

INCENTIVE MEASURES

Algeria allows investors to benefit, under its investment incentive policy, from several tax and special taxation advantages, depending on the location and the scale of the project, which can be up to 10 years of exemption from VAT, customs duties, corporate income tax (IBS), business activity tax (TAP) and property tax.

Additional benefits are also granted such as:

- Partial or total refund of expenditure relating to infrastructure works under the zone exemption arrangements.
- Reducing employer social security contributions for the recruitment of young job seekers.
- Concession of land under forward agreement contract, over periods of 33 years, renewable and resulting in the same real rights arising from the assignments.
- Reduction in the rental fee on land and property acquired for the purpose of making the relevant investment.
- Tax and special taxation exemptions throughout the lifespan of the exporter projects.
- Temporary exemption for 5 years from corporate income tax (IBS), income tax (IRG) and business activity tax (TAP) + 3% interest rate subsidy on bank loans granted for investments in certain activities in the steel and metallurgical industrial sectors, in hydraulic, electrical and household binders, industrial chemistry, mechanics and motor vehicles, pharmaceuticals, aeronautics, shipbuilding and repairs, advanced technologies, agri-food industry, textiles and clothing, leather and derived products, wood and furniture industry.
- VAT exemption / customs duties or any other taxation on equipment necessary for investments made by industrial sector's companies in the field of research and development.
- 50% reduction of income tax (IRG) or corporate income tax (IBS) for natural persons and legal entities, operating and fiscally domiciled in the provinces of Illizi, Tindouf, Adrar and Tamanrasset for 5 years from 1 January 2015.
- Public treasury shall take over bank interest on investments made by companies in the industrial sector, intended for the acquisition and proficiency in technology to strengthen the industrial integration rate of their products and competitiveness.

- Reduction of social security contributions for recruitment of young job seekers: in the North (from 56% to 80%), in the High plateaus and the South (from 72% to 90%).

Sources:

DGI (Directorate General of Tax)/Ministry of Finance.
National Investment Development Agency (ANDI).