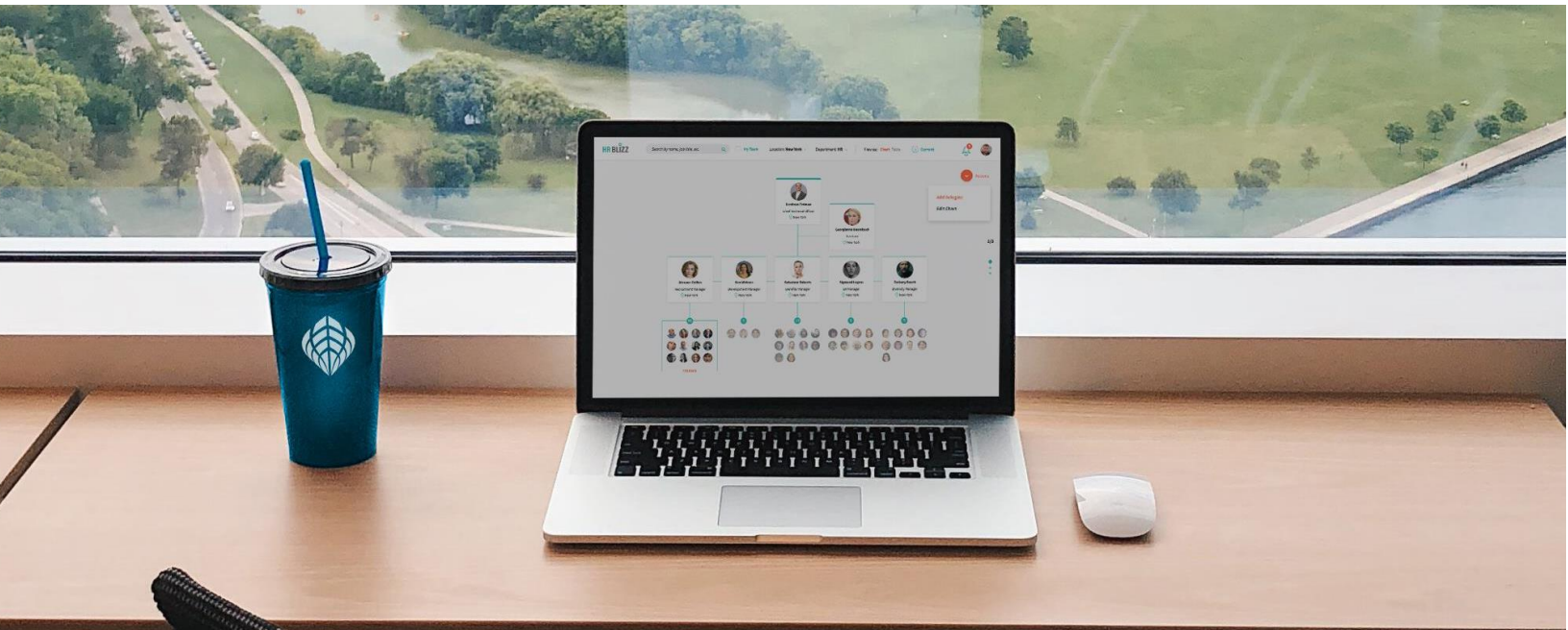




Simplifying Employment
Tasks Worldwide

Payroll & Tax Highlights

2020 Global Payroll Country Guide for Algeria



ALGERIA



May 5, 2020



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Mercans at a Glance

140+

Countries

20

Years of Success

500+

Specialists

5k+

Customers Worldwide

97%

Client Retention Rate

1.5X

Annual Revenue Growth

25k+

Largest Single Payroll

2.5M+

Pay Slips per Annum

0

Security Breaches

Number one for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certifications.





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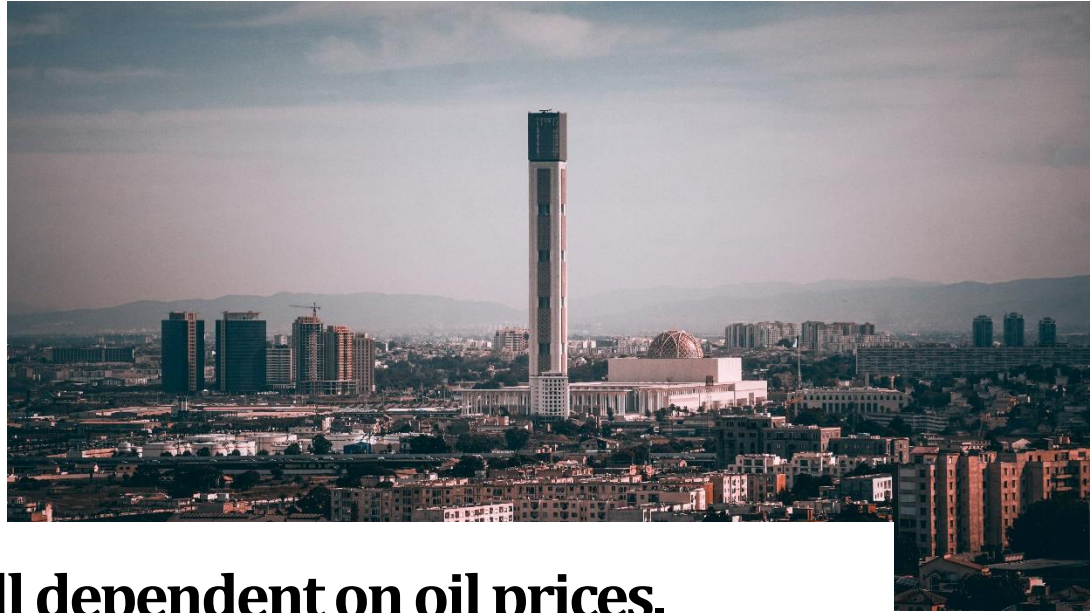
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Algeria – still dependent on oil prices.

Algeria's economy is dominated by its export trade in petroleum and natural gas, commodities that, despite fluctuations in world prices, annually contribute roughly one-third of the country's gross domestic product (GDP). Until 1962 the economy was based largely on agriculture and complemented France's economy. Since then the extraction and production of hydrocarbons have been the most important activity and have facilitated rapid industrialization. The Algerian government instituted a centrally planned economy within a state socialist system in the first two decades after independence, nationalizing

major industries and implementing multiyear economic plans. However, since the early 1980s the focus has shifted toward privatization, and Algeria's socialist direction has been modified somewhat. Standards of living have risen to those of an intermediately developed country, but food production has fallen well below the level of self-sufficiency.

The Banque d'Algérie, an independent central bank established in 1963, issues the Algerian dinar, the national currency. The government restructured the commercial banking

system in the mid-1980s, increasing the number of state-owned commercial banks in the country. The state also opened the financial market to private banks, including some foreign ones, in the 1990s. A law enacted in 1995 lifted government price controls on a variety of commodities. Price subsidies on various basic products have been gradually phased out, in line with Algeria's restructuring agreements with the International Monetary Fund. These agreements also resulted in the floating and subsequent devaluation of the dinar, which had formerly been artificially tied to the French franc.

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Basic Facts

Official State Name	People's Democratic Republic of Algeria
Population	35 million
Capital	Algiers
Major Languages	Arabic, Tamazight (Berber)
Currency	Algerian Dinar (DZD)
Main Industries & Export Articles	98% of all Algerian exports consist of fossil fuels: natural gas and petroleum.
GDP Growth	1.4%
Internet Domain	.dz
International Dialing Code	+213
Dates & Numbers	dd/mm/yyyy. A full stop (period) is used for the decimal comma, and long numbers are written with a point (999,999,999.00)



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Doing Business in Algeria

Entity Registration & Incorporation Requirements

There are four legal types of companies in Algeria: the Limited Liability Company (LLC), the Corporation, the Partnership Company and the Limited Shares Company. As for legal entities, the foreign companies should comply with the local shareholding requirement. Indeed, the foreign company cannot hold more than 49% of joint venture share-capital in Algeria.

Branch Office

For a foreign company, only a representative or liaison offices are allowed. Branch offices of foreign entities are prohibited by the Algerian government. As for the representative office, it is not allowed to conduct any business in Algeria except for the management of the interests of the company and its subsidiaries.

Limited Liability Company (SARL)

This is the most common form of business registered. The requirements for this company are that it must have a minimum paid up capital of 100,000 Algerian Dinars which is divided into 1,000 Dinars per share.

It must also have at least 1 shareholder and 1 director. If a foreign company is one of its shareholders, it can only hold a maximum of 49% shares. The balance 51% must be held by an Algerian. If the share capital is more than USD 120,000, there is no need to have audited statements of the accounts.

Joint-stock Company (SPA)

For this type of company, there must be at least 7 shareholders and they are limited to capital contribution only. There must be a minimum of 5 million Dinars as share capital if it solicits deposits from the public. Otherwise the share capital is a minimum of 1 million Dinars. Joint-stock companies are managed by a Board of Directors.

General Partnership (Societe en Nom Collectif - SNC)

This is also known as a partnership entity. It must have a minimum of 2 partners. There is no minimum capital requirement.

Limited Partnership (Societe en Commandite Simple)

This is a partnership with two types of partners. Active partner is responsible for the running of the company. This partner is also jointly and severally responsible for all the company's debts. The other partner is a limited partner. As its name implies, this partner's debt liability is only up to his/her shareholding in the company. This person doesn't run the business and is sometime known as a 'silent partner'. At least one active and one limited partners is required. There are no minimum capital requirement.



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Limited Partnership with Shares

Number of partners: There are two types of partners. Those with the same obligations and rights as in a joint partnership and limited partners (at least 3) with the same status as shareholders of a Joint Stock Company.

Capital (max/min): 1 million Algerian dinar fully paid.

Shareholders and liability: The general partners have joint and indefinite liability. The liability of the limited partners is limited to the amount of capital contributed.

Incorporation Process

A limited liability company incorporation process steps have been summarized below:

No.	Procedures	Time to Complete
1	Company Name Reservation Agency: Commercial Registry (Centre National du Registre du Commerce, CNRC) The applicant must fill out a form, listing the four proposed company names, and pay a fee for the name search and the fiscal stamp. The Commercial Registry (Centre National du Registre du Commerce, CNRC) conducts a name search and issues a name certificate on the same day. Since February 2015, the uniqueness of the company name can be checked online through the portal https://sidjilcom.cnrc.dz/web/cnrc/accueil .	1 day
2	Deposit the start-up capital through a notary public Agency: Bank The entrepreneur deposits the capital in the public treasury and obtains a deposit certificate before drawing up the statutes.	1 day
3	Obtain the birth certificate of the manager Agency: Commercial Registry of the Trade Register Office A copy of the business manager's birth certificate is required for notarization. It can be obtained at the Municipality.	1 day
4	Notarize the company deeds and submit a specimen of managers' signatures and a lease for the registered office Agency : Notary Office	5 days



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No.	Procedures	Time to Complete
	<p>Business founders must complete the following procedures with a notary: draw up and notarize the company's constitution documents, submit a specimen of managers' signatures, and prepare and submit the lease for the registered office of the company.</p> <p>According to Executive Decree n° 08-243, notary fees are:</p> <ul style="list-style-type: none">-5% if the company capital is between DA 1 - 200,000,-1% if the company capital is between DA 200,001 - 300,000,-0.7% if the company capital is between DA 300,001 - 400,000,-0.6% if the company capital is between DA 400,001 - 500,000,-0.5% if the company capital is between DA 500,001 - 1,000,000,-0.5% if the company capital is DA 1,000,000 and above.	
5	Publish a notice of company incorporation at the legal journal (Bulletin Officiel des Annonces légales, BOAL) Agency: Commercial Registry (Centre National du Registre du Commerce, CNRC) A notice of company incorporation must be published at the Official Bulletin of Legal Announcements (BOAL). The publication can be requested online through a notary's account at https://sidjilcom.cnrc.dz/web/cnrc/accueil . The cost for the online publication is DA 3,000 per page + DA 55 for publication rights per page. Two pages must be published, in French and Arabic.	1 day
6	Apply for company registration at the Commercial Registry Agency: Commercial Registry (Centre National du Registre du Commerce, CNRC) Entrepreneurs must register the company before the Commercial Registry. This must be done within two months of the formation of the company and it can be done online, while it is most common to apply in person. According to Law No. 04-08 (April 14, 2004), registration is completed within 1 day. However, in practice it still takes 2 days to obtain the final registration certificate. Registration fees are as follows: <ul style="list-style-type: none">- DA 9,472 if the company capital is between DA 30,001 and DA 100,000- DA 9,872 if the company capital is between DA 100,001 and DA 300,000- DA 10,112 if the company capital is more than DA 300,000	2 days
7	Pay the stamp duty and obtain a receipt Agency: Tax Authority and Commercial Registry (Centre National du Registre du Commerce, CNRC) One must pay for the stamp duty. Fiscal stamps are sealed at the fiscal administration. Other stamps are paid at the CNRC.	1 day



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No.	Procedures	Time to Complete
8	Register for Income tax, Corporate tax and VAT with the local tax inspectorate Agency: Tax Authority The entrepreneur must register for Income tax (Impôt sur le revenu global des personnes physiques, IRG), Corporate tax (Impôt sur les bénéfices des personnes morales ou des sociétés, IBS), and VAT. Upon registration, the Tax Authority shall issue a certificate of existence between 2 and 5 days and a tax card (magnetic card) within a minimum period of 30 days (loi n° 05-16 du 31 décembre 2005 portant loi de finances pour 2006 (JO n° 85 du 31 décembre 2005)).	2 days
9	Register at the National Health Insurance Authority (CNAS) Agency: National Health Insurance Authority (Caisse Nationale des Assurances Sociales des Travailleurs Salariés, CNAS) Employees must be registered by the new company before the Caisse Nationale des Assurances Sociales des Travailleurs Salariés (CNAS), which receives employee declarations. The employer must report any new employee to the relevant authority within 10 days of hiring.	1 day
10	Register at the National Non-Salary Workers' Social Security Fund (CASNOS) Agency: National Health Insurance Authority (Caisse Nationale des Assurances Sociales des Travailleurs Salariés, CNAS) Business founders must register before the Caisse Nationale de Sécurité Sociale des Non Salariés (CASNOS), which receives and register employer declarations.	1 day
11	Make a company seal Agency: Private sector A company seal must be obtained. The cost of obtaining a company seal depends on the type of seal, its quality and the price established by the private seal maker.	2 days
12	Have the company's accounting books stamped at the court Agency: Court	1 day



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No.	Procedures	Time to Complete
	The accounting and inventory books must be stamped when the company starts its business activity.	

Banking

In Algeria, working hours are 8 am to noon and 1pm to 5pm, from Saturday to Wednesday. Thursday and Friday are the rest days. Administrations are open on Thursday morning and the banks close at 3pm. During Ramadan, the pace is slowed and hours are modified (9am to 3pm in general).

Employee salaries do not have to be paid through a local bank transfer. However, due to the foreign exchange restrictions, the process of transferring funds from outside Algeria can be very slow. Therefore, it is recommended to make all salary payments in Algerian dinars through the local banking system.

Public Holidays

Holiday	Date (in 2020)
New Year's Day	1 January
Amazigh New Year	12 January
Labor Day	1 May
Eid al-Fitr	24-25 May
Coup d'Etat against Ben Bella	19 June
Independence Day	5 July
Eid al-Adha	31 July – 1 August
Islamic New Year	20 August
Ashura	29 August
Prophet Muhammad's Birthday	29 October
Anniversary of the Revolution	1 November



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Minimum Wage

The legal minimum working age in Algeria is fixed at 16 years. The minimum wage is fixed at 18,000 dinars.

Working Hours

A legal working week consists of 40 working hours. Overtime remains exceptional.

Employees are entitled to two and a half days off per month, that is a total of 30 during the year.

In general, Friday is deemed to be a rest day. Therefore, many companies close on Thursday so as to enjoy a two days' weekend.

The employment contract includes a six months trial period. However, in the case of responsibility and high-profile jobs, it can be extended to up to 12 months. The fixed-term contract, on the other hand, has a maximum of 36 consecutive months.

In case of dismissal, the employer must inform you orally and talk with you before sending you an official letter. The notice period is equal to the trial period duration, plus five days per year for the number of years you have been working in the company

Labour Law

The Labor Law in Algeria is administered by the Ministry of Labor, Employment and Social Security, the labor Law covers holidays, leave, hours of work, minimum wage, overtime, termination pay and wage payments. The Labor Law does not cover an employee's compensation or retirement plan, these are covered under social taxes.

The Normal working week in Algeria is a five-day 40-hour week which runs from Sunday – Thursday as Algeria has observed a Friday and Saturday as a weekend., any hours worked beyond the 40 hours is paid as overtime. Payment can be no less than an additional 50 percent of the standard daily wage for overtime worked during a workday.

Employers must not require female workers to work during the night period, from the hours of 9pm to 5am.

Non-residents only are taxed on Algerian sourced income. Generally, non-residents are subject to both income taxes and social insurance taxes at the same rates as residents.



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Payroll Requirements

Payslip

According to the Algerian labor legislation in force, the employer shall issue a payslip to each of his or her employees at the time of their salary payments. This document shall include: the name or corporate name and address of the employer, the number under which the employer pays its contributions to the social security fund, the name of the employee, the period and number of work hours or days to which the paid remuneration corresponds, the payment date, the gross and net salaries and the withheld amounts.



BULLETIN DE PAIE

Employeur		Mercans Algeria		Net à payer:	
No de registre de Commerce		Adresse	Office 2704 Concord Tower P.O. Box 282102 Media City avril 2020	DZD	252,502.19
Période de paie					
Nom & Prénom		Employee Name		Email	
Matricule		ABC-3123		name@gmail.com	
N° CNAS		63 0666 0020 56		durée déterminée Virement	
		Retenues		Net à payer:	
Devisé de paiement	Brut				Compte bancaire
DZD	371,831.00		119,328.81	252,502.19	123456789
Détails					
Gains	Montant	Devisé	Retenues	Montant	Devisé
Basic salary/Base mensuelle	263,025.00	DZD	Social Security (employee) / CNAS	23,672.25	DZD
Transportation allowance	69,666.00		Income Tax / IRG	95,656.56	DZD
Expence Reimbursements	39,140.00				
Remarques:					

Banking Requirements Related to Payroll

Most employers use the bank transfer process in order to remit salaries to their employees. In this regard, there is no restriction for employers to transfer salary to resident or onshore accounts. However, payment to non-resident accounts or to foreign accounts might be subject to special authorization from the Central Bank or any other financial institution.



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Tax & Social Security

Tax Registration

Companies must register for Income tax (Impôt sur le revenu global des personnes physiques, IRG), Corporate tax (Impôt sur les bénéfices des personnes morales ou des sociétés, IBS), and VAT. Upon registration, the Tax Authority shall issue a certificate of existence between 2 and 5 days and a tax card (magnetic card) within a minimum period of 30 days (loi n° 05-16 du 31 décembre 2005 portant loi de finances pour 2006 (JO n° 85 du 31 décembre 2005)).

Corporate Income Tax

Algerian companies are subject to the following corporate taxes and rates:

- Impôt sur le Bénéfice des Sociétés (IBS) at the rate of:
 - 19% for manufacturing activities.
 - 23% for building activities, public works, and hydraulics, as well as tourist and thermal activities, excluding travel agencies.
 - 26% for all other activities not mentioned above.

For mixed activities, companies should keep management accounts to determine the portion of each activity performed. Failing this, the highest rate (i.e. 26%) will be applicable for all of the taxable profits.

Zero-amount corporate annual tax returns include the payment of a minimum corporate tax amounting to 10,000 Algerian dinars (DZD).

- Tax on business activity (TAP) at the rate of 1% for manufacturing activities, without any reduction. However, this tax is fixed at 2% for all other activities, with a reduction of 25% for building and public works and hydraulic activities, and computed based on the invoiced turnover. However, the TAP rate is increased to 3% in respect of the turnover from the hydrocarbon pipeline transport activity.
- Value-added tax (VAT) at the rate of 19% or 9% (except any specific exemption). See VAT in the Other taxes section for more information.
- Branch tax set at the rate of 15% calculated on net profits after IBS. See the Branch income section for more information.

Non-resident entities performing service contracts in Algeria are subject to the withholding tax of 24%. This covers the IBS, the TAP, and the VAT, is required to be levied on services only. The calculation base is the gross amount of the services invoiced.

Personal Income Tax

Algerian tax residents are subject to income tax on their worldwide income. Individuals who are not tax residents in Algeria are subject to tax on their Algerian sourced income.

The following individuals are considered to be tax resident in Algeria:



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- Individuals who are owners or beneficial owners of a home in Algeria
- Individuals who are tenants in Algeria with a rental term of a continuous period of at least one year, whether by single or by successive agreements
- Individuals who have their place of principal residence or the center of their main interests in Algeria
- Individuals working in Algeria, regardless of whether they are paid
- Agents of the Algerian government who serve at a mission in a foreign country and who are not subject in the foreign country to a personal tax on all of their income

Taxable Income

Employment income. Employment income is included in annual taxable income. It includes salaries, wages, pensions, life annuities and benefits in kind, except for certain items, such as food, housing, heating and lighting.

Self-employment and business income. Income derived by self-employed individuals is divided into the following two categories:

- Business profits, which are profits derived by individuals from commercial, industrial, artisanal or mining activities
- Non-market benefits, which are profits derived by individuals from artistic and scientific occupations.

The tax base for self-employed individuals engaged in activities in the above two categories is computed in the same manner as the tax base for corporations. Taxable income equals the difference between gross income and expenses incurred for the performance of the activity during the calendar year.

Income below DZD30 million is subject to the Single Flat Rate Tax (Impôt Forfaitaire Unique, or IFU) at the tax rates set forth in Rates. IFU is a single tax that includes personal income tax (impôt sur le revenu global, or IRG), value-added tax, corporate tax and the tax on business activity. If net income is DZD30 million or more, it is taxed under the “real regime” at the same rates applicable to employment income (see Rates).

Income derived by taxpayers under the category of non-market business is subject to IRG at a rate of 20%. This tax is levied at source.

Amounts paid as fees or copyright artist fees to artists who have their tax residence outside Algeria are subject to IRG through a final 15% withholding tax. However, these fees are not subject to IRG if they are earned by the artists in the context of cultural agreement exchanges, national holidays, festivals, and cultural and artistic events organized by the Ministry of Culture.

Investment income. Dividend distributions are subject to a final withholding tax at a rate of 10% for residents and 15% for nonresidents.

Revenues from loans and deposits are subject to an advance payment corresponding to a 10% withholding tax. However, for interest earned on monies deposited in savings accounts of individuals, the following are the withholding tax rates:

- 1% for the portion of interest payments not exceeding DZD50,000 (final withholding tax)
- 10% for the portion of the interest payments exceeding DZD50,000



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Directors' fees. Directors' fees are fees paid to directors of companies as compensation for the performance of their functions. Directors' fees are considered distributions of income. Consequently, they are subject to a final withholding tax at a rate of 10% for residents and 15% for nonresidents.

Taxation of employer-provided stock options. The Algerian Direct Tax Code does not contain any specific measures relating to the taxation of stock options granted to employees.

Capital gains. Capital gains derived from the transfer of tangible property during the course of a nonbusiness activity are not taxable.

The taxation of gains derived from the transfer of capital assets depends on whether the assets are short-term or long-term assets. Capital assets are considered long-term assets if they have been held more than three years. Thirty-five percent of gains on long term assets are included in taxable income. Capital assets that are not long-term assets are considered short-term assets. Seventy percent of gains on short-term assets are included in taxable income.

Capital gains on share transfers are subject to a final withholding tax at a rate of 15% for residents, after one-half of the capital gain is transferred to the notary. The rate is 20% for nonresidents, after one-fifth of the capital gain is transferred to the notary.

Capital gains on share transfers for residents are exempt from tax if the amount is reinvested (company contribution or purchase of shares of another company).

Capital gains are exempt from IRG if they are derived from the sale of bonds, securities and Treasury bonds that are listed in the stock exchange or traded on a regulated market and that have a minimum term of five years and are issued during the five-year period beginning on 1 January 2014.

Deductions

Personal Deductions and Allowances.

Taxpayers may deduct certain expenses from employment income including social insurance contribution, support payments and insurance premiums paid as an owner or lessee.

Business Deduction

Business deductions include depreciation and general expenses incurred for business purposes. Depreciation of business assets is deductible if it is recorded annually in the accounts and relates to assets shown in the balance sheet. The depreciation rates vary according the nature of the activity in which the assets are used.

Other Deductions

After the net income for each category of income is aggregated, the following expenses are deductible:

- Interest paid on loans obtained by a taxpayer for a business purpose or the acquisition or construction of a principal home
- Contributions paid by a taxpayer for a retirement pension or social insurance
- Maintenance allowance
- Insurance policy concluded by a landlord



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Rates

The following are the progressive personal income tax rates in Algeria, which apply to employment income and to self-employment and business income of DZD30 million or more.

Taxable income		
Exceeding	Not exceeding	Rate
DZD	DZD	%
0	120,000	0
120,000	360,000	20
360,000	1,440,000	30
1,440,000	-	35

All bonuses paid by the employer on a non-monthly basis are subject to a reduced rate of 10%. For this purpose, non-monthly bonuses include amounts paid to employees in addition to the amounts paid to them for their principal activities.

Self-employment and business income below DZD30 million is subject to IFU at the following rates:

- Income from production activities and sales of goods: 5%
- Income from other activities: 12%

Non-residents

Individuals who are not tax resident in Algeria are subject to tax on their Algerian-source income. The types of income considered to be Algerian-source income include the following:

- Income from Algerian real estate and related rights
- Income from Algerian securities and capital assets
- Income from business carried out in Algeria
- Income from professional activities (including self-employment) carried out in Algeria
- Profits derived from Algerian real estate operations

The following types of income are also considered Algerian source income if the payer of the income is resident for tax purposes or established in Algeria:

- Pensions and annuities
- Amounts paid as compensation for services provided or used in Algeria
- Income received by inventors, income from copyrights, and income from intellectual or commercial property and related rights



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Other Taxes

Tax on Donations

Donations are taxable on the basis of the value of donated property. The tax rate is 3% for donations between parents, children and spouses. The same rate applies to the fixed assets of a company that heirs agree to continue operating. This tax does not apply to donations to non-family members.

Wealth Tax

Individuals who are tax resident in Algeria are subject to wealth tax on their property located in Algeria and abroad. Individuals who are not tax resident in Algeria are subject to wealth tax on their property located in Algeria. The tax is assessed on 1 January of each year.

The following are the rates of the wealth tax.

Taxable income			
Exceeding	Not exceeding		Rate
DZD	DZD		%
0	100,000,000		0.00
100,000,000	150,000,000		0.50
150,000,000	250,000,000		0.75
250,000,000	350,000,000		1.00
350,000,000	450,000,000		1.25
450,000,000	-		1.75

Property Tax

Developed properties. The property tax is payable annually on buildings located in Algeria, except those that are specifically exempt. Facilities also subject to this tax include, but are not limited to, the following:

- Facilities to house people and goods, or to store products
- Commercial facilities within the perimeters of airports, port terminals and railway and bus stations

The tax base is the tax rental value of the property, which is based on the cadastral value determined by the Algerian administration. An allowance rate of 2% is applied each year to reflect obsolescence. However, in general, this deduction cannot exceed a maximum of 25%.

The tax rate for buildings is 3%. However, a 10% rate applies to buildings for residential use that are not employed in a personal or family capacity as a rental in areas to be determined by regulation.

The following are the tax rates for land considered dependency property (land attached to the building property):

- 5% if the size is less than or equal to 500 square meters
- 7% if the size is greater than 500 square meters and not more than 1,000 square meters
- 10% if the size is greater than 1,000 square meters



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Undeveloped properties. Property tax is imposed annually on all undeveloped properties, except those that are specifically exempt.

The tax base is the tax rental value of the property.

The tax rate is 5% for undeveloped properties located in nonurbanized areas.

For urbanized land, the following are the tax rates:

- 5% if the land size is less than or equal to 500 square meters
- 7% if the land size is more than 500 square meters and less than or equal to 1,000 square meters
- 10% if the land size is greater than 1,000 square meters

The rate is 3% for agricultural land.

For properties located in urbanized or urbanizing areas on which construction has not begun in three years, the normal property tax rate is multiplied by four.

Social security

Social security contributions are based on gross compensation paid, including fringe benefits and bonuses. Some benefits paid on an exceptional basis can be exempt from social security contributions under certain circumstances.

Register at the National Health Insurance Authority (CNAS)

Agency-National Health Insurance Authority (Caisse Nationale des Assurances Sociales des Travailleurs Salariés, CNAS)

Employees must be registered by the new company before the Caisse Nationale des Assurances Sociales des Travailleurs Salariés (CNAS), which receives employee declarations. The employer must report any new employee to the relevant authority within 10 days of hiring.

Register at the National Non-Salary Workers' Social Security Fund (CASNOS)

Agency-National Non-Salary Workers' Social Security Fund (Caisse Nationale de Sécurité Sociale des Non Salariés, CASNOS)

Business founders must register before the Caisse Nationale de Sécurité Sociale des Non Salariés (CASNOS), which receives and register employer declarations.

Contributions

Employer contributions are paid and employee contributions are withheld monthly. The following are the rates of the social security contributions:



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- Employers: 25%
- Employees: 9%

Employers must make an additional 1% contribution for the funds for social action.

Coverage

All foreign workers from countries with which Algeria has entered into social security agreements who are pursuing an activity in Algeria while maintaining an employment contract with their employers abroad may elect to be subject to the social security system of their home countries and be exempt from social security contributions in Algeria. To implement this election, the employer must give a copy of a certificate of coverage (certificat de détachement) to the employee, who then submits it to the national social security fund (Caisse Nationale des Assurances Sociales, or CNAS).

Totalization agreements. Algeria has entered into social security agreements with Belgium, France, Romania and Tunisia.

Social Security Benefits for Salaried Persons

Health care

Health care covers both preventive and curative care required for maintaining and restoring a person's health (e.g. ordinary medical care, dental care, hospital care). All the medical dispensations that can be (partly or completely) reimbursed are listed in a so called nomenclature of medical dispensations. A number of conditions/criteria have to be met in order to access health care (e.g. register with a health insurance fund, pay a minimum amount of contributions and, in some cases, a qualifying period).

Refunds by the health insurance fund of the cost of medical treatment vary with the nature of the treatment, the status of the insured and the care provider's capacity. In most cases, the full amount is not refunded.

Sickness benefits

Sick pay offers benefits in kind and a daily cash benefit for employees. Benefits in kind include coverage of expenses such as: medical expenses, surgery, pharmaceutical, hospital, etc. These expenses are covered if a registered doctor has prescribed the treatment. The employee must send his/her medical file to the social security administration within three months of the first medical intervention.

Reimbursement is normally limited to 80% of the regulatory tariffs. One hundred per cent is paid in certain cases. Sick employees are entitled to a daily indemnity when obliged to temporarily interrupt their employment.

During the first six months, employees are entitled if they have worked at least:

- nine days or 60 hours during the three preceding months; or



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- 36 days or 240 hours during the 12 preceding months.

After the first six months, employees are entitled if they have worked at least:

- 36 days or 240 hours during the 12 preceding months; or
- 108 days or 720 hours during the three preceding years.

The compensation is equivalent to:

- 50% of the daily salary for the employee's position, between the first and 15th day following the interruption;
- 100% from the 16th day;
- 100% from the first day for long illnesses or in cases of hospitalisation.

The daily indemnity cannot be:

- less than eight times the net amount of the hourly minimum guaranteed salary (18.000 DZD – amount for 2012);
- greater than 1/30 of the monthly salary for the employee's position.

The social security administration must be informed of any illness that can give rise to a daily indemnity within two working days, not including the days determined for the leave entitlement. The employee or his representative must send in the sick note

Work Related Accidents

All salaried persons are covered against accidents at work and accidents on the way to and from work. An accident at work is an accident occurring during and because of performance of the claimant's labour contract and causing injury. Accidents on the way to and from work are accidents which occur on the normal route the person has to use to move from the threshold of his/her residence to work and vice versa. A victim of an accident at work is entitled to reimbursement of the costs for hospital care, physiotherapy, medical, surgical, dental and pharmaceutical care as well as orthopaedic equipment. Care costs are reimbursed according to the applicable sickness insurance tariffs and the insurance institution has to pay the patient charge.

During periods of incapacity for work caused by an accident at work, victims are entitled to indemnities for loss of income (depending on their sickness status).

Family benefits

Family benefits comprise several allowances, of which ordinary family allowance is the most important.

Three persons are involved in the family benefit system: the beneficiary, the qualifying child and the 'allottee'. The beneficiary opens up entitlement to family benefits through his/ her employment. A qualifying child has to meet particular conditions (e.g. degree of kinship with the beneficiary, conditions with regard to education and age). The allottee is the person who receives the benefit. The amount of the family benefits depends on the family revenue.



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Maternity benefits

Pregnant women are entitled to maternity leave during the prenatal and postnatal periods. Social security protection offers benefits in kind to mothers on maternity leave. Benefits in kind include reimbursement of the expenses linked to pregnancy and birth. Medical and pharmaceutical expenses are covered on the basis of 100% of regulatory tariffs. Hospitalisation expenses for the mother and the child are reimbursed on the same basis for a maximum period of eight days.

In addition, mothers who must stop working because of pregnancy are entitled to a daily indemnity of 100% of the daily salary for their position (average of the actual salary), for a maximum of the subsequent 14 weeks. The mother must stop working at least one week before confinement.

To obtain these benefits and indemnities, a registered doctor or qualified medical auxiliaries must have assisted at the birth. During the first six months, employees are entitled if they have worked at least:

- nine days or 60 hours during the three preceding months; or
- 36 days or 240 hours during the 12 preceding months

Unemployment

Replacement income is granted in the case of involuntary loss of salaried employment. However, it is not enough for claimants to just be subject to the social security scheme for salaried persons. They must also prove a sufficient number of worked days or assimilated working days (e.g. invalidity, holiday) during a particular reference period preceding the application. Both the required number of working days and the duration of the reference period depend on the applicant's age. In order to be entitled to unemployment benefits, granting number of special conditions also have to be met (e.g. not in receipt of salary, no carrying out work, unemployment outside the claimant's control, available for the labour market, fit for work, resident in Algeria).

In addition, claimants must comply with certain formalities (e.g. register as a 'job seeker').

Retirement

Retirement pension is a benefit to which claimants are entitled based on career and reaching a given age. The normal retirement age in Algeria is 60. Claimants have to work 15 years in order to be entitled to a full pension. However, it is possible to take early retirement from age 50 if the claimant has worked for 20 years and without any age condition in case of activity during 32 years.

The pension is calculated on the basis of a real, fictitious (for assimilated periods) or lump-sum active income (capped at a certain amount). The amount of the pension is fixed on the basis of the claimant's family situation. Retirement pension can only be combined with work under strict conditions.

Tax filing and Payment Procedures

The Algerian tax law provides for monthly, quarterly and annual tax returns.

The monthly tax return (G50) applies only to businesses under the real regime. This tax return must be filed by the 20th day of each month.



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The quarterly tax return applies only to businesses under the simplified regime. It must be filed by the 20th day of the month following the end of the quarter.

All businesses must file an annual tax return by 30 April of each year.

Algerian tax residents who derive personal income in addition to their remuneration must file an annual tax return (G1) by 30 April of each year.

Double Tax Relief and Tax Treaties

Algeria has entered into double tax treaties with the following jurisdictions.

Austria	France	Portugal
Bahrain	Germany	Qatar
Belgium	Indonesia	Saudi Arabia
Bosnia and Herzegovina	Iran	South Africa
Bulgaria	Italy	Spain
Canada	Korea (South)	Switzerland
China	Kuwait	Turkey
Egypt	Lebanon	United Arab Emirates
	Oman	

Entry and Tourist visas

Entry visas are required for nationals of the European Union (EU), United States and certain Arabic countries, such as Egypt. Moroccan and Tunisian nationals are not required to have entry visas. Algerian embassies or consulates can provide information regarding the documents necessary for the obtaining of a tourist visa.

Foreign nationals who wish to enter Algeria for a period not exceeding 15 days can enter with a business visa. This visa allows the holding of meetings (internal or with clients) but not the provision of services.

Foreign nationals who wish to work in Algeria under a contract that has a duration of less than three months must obtain a temporary work authorization. It can be renewed once in a year. Under Article 9 of Law No. 81-10, a foreigner who is assigned to Algeria for a duration of less than 15 days does not require a temporary work authorization. However, a temporary work visa is always required. To obtain the visa, a foreign national must justify his or her work in Algeria.

After the granting of a temporary work authorization and work visa, a work permit is required. A work permit's validity may not exceed two years, but it is renewable. French nationals' benefit from a special regime. They need to obtain a foreign worker declaration instead of a work permit.



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A foreign worker working as a managing director of an Algerian entity is exempt from the work permit requirement but needs a business professional card and, in some circumstances, a residence card as well.

Residence Card

Foreigners who are intending to extend their stay in Algeria beyond the duration specified in the visa must request a residence card 15 days before expiration of the visa's validity. This card is valid for two years. A residence card with a validity of 10 years can be issued after a regular residency of 7 years in Algeria.

The application form for the residence card must be sent to the local police office.

Family and Personal Considerations

Family members intending to reside with a working expatriate in Algeria can benefit from family reunification.



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Employment Law

The Labor Law in Algeria is administered by the Ministry of Labor, Employment and Social Security, the labor Law covers holidays, leave, hours of work, minimum wage, overtime, termination pay and wage payments. The Labor Law does not cover an employee's compensation or retirement plan, these are covered under social taxes.

Employment Agreement

Two types of employment contracts are permitted in Algeria, limited (fixed) term contracts and unlimited term contracts. An unlimited term contract may be either in writing or verbal and a contract will be deemed to be concluded for an unlimited duration unless otherwise agreed by the parties in writing.

A limited or fixed term contract must expressly state the duration of the contract (and the justification for its duration) and is only permitted in the following circumstances:

- When the employee is recruited for the performance of an agreement relating to the achievement of a project or services that are not ongoing
- When the employee replaces a jobholder, who is temporarily absent and whose job is to be preserved by the employer
- When the employee is to perform periodic and discontinuous work
- When a supplementary load of work, or seasonal reasons make it necessary
- Where the employment relates to fixed term work/activities or when such works or activities are temporary by nature

The Algerian Labour Law does not provide for a maximum duration for a fixed term contract. However, the courts have commonly held that more than one renewal of a fixed term contract will result in the contract being deemed to be for an unlimited term.

As a general rule, the Algerian Labour Law sets out the minimum employment entitlements and standards. These can be exceeded to the employee's benefit, by agreement between the parties, but cannot be reduced or excluded to the employee's disadvantage.

Probationary Period and Training

An employee may be employed on probation for up to six months, although highly qualified individuals may be subject to a probationary period for up to 12 months. The permitted duration of the probationary period is also specified for each category of employee through collective bargaining agreements. During the probationary period, both the employer and employee may terminate the employment contract with immediate effect without notice or compensation.

Wages, Annual Leave and Working Time

The current minimum wage in Algeria is of DZD 18,000 (approx. USD 225) per month. The working week typically runs from Sunday to Thursday and the maximum prescribed working hours for an employee is 40 hours per week (based on a five day week) and eight hours per day (exclusive of a one hour break). Friday is the statutory day of rest each week.



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Women are not permitted to work between 9pm and 5am unless specific exceptions are granted by the Labour Inspectorate where the nature of the activity/job role requires.

The Algerian Labour Law does not provide for reduced hours in Ramadan.

Employees may only be required to work overtime by their employer in exceptional circumstances, for example where it is crucial to ensure the completion of a piece of work or project. Overtime hours must not exceed 20% of the maximum working hours (i.e. eight hours per week) and an employee must not be required to work more than a total of 12 hours per day.

Where an employee is required to work additional hours, they are entitled to overtime pay, of a minimum of 150% of the normal hourly wage. If circumstances require the employee to work on their weekly day off, they must be granted another day off (in lieu) and 150% off their wage for the overtime period.

The Algerian Labor Law provides employees a minimum entitlement to 30 calendar days' paid annual leave. However, employees working in the Southern wilayas (provinces) are granted an additional ten calendar days' paid annual leave. An employee can also take a maximum of 30 calendar days' paid leave to perform Hajj, once in their employment.

Employees are entitled to 15 days' paid sick leave at half salary; and full salary from the 16th day of sickness onwards. Sick pay and the reimbursement of medical expenses are funded by the National Fund of Social Security, based on the mandatory social contributions paid by the employer and the employee (whether Algerian or foreign national).

Family Rights

Provided that the employee has worked at least either 15 calendar days / 100 hours during the three months preceding the date of the first medical acknowledgment of pregnancy or 60 calendar days / 400 hours during the 12 months preceding the first medical acknowledgment of pregnancy, a female employee is entitled to 14 weeks' fully paid maternity leave. This includes a compulsory period of leave before the expected date of birth and following delivery of not less than six weeks. Maternity pay is borne by the National Social Security Fund.

In addition, employees are entitled to three days' paid leave in the event of the following family events:

- Marriage of the employee
- Birth of a child of the employee
- Circumcision of a child of the employee
- Marriage of one of the descendants of the employee
- Death of the employee's ascendant, descendant or blood relative to the first degree
- Death of the spouse of the employee

Social Security

Employers must register all employees (regardless of their nationality) with the Social Security Fund and make social security contributions on behalf of all employees.

Terminating employment



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Fixed term contracts terminate on expiry. Unlimited term employment contracts may only be terminated for 'cause' or redundancy.

In order for an employee's employment contract to be terminated for 'cause', there has to be serious misconduct and dismissal is only permitted once a disciplinary procedure has been carried out. Failure to carry out a disciplinary procedure will result in the dismissal being deemed to be 'abusive' and this will have consequences for the employer, who will be required to pay termination compensation.

Under the Algerian Labor Law and Legislative Decree No. 94-09 dated 26 May 1994 (the Algerian Redundancy Law), an employer may terminate employment on redundancy grounds only if economic reasons justify such a measure and once all alternatives aimed at avoiding redundancy have been exhausted. A redundancy is subject to a mandatory procedure, decided after collective bargaining. The procedure requires the involvement of the local labour administration. Should there be a breach of the correct procedure, the termination of an employment contract on the grounds of redundancy shall be deemed to be 'abusive'. The termination of employment for reasons other than those identified above, or where termination has taken place without the correct procedures having been followed, is deemed to be 'abusive', giving right to compensation of no less than six months' salary (where reinstatement is not possible), as well as uncapped damages as determined by the court.

Duty to Repatriate

On termination of employment, an employer is obliged to repatriate an expatriate employee to their home country.

Collective Disputes

Employees in Algeria are allowed to form trade unions or syndicates in companies for the purposes of protecting interests, defending rights, improving financial or social status. Employees are also entitled to collective bargaining.

Main Source of Information

- Government of Algeria <https://www.mfdgi.gov.dz/index.php>
- CNAS <https://teledclaration.cnas.dz/>
- General Taxation Department <https://www.mfdgi.gov.dz/>



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