



Main Measures of the 2026 Finance Law



January 2026

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1/ SIMPLIFICATION AND HARMONIZATION OF TAX PROCEDURES



1

CLARIFICATION OF THE REFUND PROCEDURE FOR OVERPAYMENTS OF ADVANCE INSTALLMENTS FOR THE PERSONAL INCOME TAX (PIT) AND CORPORATE INCOME TAX (CIT)

Taxpayers may request reimbursement of overpaid advance installments for the corporate income tax (CIT), personal income tax (PIT) / industrial and commercial profits (BIC) by submitting a formal application to the Director of Large Enterprises, the Wilaya Tax Director, the Head of the Tax Center, or the Head of the local tax office with territorial jurisdiction, within a period of **four (4) years from the date the overpayment is established**.

In the case of **business cessation**, and after the taxpayer's situation has been regularized by the tax authorities, any overpayment that could not be offset may be claimed for a refund no **later than 31 December of the year following the cessation**.

The decision on the refund request must be justified and notified to the taxpayer against acknowledgment of receipt, and may be subject to a contentious appeal in case of full or partial rejection

1- STREAMLINED OF TAX PROCEDURES

2

RELAXATION OF THE PAYMENT PROCEDURES FOR THE TAX ON TRANSACTIONS OF IMPORTED NEW MOTOR VEHICLES AND ROLLING STOCK

In order to streamline customs clearance for newly imported motor vehicles and rolling stock, the 2026 Finance Law (LF 2026) mandates payment of the motor vehicle transaction tax, due upon importation, directly at the tax collection office, post-clearance but prior to vehicle registration.

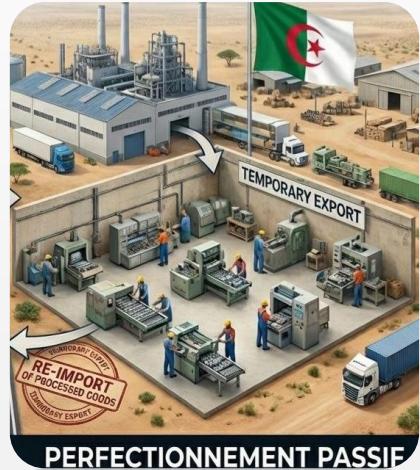
3

REVISION OF THE TAXATION METHODS FOR THE CONTINUING PROFESSIONAL TRAINING TAX AND THE APPRENTICESHIP TAX

- Submission of a semi-annual declaration and payment of the amounts due for these two taxes by the 20th of the month following the end of the semester, instead of the previous annual declaration, which was due **no later than 20 February of the following year**.
- Inclusion of expenses related to hosting student interns in the workplace when assessing the company's contribution to apprenticeship training ;
- Inclusion in professional training expenses of the allowances paid to internship supervisors, when they provide technical apprenticeship training at public institutions.

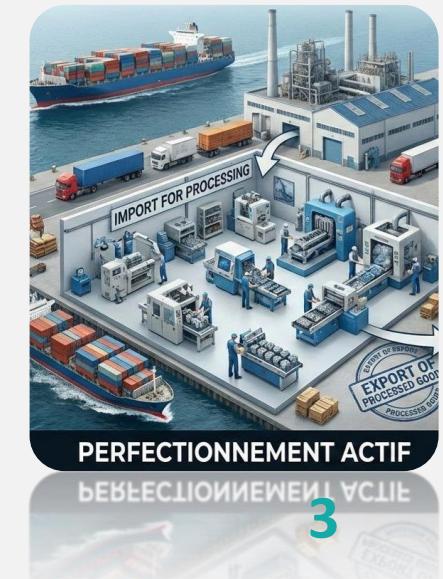
1- STREAMLINED OF TAX PROCEDURES

FRAMEWORK FOR TEMPORARY IMPORT AND EXPORT CUSTOMS REGIMES



Jewelry manufacturers and artisans, subject to prior tax administration authorization for each transaction, may dispatch gold, silver, and platinum works (finished or semi-finished) abroad under the temporary export customs regime for subsequent re-importation within a specified timeframe, either unchanged or under passive processing.

Similarly, such entities may import these materials under the temporary admission customs regime for re-export within a set period, either as-is or following transformation, workmanship, labor supplementation, or repair under active processing.



2- STRENGTHENING THE GUARANTEES GRANTED TO TAXPAYERS



In order to strengthen the taxpayer guarantees and harmonise tax litigation, the 2026 Finance Law has reformed the administrative appeal procedures for registration duties, subjecting them to the same contentious procedures governing other taxes, as follows:

- Abolition of the Wilaya Conciliation Commission (CCW).
- Extension of the prior appeal procedure to claims contesting registration duties and the real estate publicity tax, following an assessment or underpricing control;
- Creation, within each Wilaya Tax Directorate (DIW), of a Registration Duties Appeals Commission competent to rule on claims contesting registration duties arising from adjustments, or claims seeking a right granted by legislative or regulatory provisions.



For enhanced transparency in appeal handling, LF 2026 excludes fiscal advisors serving on Wilaya Appeal Commissions (CRW) or Regional Appeal Commissions (CRR) from plenary deliberations on their clients cases.

1

ABOLITION OF REAL PROFIT REGIME OPTION

Abolition of the option granted to foreign companies, without a Permanent Establishment in Algeria and eligible for the withholding tax regime, to opt for the real profit regime. Consequently, such companies will be exclusively subject to withholding tax under the corporate income tax (CIT).

2

DETERMINATION, LIQUIDATION AND PAYMENT OF TAX ON DIVIDENDS PAID TO A NON-RESIDENT FOREIGN COMPANY

- **Tax base :** Net profits generated in Algeria by a branch or any other permanent establishment are deemed to be distributed to the non-resident parent company and are taxable as such;
- **Liquidation and payment:** Tax on these “deemed distributed” profits is calculated and paid directly by the branch or permanent establishment, via self-assessment, following the same procedures as the corporate income tax (CIT) final balance, no later than the 20th of the month following the filing of the annual tax return.

3

DETERMINATION OF THE TAXABLE BASE FOR « TURNKEY » PROJECT CONTRACTS

Inclusion in the **taxable profit of non-resident companies operating in Algeria**, under the performance of a contract covering both the provision of services, the supply of equipment and the execution of works, **of all profits generated in Algeria**, including those relating to the supply of equipment, irrespective of whether the latter are invoiced separately and/or cleared through customs in the name of the contracting party.

4

NON-DEDUCTIBILITY OF TAXABLE INCOME FROM INTRA-GROUP TRANSACTIONS

Exclusion from deductible expenses for determining taxable income of amounts paid by the permanent establishment or any other professional installation to the company's head office or to any of its other offices, such as:

- royalties, fees or similar payments for the use of patents or other rights;
- commissions for specific services provided or for management activities;
- interest on amounts loaned to the permanent establishment or any other tax installation.

By way of exception, charges actually incurred with independent third parties remain deductible.

5

FORMALIZATION OF TAX OBLIGATIONS FOR PERMANENT ESTABLISHMENTS

Clarification of the tax obligations applicable to companies operating in Algeria through a permanent establishment or any other professional installation, which include :

- the general obligations of Algerian legal entities subject to the actual profit regime, as provided under Article 148 of the Direct Taxes and Similar Taxes Code (CIDTA), which stipulates in particular that the real profit of such enterprises is determined based on accounting records kept in accordance with the Financial Accounting System (SCF) and the requirements of Articles 152 and 153 of the same Code;
- a specific obligation, set forth in the first paragraph of Article 161 of the aforementioned Code, requiring the submission to the managing tax office of a copy of the contracts entered into and any related amendments thereto.

Extension of the obligation incumbent upon foreign companies to submit to the managing tax office of attachment a copy of any new contract entered into, as well as to notify it, within **ten (10) days**, of any termination relating to such contracts, in the same manner as provided for amendments and related modifications.

2/ SUPPORT ECONOMIC ACTIVITY AND INVESTMENT PROMOTION



1

PROMOTION OF ECOLOGY AND GREEN ENERGY

Deduction of 5% of taxable profit for expenses incurred in connection with investments relating to :

- the development of green hydrogen ;
- forest afforestation and reforestation operations ;
- the production and valorization of renewable energies.

Reduction from **30%** to **15%** of the customs duty rate applicable to the importation of domestic solar water heaters.



1- SUPPORT ECONOMIC ACTIVITY

2

PROMOTION OF ECOLOGY AND GREEN ENERGY

Exemption from the annual vehicle tax (automobile vignette) for electric and/or hybrid vehicles ;

Exemption from customs duties on the importation of electrolysers intended **for hydrogen production**.



3

SUPPORT FOR THE ENERGY SECTOR

VAT exemption, **until 31 December 2026**, to goods, materials, works, and services within the framework of contracts for the implementation of infrastructure projects and investments intended exclusively for **the production, transport, distribution, and commercialization of electricity and gas via pipelines**.



3

SUPPORT FOR THE ENERGY SECTOR

Benefit of the VAT duty-free purchase regime, **until 31 December 2026**, for goods, materials, works and services acquired by the direct co-contractors of the project owner, intended for the execution of contracts relating to the activities mentioned above;

Derogatory **grant of the right to refund of VAT** prepayments arising from the all-taxes-included acquisition of goods, materials, works and services destined for the aforementioned contracts, where the related turnover has been invoiced excluding tax, for the period not covered by the duty-free purchase regime, reckoned from **1 January 2025**.



SUPPORT FOR START-UPS AND INCUBATORS

Extension to **two (2) years** instead of **one (1) year** of the duration of tax exemptions granted to startups, in the case of renewal of their label.

Provide for **the renewal** of the exemption from personal income tax (**PIT**) or corporate income tax (**CIT**) **upon each renewal** of the "incubator" label, **instead of only once**.



3/ BROADENING OF THE TAX BASE AND MOBILIZATION OF FISCAL RESOURCES



ACTS CONSTITUTING PROMISES OF SALE, THEIR EXECUTION AND/OR TERMINATION



Clarification of the taxation procedures for deeds relating to promises of sale of real property and real rights, those recording their completion and/or termination, through the subjection to :

- deeds containing promises of sale of real property and real rights, to the proportional duty of **2.5%** ;
- deeds recording the completion of the aforementioned promise, to the proportional duty of **2.5%** ;
- deeds effecting the cancellation of the aforementioned promise-to-sell, prior to its execution, to the fixed duty of **5,000 DZD**.

JUDICIAL REGISTRATION TAX - COPIES OF COURT DECISIONS

Subjection to judicial registration tax of copies of court decisions, as per the following rates:

Ordonnances: : 30 DZD ;

Judgments: : 40 DZD ;

Rulings: : 50 DZD.

The tax is increased by **10 DZD** per each additional page, starting from the fourth page, up to a maximum of **500 DZD**. This tax is not due where such copies are **issued electronically**.





Upward revision from **10,000** to **100,000 DZD** of the rate of the tax, collected in the form of stamp duty, applicable to approval certificates for the practice of **the real estate developer profession**.



Upward revision of the rate of the tax on individual or collective transport tickets issued to persons or groups residing in Algeria and leaving the national territory, as follows :

- from **1.000** to **1.400 DZD** for maritime transport ;
- from **1.400** to **1.900 DZD** for air transport.

Road and rail transports remain subject to the rate of **1.000 DZD**.

STAMP DUTIES ON FOREIGN RESIDENTS' CARDS



Upward revision of the stamp duty rate applicable to the issuance or renewal of foreign residents' cards, as follows :

- From **6,000 to 20,000 DZD** for cards issued for a period **of two (2) years** ;
- From **30,000 to 40,000 DZD** for cards issued for a period of ten (10) years.

Introduction of a stamp duty applicable to the issuance or renewal of foreign residents' cards for a duration of six (6) months and one (1) year, with rates set as follows :

- **5,000 DZD** for cards issued for a duration of **six (6) months**;
- **10,000 DZD** for cards issued for a duration of **one (1) year**.



Setting of the tax rate applicable in case of loss or deterioration of foreign residents' cards at **10,000 DZD**, regardless of their validity period.

APOSTILLE - APPLICABLE STAMP DUTY

The **issuance of an international legalization certificate (apostille)** is subject to a stamp duty of **1,500 DZD**, payable by the applicant to the tax collector or postal receiver, against the issuance of a self-adhesive stamp.

SPECIFIC TAX APPLICABLE TO THE PURCHASE OF YACHTS AND PLEASURE BOATS

Reorganization of the rates of the specific tax applicable to the purchase of yachts and pleasure boats with or without motor, as follows :



500,000 DZD, when the tonnage is equal to **2 tonnage and less than 6 tonnage** ;

800,000 DZD, when the tonnage is equal to **6 tonnage and less than 10 tonnage** ;

1,100,000 DZD, when the tonnage is equal to **10 tonnage and less than 15 tonnage** ;

1,400,000 DZD, when the tonnage is equal to **15 tonnage and less than 20 tonnage** ;

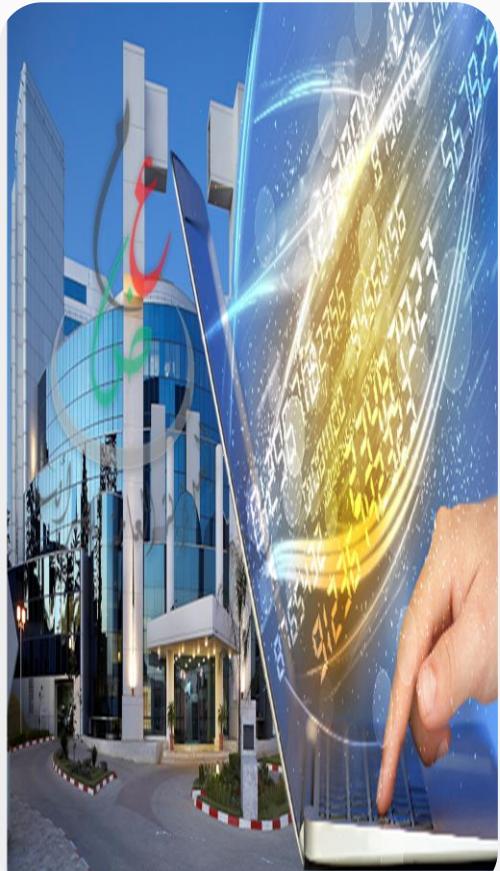
1,700,000 DZD, when the tonnage is **greater than 20 tonnage**.

Extension of the scope of application of the aforementioned tax to jet skis (personal watercraft) at a rate of **400,000 DZD**.

4/ PROMOTION OF DIGITALIZATION INITIATIVES



1- E-PAYMENT AND E-FILING STREAMLINE TAX OBLIGATIONS



- ▣ Taxpayers subject to the real profit tax regime or the simplified regime for non-commercial professions, relating to tax services equipped with IT solutions, shall file their tax returns electronically, with the option to settle the various taxes and duties electronically.
- ▣ Taxpayers subject to IFU [Withholding Tax on Income], whose relating to tax services equipped with IT solutions, may file their tax returns and pay the taxes and duties for which they are liable electronically.
- ▣ Mandatory electronic filing of the declaration of treatments, salaries, allowances, and miscellaneous emoluments "Series G No. 29" for taxpayers under tax offices equipped with **the information system of the General Directorate of Taxes (DGI)**.
- ▣ Under the wealth tax, require that taxpayers subject to this tax **file their declaration electronically**, with self-assessment performed by an automated calculation system implemented in the **DGI information system**.

2- PROMOTION OF ELECTRONIC PAYMENT METHODS



Extension until **December 31, 2026**, of the scheme providing for a reduction in the corporate income tax (CIT) taxable base for the benefit of commercial banks and Algérie Poste, when the latter assume commissions on transactions carried out by electronic payment means, such reduction being equal to the amount of this assumption.



3- SUPPORT FOR MODERNIZING ELECTRONIC COMMUNICATIONS NETWORK INFRASTRUCTURE

CLARIFICATION OF THE SCOPE OF APPLICATION OF THE WITHHOLDING TAX ON IMPORTED TELECOMMUNICATIONS SERVICES



Extend the list of exclusions from the scope of **the withholding tax, set at a rate of 2%** applicable to imports of services from **foreign telecommunications companies** without permanent professional establishments in Algeria, to include capacity leasing services, maintenance, and access to installations and electronic communications networks including submarine cables, requested by licensed electronic communications network operators pursuant to prevailing legislation and provided by these foreign companies outside the national territory, whether individually or as part of a consortium.

Thanks for your kind
attention

