land concession granted in the framework of the realization of investment as follows:
 - The symbolic dinar per square meter (m²) for a period of ten (10) years, and 50% of the amount of the annual domanial fees beyond this period for investments located in areas within the high plateaux and other areas whose development requires State's special contribution;
 - The symbolic dinar per square meter (m²) for a period of fifteen (15) years and 50% of the amount of the domanial fees beyond this period for investment projects implemented in the provinces of the South.

Finally, article 13 of the new investment code extends to 10 years the duration of the aforementioned advantages relating to the exploitation phase for investments made outside areas to promote.

2.2.2 Additional incentives for privileged and / or highly job creative activities:

In order to insure coherence to the benefits provided under the investment code with other sectorial incentive schemes, including those in favor of tourism, industry and agriculture, the new investment code specifies that in case of a coexistence of these benefits with those provided for by the investment code, the investor will be eligible only to the most advantageous incentives. Therefore, these incentives will not apply cumulatively.

Moreover, article 16 has extended the duration of the advantages relating to the operationalization phase, which were granted to investments made outside areas to promote from three (3) to five (5) years when they give rise to the creation of more than a hundred (100) permanent jobs.

2.2.3 Exceptional advantages in favor of investment that have a particular interest to the national economy

The new investment code includes the main provisions provided for by the Ordinance 01-03 with respect to the specific benefits granted to the projects of special interest for the national economy.

In this framework, article 17 of the new investment code provides that the granting of exceptional benefits is established by way of a negotiated agreement between the investor and the agency acting on behalf of the State, and after prior approval of the National Council of Investment.

Furthermore, Article 18, specifying the nature of exceptional benefits, has increased to 10 years the duration of the operating benefits provided under the common benefits regime applicable to all investments.

The same article states that the duration of the benefits under realization phase, which may include both customs and tax exemptions along financial subsidies, are subject to an agreement to be agreed with the National Agency of the investment development.

In addition, the new investment code maintains the 5 years maximum duration of exemptions or reductions of fees and charges, including the Value Added Tax (VAT) applied to the price of goods produced within the framework of the emerging industrial activities. In this regard, the new Law introduced a new provision providing that, in accordance with the terms laid down by Article 43 of the tax code on the turnover, the VAT exemption on purchases regime is applicable on the goods and materials used in order to produce the VAT exempted goods mentioned above.

Finally, Article 18-3 of the new Code specify that "The realization benefits provided for under this article, could be transferred, with the agreement of the National Council of Investment, under terms and conditions to be fixed by regulation, to the contractors of the beneficiary investor, responsible for realization of the investment on behalf of the latter.»

By introducing this measure, the legislator intends to facilitate the implementation of major projects launched under the regime of the Convention.

2.3 Simplification of the procedures for incentives granting:

The new investment code has brought significant changes in terms of simplification of the investment declaration and benefits granting procedures. In this regard, article 4 of the new investment code, states that the benefit of the advantages provided for by this new Law is subject to a prior registration of the investments with the National Agency of Investment Development (ANDI).

Therefore, this article removes the investment declaration procedure, which was provided for by article 4 of the Ordinance 01-03. The legislator specifies that the implementation modalities of this registration procedure will be established through regulation.

In addition, it should be noted that article 8 of the new investment Code provides that investments registered in accordance with the above-mentioned article 4, enjoy as of right, and automatically of the benefits provided for under the realization phase. However, investments exceeding the minimum threshold requiring the National Council of Investment prior approval, as well as those subject to an agreement with ANDI are not concerned by this measure.

Paragraph 2 of Article 8 provides that a certificate issued forthwith evidence the registration. This will allows the investor to invoke with all administrations and all the agencies involved, the benefits provided under

the realization phase. Consequently, this provision eliminates the decision to grant benefits to which investors were submitted.

3- Revision of the institutional framework:

Finally, the new investment code provides for an overhaul of the institutional framework governing investment, now structured around the following two points:

- The transformation of the National Agency of Investment Development as a center specialized in the investment promotion and businesses assistance, given the fact, the new Law offloads this agency from the benefit granting assignment;
- Submission to the CNI of the projects exceeding 5 billion dinars.

3.1 Redefinition of ANDI's roles:

The implementation of an automatic access to the benefits offloads the ANDI from the assignments relating to the management of these advantages. This will enable this Agency to refocus its main concern on the promotion of investment in Algeria.

In this regard, article 27 of the new investment code specifies the conditions under which this reconfiguration of the missions of ANDI will be undertaken. In this sense, the legislator provided for the creation of four (4) centers within the agency, authorized to provide all the services necessary for the creation of enterprises, their support, their development and the realization of projects. Namely, these centers are:

- Benefits Management Center, responsible for managing benefits, excluding those assigned to the agency, and other incentives provided for by the legislation in force;
- The center for completion of formalities, responsible for providing services relating to companies incorporation formalities and the implementation of projects;
- The support center for the creation of enterprises, responsible for the assistance and support to the creation and development of enterprises;
- The center of territorial promotion, responsible for the promotion of local opportunities and potentials.

The legislator said that the decisions of these centers are binding on governments responsible for them. Furthermore, Article 36 of the new investment code specifies that pending the establishment of these centers, the effects induced by the provisions of this new law as well as the transition period (pending publication of the implementing regulation) will be covered by the decentralized ANDI's one-stop-shop.

3.2 Submission to the CNI of the projects exceeding 5 billion dinars

Article 14 of the new investment code provides for an increase, from two (2) billion dinars to five (5) billions, of the minimum threshold of the investments required to be submitted to the National Council of Investment (CNI) for the granting of the benefits common to all eligible investors.

This measure was designed to significantly accelerate the timeframe for launching small and middle-sized investment projects.

4- Transitional and final provisions:

Article 35 of the new investment code safeguard the rights acquired by the investor with respect to the benefits and other rights they enjoyed under the previous legislation to the new investment code.

In this sense paragraph 2 of this article specifies that investments, which received benefits under the previous investment codes and their subsequent regulations, remain governed by the laws under which they were declared until expiry of the duration of those benefits.

Furthermore, and as mentioned in the introduction to this publication, article 37 repeals the provisions of Ordinance No. 01-03 of 20 August 2001 amended and supplemented on the development of the investment, except its articles 6, 18 and 22.

To recall, the latter relate respectively to:

- The institution of a National Agency of investment development "ANDI" (Article 6);
- The establishment of a National Council of Investment "CNI" (Article 18)
- The location of ANDI's head office (Article 22).

Finally, Article 38 of the new Code provides that the regulations deriving from the Ordinance 01-03 remain in force, pending the promulgation of the regulations provided for by this new investment code.

We remain at your disposal for any further clarification.

Sincerely yours

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