



ALGERIA

Algeria - Mixed (Civil and Sharia)

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Incorporating a company in Algeria

Algeria taxes

If you want to do business in Algeria, this article will educate you on the tax laws for a LLC(SARL) which is the most common legal entity in Algeria.

The country has a territorial taxation system. Therefore income accrued offshore, from our research and this is not personal advice, is not taxable. Local-source income is taxed at a CIT rate of 26%. This ranks Algeria as 124th overall in terms of corporate tax rate worldwide.

The value added tax (VAT) rate in DZ is 17.00%, that ranks Algeria as 127th overall in terms of value added tax rate worldwide. In terms of other taxation, an employer will contribute 26.00% to the equivalent of a social security fund and an employee will contribute 9.00%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 110 hours. Contributing to this is the number of yearly labor tax payments, which is 1 in DZ.

Thin cap rules aren't in effect. This refers to any sort of restrictions on companies' debt-to-asset ratios. Dividends received from a resident company are not considered taxable income. Dividends are payments of a company profit, voted on by the board, to shareholders. Dividends can be one of the following stock, cash, or property. Capital Gains are included in the taxable income. Certain exemptions apply for gains from assets held during a certain period. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 10%. This should be interpreted that usually the relevant tax authorities expects legal entities to automatically withhold 10% of payments offshore on interests. The dividends withholding tax rate is 15%. This should be interpreted that usually the tax authorities expects to withhold 15% of dividend payments to non-residents. The royalties withholding tax rate is 24%. This means that the tax authorities expects LLC(SARL)'s to withhold 24% of money remitted abroad on royalties.

There is a tax on net wealth in Algeria. There are inheritance, transfer and real property taxes in DZ. There are no widely used R&D initiatives that provide tax incentives in this country.

The above is not tax or legal advice for your particular circumstances. We are able to refer you to an expert in Algeria who can give you an answer. Ready to get started? Click the free consultation button above.

The vat rate in Algeria is 19% which ranks 127 in the world.

- ✓ **Patent box**
- ✗ **RND credit**
- ✗ **Wealth tax**
- ✓ **Estate tax**
- ✓ **Transfer taxes**
- ✗ **Asset taxes**
- ✓ **Capital duties**

- 25** **Tax treaties**
- 0%** **Offshore Tax**
- 26%** **Corp rate**
- **Loss carryback years**
- 152** **Corporate time**
- 19%** **VAT rate**
- 26%** **Capital gains**
- No** **AEOI planned**

Algeria Legalese

When incorporating, you must look at the law in the country, in Algeria is mixed (civil and sharia) law. You will want to get some local advice as to how to best structure a company in Algeria. E-signatures are allowed.

The abbreviation DZ is for Algeria and the most common legal entity type in Algeria is a LLC(SARL).

When setting up, budget about 24 days to put together the paperwork and file a LLC(SARL) in DZ. The types of currencies you can use to setup your legal entity is frequently DZD and Any legal tender.

Redomiciliation is not common. One is typically not permitted to change the jurisdiction.

There must be at least 1 shareholder. This makes it possible for you to own a LLC(SARL) in DZ by yourself. Corporate Shareholders are permitted, which means you can have a legal entity as a shareholder. Foreign ownership is allowed, up to 51% of the ownership of the legal entity.

A LLC(SARL) is only required to have one director. Additionally, corporate directors are not permitted. Directors should not expect to be private, as they are disclosed. There is a body of law which requires companies to hold an annual meetings of shareholders.

A registered agent is normally required, which means the company will have to pay a fee on a yearly basis, for an office which can receive any official legal correspondence on behalf of the business. A related requirement, a corporate secretary is another cost you will need to incur.

There is a legal obligation to file accounts on a yearly basis. Furthermore, there is oftentimes a requirement to have these accounts audited.

Overall we think Algeria is a ok option and have given it a score of 45 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✓ **Shareholders not disclosed in a public registry**
- ✗ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✗ **Corporate director permitted**
- ✓ **Local Secretary not required**
- ✗ **Local Director not required**
- ✓ **Electronic signature**

- 1 **Shareholders required**
- 1 **Directors required**
- 24 days **to form**



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☎ Consultation

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Country Info



🚩 National Flag of

الجمهورية الديمقراطية
الشعبية الجزائرية (ara)

\$ Currency

DZD

☎ Area Code

+213

🏛 Capital

Algiers

📍 Region

Northern Africa

🗣 Native Languages

Arabic