



# Finance Law 2025 Key Measures

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# Summary

This newsletter is not intended to be an exhaustive analysis but rather a simple presentation of the key measures of the Finance Law for 2025, as follows :

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01.

# Direct Taxes and Related Taxes

## Direct Taxes and Related Taxes

### 1. Declaration in the Absence of Capital Gains from the Sale of Real Estate, Shares, or Equity Interests

*Article 6 of the 2025 Finance Law*

The creation of Article 80 quater in the Code requires taxpayers to file a declaration in the case of a sale outside the scope of professional activity, whether it concerns built or undeveloped real estate, or shares or equity interests, even in the absence of capital gains realization.

### 2. Research and Development expenses

*Article 10 of the 2025 Finance Law*

Article 10 primarily aims to provide clarifications regarding the calculation base for the 30% deduction on research and development expenses, which must now be calculated on the accounting profit.

### 3. Setting the deadline for reinvestment of capital gains from sales to benefit from the reduced rate of 5%.

*Article 104 of the Code of Direct Taxes and Related Taxes - Article 8 of the 2025 Finance Law*

Article 104 of the Code has been amended and supplemented, setting the deadline for reinvestment of capital gains realized on the sale of shares and similar securities at December 31 of the year following the year in which the capital gains were realized, in order to benefit from a reduced rate of 5% on overall income tax.

Failure to comply with this commitment to reinvest within the time limit will result in a reminder of the tax difference and the application of a surcharge of 25%.

### 4. Penalties related to the late submission of the special declaration required for the professional training and apprenticeship tax.

*Article 196 septies of the Code of Direct Taxes and Related Taxes - Article 17 of the 2025 Finance Law*

Article 196 septies aims to clarify the penalties applicable in the case of late submission of the special declaration required for the professional training and apprenticeship tax.

Thus, in the case of submitting the said declaration after the expiration of the given deadline, the contribution will be increased as follows:

- 10%, if the delay does not exceed one month;
- 20%, if the delay exceeds one month but does not exceed two months;
- 25%, if the delay exceeds two months.

Furthermore, in the case where no payment is due, tax penalties are applied as follows:

- 2,500 DA, if the delay does not exceed one month;
- 5,000 DA, if the delay exceeds one month but does not exceed two months;
- 10,000 DA, if the delay exceeds two months.

### 5. The method of calculating the local solidarity tax related to the transportation of hydrocarbons by pipeline.

*Article 231 ter of the Code of Direct Taxes and Related Taxes - Article 18 of the 2025 Finance Law*

Article 231 ter aims to clarify the method for determining the taxable base for pipeline transportation of hydrocarbons. It specifies that the tax base is equivalent to the product of the quantities transported, determined according to the applicable tariff for pipeline transportation under the current legislation.

### 6. The triggering event for the local solidarity tax related to the pipeline transportation of hydrocarbons.

*Article 231 quater of the Code of Direct Taxes and Related Taxes - Article 19 of the 2025 Finance Law*

Replacement of the taxable event for the activity of transporting hydrocarbons by pipeline, materialized by the completion of operations instead of total or partial recovery.





# 02. Turnover Taxes

## Turnover Taxes

### 1. Modification of the value-added tax triggering event for sales transactions by real estate developers

*Article 14 of the Turnover Tax Code - Article 59 of the 2025 Finance Law*

The triggering event for the value-added tax on the sale of real estate for residential, commercial, or professional use, carried out by real estate developers, which was previously constituted by the legal or physical delivery of the property, is now constituted by the partial or total receipt of the price of the property.

### 2. Deduction of Value-Added Tax (VAT)

*Article 32 of the Turnover Taxes Code - Article 62 of the 2025 Finance Law*

Article 32 of the Code, which sets the conditions for the deduction of value-added tax, is amended to include donation operations as provided by Article 9-11 of the same code.

### 3. Exemption from the certificate of exemption or VAT franchise for operations that are exempt by nature.

*Article 67 of the Turnover Taxes Code - Article 68 of the 2025 Finance Law*

The amendment to Article 67 of the Code aims to exempt purchases that are naturally tax-exempt or subject to a specific regime from the obligation to provide exemption or franchise certificates issued by the tax administration to their beneficiaries.

The list of cited operations will be established, as necessary, by order of the Minister of Finance.



# 03. Miscellaneous Provisions

## Miscellaneous Provisions

1. Removal of the obligation to hold approval for fisheries and aquaculture cooperatives to qualify for IBS exemption.

*Article 138 of the Code of Direct Taxes and Related Taxes – Article 9 of the 2025 Finance Law*

The amendment to paragraph 8 of Article 138 of the Code of Direct Taxes and Related Taxes is characterized by the removal of the requirement for fisheries and aquaculture cooperatives to hold an approval issued by the Ministry in charge of Fisheries and Aquaculture in order to benefit from the corporate income tax exemption.

2. Increase in the rates of the supplementary tax on tobacco products.

*Article 150 bis of the Code of Direct Taxes and Related Taxes – Article 13 of the 2025 Finance Law*

The amendment to Article 150 bis of the Code of Direct Taxes and Related Taxes introduces higher rates of supplementary corporate tax for manufacturers of smokeless tobacco products and for manufacturers of smoking tobacco products, including electronic cigarettes and hookah tobacco.

These rates are 20% and 31%, respectively.

3. Start-ups and incubators exempt from mutation duty

*Article 258 of the Registration Code - Article 39 of the 2025 Finance Law*

The amendment to Article 258-I of the Registration Code, which includes companies with the „startup“ and „incubator“ labels in the exemption provided under transfer duties during real estate acquisitions.

4. The holders of the „Innovative Project“ label are exempt from registration duties.

*Article 347quinquies of the Registration Code - Article 41 of the 2025 Finance Law.*

From now on, acts related to the formation of companies created by holders of the “Innovative Project” label are exempt from all registration duties.

5. The increase in the advertising tax.

*Article 63 of the Complementary Finance Law for 2010 - Article 117 of the 2025 Finance Law.*

The advertising tax applicable to the revenue generated from advertising activities is increased, rising from 1% to 2%.

6. The downward revision of the amount of fully paid-up share capital for the activities of manufacturing electronic cigarettes and hookahs.

*Article 298 of the Indirect Tax Code - Article 71 of the 2025 Finance Law.*

Manufacturers of electronic cigarettes and hookahs, in order to obtain their approval, were previously required to fully pay up the share capital at the time of the formation of the company (joint-stock company). An amount equal to or greater than 500,000,000 DA in share capital has been revised downward to an amount equal to or greater than 100,000,000 DA.

This modification aims, among other things, to reduce imports of electronic cigarettes and hookahs.

7. The reintroduction of the requirement to hold an approval for the operation of the tobacco distribution business.

*Article 72 of the 2025 Finance Law.*

Article 72 of this Finance Law aims to reintroduce the requirement to hold an approval for the operation of the tobacco distribution business.

This approval is issued by the Director General of Taxes after subscribing to a set of specifications.

The activity of distributing tobacco products is reserved for individuals of Algerian nationality who have their tax domicile in Algeria, and Algerian law companies, whose partners or shareholders are of Algerian nationality and have their tax domicile in Algeria.

The procedures for issuing this approval, as well as the terms of the specifications, are established by a decree from the ministry responsible for finance.

8. Exchanges of information with the tax administrations of states under the administrative assistance agreements.

*Article 61bis of the Tax Procedure Code - Article 103 of the 2025 Finance Law.*

The creation of Article 61bis within the Tax Procedure Code will now allow the tax administration to exchange information with states that have concluded an administrative assistance agreement with Algeria.

This article follows Algeria’s membership in the Global Forum on Transparency and Exchange of Information.

Miscellaneous Provisions

9. The expansion of the scope of the bank domiciliation tax.

Article 2 of the Complementary Finance Law for 2005 - Article 123 of the 2025 Finance Law.

The scope of the bank domiciliation tax is expanded to include operations related to the domiciliation of contracts concerning usage fees or payments of any kind made for the use or concession of the use of a right, while excluding contracts related to software and fees for membership and subscriptions abroad.

The rate of this tax is set at 5% of the domiciliation amount.

10. The renewal of the tax advantage granted to activities carried out in the regions of southern Algeria.

Article 6 of the Finance Law for 2000 - Article 124 of the 2025 Finance Law.

The tax advantage on the global income tax or corporate income tax for activities carried out in the southern regions of Algeria is extended for a period of 5 years starting from January 1, 2025.

11. The increase in the additional tax on tobacco products.

Article 36 of the Finance Law for 2002 - Article 140 of the 2025 Finance Law.

The additional tax on tobacco products consumed in Algeria will be increased, rising from 37 DA to 65 DA per pack, pouch, or box.

12. Incentive measure for electronic payment methods.

Article 141 & 199 of the 2025 Finance Law.

To encourage electronic payments, a reduction in corporate profit tax is provided for a one-year period, until December 31, 2025. This benefit is granted to commercial banks as well as Algérie Poste.

This reduction would be equivalent to the amount of the fees borne by these entities on transactions made through electronic payment methods.

The application procedures are defined by a decree from the minister responsible for finance.

In the same spirit of encouraging electronic payments, import operations of kits intended for the assembly of electronic payment terminals will be exempt from value-added tax (VAT) and customs duties from January 1, 2025, until December 31, 2027.

13. Extension of the exemption from personal income tax or corporate profit tax for companies labeled “incubator”.

Article 87 of the Finance Law for 2021 - Article 142 of the 2025 Finance Law.

The exemptions provided for companies with the “incubator” label, in terms of personal income tax or corporate profit tax and value-added tax on equipment directly used in the implementation of investment projects, are extended for a period of 2 years, starting from the date of obtaining the label.

In addition, this exemption is now renewable once.

14. The increase in the rate of the solidarity contribution.

Article 109 of the Finance Law for 2018 - Article 178 of the 2025 Finance Law.

The rate of the solidarity contribution applied to the importation of goods for consumption in Algeria is now set at 3% (previously 2%).

In addition, the list of tariff subpositions for raw materials used in the manufacture of tobacco products has been included, on which the rate remains unchanged at 5%.

15. The reintroduction of consumer loans.

Article 75 of the Complementary Finance Law for 2009 - Article 181 of the 2025 Finance Law.

Banks are once again authorized to grant consumer loans for the acquisition of goods and services by households.

This measure is part of the effort to revive economic activities.

The application procedures are set by regulatory means.

16. Remote voting by shareholders of listed companies.

Article 184 of the 2025 Finance Law.

Shareholders of listed companies can now vote at general meetings electronically.

A regulation from the Commission for the Organization and Supervision of Stock Exchange Operations (COSOB) will set the conditions for the application of this provision.

Miscellaneous Provisions

17. Registration fees for pharmaceutical products.

Article 115 of the 1996 Finance Law - Article 189 of the 2025 Finance Law

The registration duty for pharmaceutical products or the approval duty for medical devices is redefined as follows:

- Application for registration of essential pharmaceutical products imported as is: 600,000.DA ;
- Application for registration of locally manufactured essential pharmaceutical products: 100.000.DA ;
- Application for registration of locally manufactured non-essential pharmaceutical products: 150.000.DA ;
- Application for registration of imported non-essential pharmaceutical products: from DA 2,000,000 to DA 20,000,000;
- Application for registration of a medical device: from DA 50,000 to DA 1,000,000.

18. Regularization of share disposals

Article 203 of the 2025 Finance Law

As a transitional measure and until December 31, 2026, transfers of shares in the share capital of a company incorporated under Algerian law, carried out before the promulgation of law no. 20-07, by or for the benefit of foreign legal entities or individuals, without the presentation of a certificate waiving the exercise of the right of pre-emption by the State, may be regularized after examination of the file by an inter-ministerial committee.

It should be noted that these provisions do not apply to transfers held in the share capital of a company in one of the strategic sectors or structuring investments, or of a company in which the State holds shares or equity interests.

The conditions and procedures for regularizing these transfers are set by regulation.

19. Integrating fertilizer production into the strategic sector

Article 50 of the 2020 Complementary Finance Law - Article 205 of the 2025 Finance Law

Fertilizer production activities are now considered strategic.

The purpose of this amendment is to enable the Algerian State to exercise the right of pre-emption under Article 52 of the 2020 Complementary Finance Law.

20. Export of spare parts for household electrical products carried out by manufacturers

Article 206 of the 2025 Finance Law

Export operations for spare parts for household electrical appliances carried out by producers, free of charge, as part of the 2-year guarantee for exported products, up to 2% of the value of exports of this category of products, are exempt from bank domiciliation formalities.

If this time limit is exceeded, producers of household electrical appliances are authorized to export spare parts for these products that have been imported for after-sales service under the following conditions:

- The selling price in foreign currency of the parts to be exported is equal to or higher than their import purchase price;
- The formalities for bank domiciliation are carried out in accordance with current legislation and regulations.

The terms of application of this article are set by a joint order of the Minister for Trade, the Minister for Industry and the Minister for Finance.

21. Obligation to use banking and financial circuits for certain commercial transactions

Article 207 of the 2025 Finance Law

From the date of publication of this Finance Law, the following transactions must be carried out using non-cash means of payment, through banking and financial circuits:

- Real estate transactions involving built and unbuilt property ;
- Sales transactions carried out by dealers and distributors of vehicles and machinery ;
- Purchases of yachts and pleasure boats ;
- Compulsory insurance policies.

The application of this article is determined by regulation.



# Miscellaneous Provisions

## 22. Penalties for refusal to provide information

*Articles 62 & 63 of the Code of Tax Procedures - Article 98 of the 2025 Finance Law*

The penalty for refusal to provide the information, books, records and documents provided for in Articles 45 to 61, and the destruction of these documents before the expiry of the legal time limits set for their retention, is now 2 000 000 DA.

A late response will incur a penalty payment of 50 000 DA per day, up to a maximum of 2 000 000 DA.

Partial communication of information will result in a fine of 50 000 DA for each instance of non-compliance, up to a maximum of 2 000 000 DA.

Incorrect information is subject to a fine of DA2 000 000 DA.

In the event of a repeat offence, the fine and penalty will be doubled, up to a maximum of 4 000 000 DA.





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