

NEW LAND ALLOCATION LAW: INVESTMENT OPPORTUNITIES

Algiers, 21 November 2023



Key points

- Publication of Law No. 23-17 dated 15 November 2023, concerning the allocation of state-owned land for investment projects.
- The Algerian Investment Promotion Agency (AAPI) plays a key role in the management of economic land, acting on behalf of the State.
- The concession of economic land is granted by the AAPI, according to standard specifications set by regulatory means.
- The concession's duration is 33 years (renewable).
- The concession grants the beneficiary the right to obtain a building permit and also allows them to establish a mortgage.
- An annual rental fee is payable by the concessionaire from the date the investment becomes operational, as confirmed by the AAPI.
- The conversion of the concession into a sale is possible under certain conditions, with a market value set at the time of concession granting, and in return for a State right of pre-emption on future sales.

Following the recent Investment Law No. 22-18 of 24 July 2022 (“**Law 22-18**”) and its implementing regulations, a long-awaited new law on land allocation was published in the Official Gazette of 16 November 2023.

With the aim of promoting and facilitating investment, Law No. 23-17 of 15 November 2023 (the “**Law 23-17**”) establishes the terms and conditions for the granting of state-owned land for investment projects.

As a reminder, Law 22-18 stipulates that investments in economic activities related to the production of goods and services, undertaken by either national or foreign individuals/entities, whether residing within the country or abroad, are now eligible to benefit from state-owned land.

Scope of application

Law 23-17 applies to state-owned land, encompassing developed areas in industrial zones, business parks, and new towns.

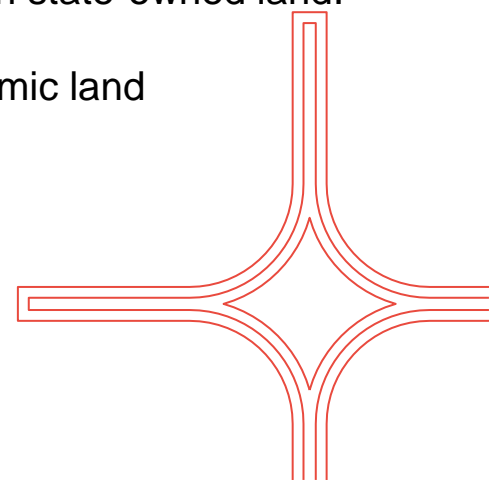
It expressly excludes agricultural land, land within mining perimeters, and areas within hydrocarbon exploration and exploitation perimeters.

Key role of the AAPI, beneficiary of a State delegation for land management

The Algerian Investment Promotion Agency (the “**AAPI**”) plays a pivotal role in implementing Law 23-17, as it has been entrusted by the State with the authority to award concessions for investment projects on state-owned land.

Acting through its one-stop shop, the AAPI acts on behalf of the Algerian State to grant economic land to investors by means of a direct concession.

In collaboration with the walis (governors for administrative regions), the AAPI determines the eligibility of investments for access to economic land, considering the specific nature of activities aligned with the objectives set forth.



Prerequisite: registration on the investor platform

Any natural or legal person, national or foreign, resident or non-resident, wishing to benefit from the provisions of Law 23-17 must register their application exclusively via the digital investor platform managed by the AAPI.

The platform, which has been operational for about a month, can be accessed here: <https://invest.gov.dz/fr>

Concession terms and conditions

Economic land is granted by the AAPI, representing the State, through the one-stop shop, to investors via a direct concession, following standard specifications to be established by regulation.

Concession deeds are prepared by the territorially competent land registry, as directed by the AAPI, based on the decision to grant the concession. Investors subscribe to a set of specifications accompanying the concession.

The concession, which is granted for 33 years for most investment projects (excluding commercial real estate development), confers the right to obtain a building permit and create a mortgage on the resulting land right. The concession can be renewed.

Investors are bound by obligations specified in the specifications, including no change of use without AAPI authorization, timely project completion, payment of annual rental fees, and maintenance of economic land use post-project completion.

Rental fee

The concession is granted in return for payment by the concessionaire of an annual rental fee from the date on which the investment becomes operational, duly recorded by the AAPI.

Conversion into sale

Upon completion of the project as per specified clauses, obtaining the certificate of conformity, and duly recording the start of operations, the concession may be converted into a sale at the concessionaire's request.

The conversion is based on the market value at the time of the concession, minus any rental fees duly paid.

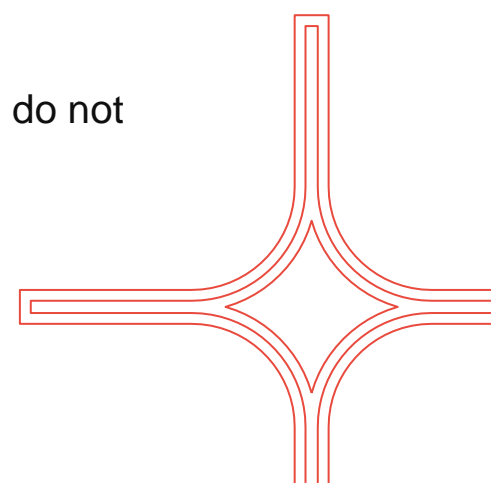
The conversion is recorded in a deed drawn up by the relevant land registry at the behest of the AAPI.

Regulations will define the deadlines and procedures for applying this conversion option.

State right of pre-emption

It is important to note that the AAPI, acting on behalf of the State, retains the right of pre-emption over real estate transferred by the beneficiary of economic land and any other real estate within designated perimeters and developed areas owned by private entities likely to receive investment projects.

Should you have any inquiries or require legal assistance in navigating these new regulations, do not hesitate to reach out. We would be delighted to assist.



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