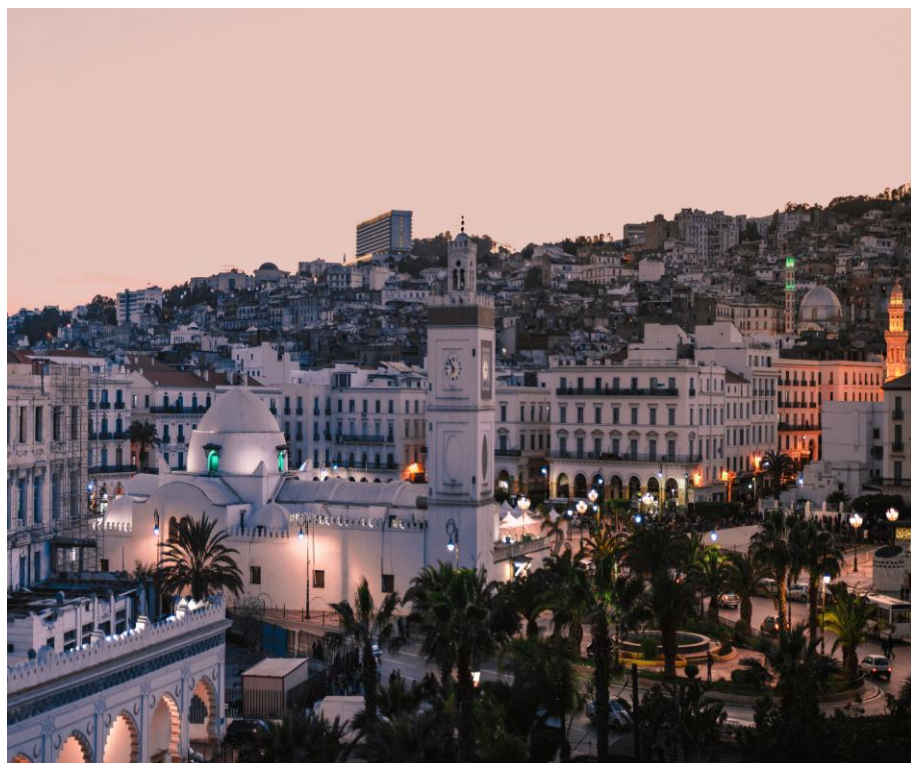


## NEW OBLIGATIONS RELATED TO THE PUBLIC REGISTER OF BENEFICIAL OWNERS IN ALGERIA

Algiers, 8 December 2023



### Key points

- Publication of Decree No. 23-429 of 29 November 2023 defining the procedures for keeping the Public Register of Beneficial Owners of Algerian legal entities.
- Each Algerian legal entity is required to declare its beneficial owner to the National Center for Trade Register, and to provide certain information on its beneficial owner.
- The beneficial owners of legal entities are the individuals who ultimately exercise control over a legal entity.
- Decree 23-429 provides for alternative criteria to characterize control.
- The Register is set up at the National Center for Trade Register.
- Register data is accessible to the competent authorities and the public, under conditions to be defined.
- Legal entities set up before the date of publication of Decree 23-429 have until 30 November 2024 to comply.

The Decree No. 23-429 dated 29 November 2023, concerning the Public Register of Beneficial Owners of Algerian legal entities ("**Decree 23-429**") has been published in the Official Gazette on 30 November 2023.

Decree 23-429, framed within the context of counteracting terrorism financing and in accordance with Law No. 05-01 of 6 February 2005, as amended and supplemented, pertaining to the prevention and fight against money laundering and the financing of terrorism, introduces new obligations for legal entities operating in Algeria.

### Legislative Context

In addition to Decree 23-429, other recent texts have been published to enhance measures for preventing terrorism financing:

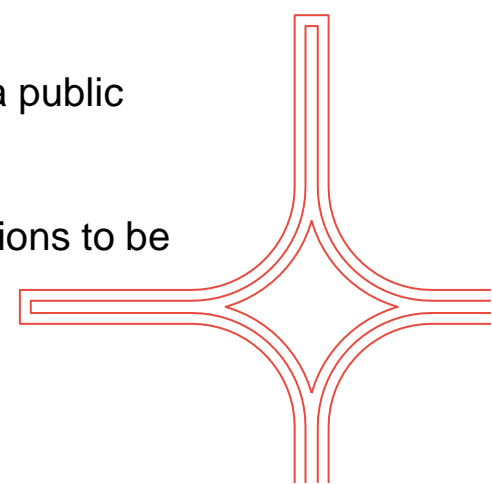
- Executive Decree No. 23-428 of 29 November 2023, regarding the procedure for freezing and/or seizing funds and assets.
- Executive Decree No. 23-430 of 29 November 2023, establishing the conditions for the exercise of regulatory authorities in the prevention of money laundering and terrorism financing.

However, the most noteworthy is Decree 23-429, outlining the procedures for maintaining the Public Register of Beneficial Owners of Algerian legal entities.

### The Register of Beneficial Owners

The Register is established at the National Center for Trade Register ("**CNRC**") and includes a public database containing information about the beneficial owners of Algerian legal entities.

This data will be accessible to competent authorities and the public, in accordance with conditions to be defined by the Minister in charge of commerce.



## Who are Beneficial Owners?

Beneficial owners encompass individuals who ultimately own or control the client, its representative, or the beneficiary of life insurance contracts. This also includes the individual for whom an operation is carried out or a business relationship is established, **as well as those exercising ultimate control over a legal entity.**

## Exclusion from the Public Sector

It is crucial to note that Decree 23-429 does not apply to entities of which the State holds the entirety or the majority of the share capital, as well as to legal entities governed by public law.

## Declaration of Beneficial Owners to CNRC

**Each Algerian legal entity is now required to declare its beneficial owner to the CNRC, providing specific information about the beneficiary's identity, the date on which this status was acquired, and the control criteria exercised.**

More precisely, the beneficial owners of a legal entity are specifically defined according to the following alternative criteria:

1. Individuals holding directly or indirectly an equal or greater than 20% share of the capital or voting rights.
2. In case of uncertainty or non-identification of beneficiaries after the application of criterion no.1, the beneficial owners are individuals exercising, by any legal or factual means, control over the management, administration, or shareholders' assembly of the legal entity.
3. If the beneficial owners are not identified according to criteria no.1 and no.2, the beneficial owner is the individual who is the legal representative of the legal entity under the legislation in force.

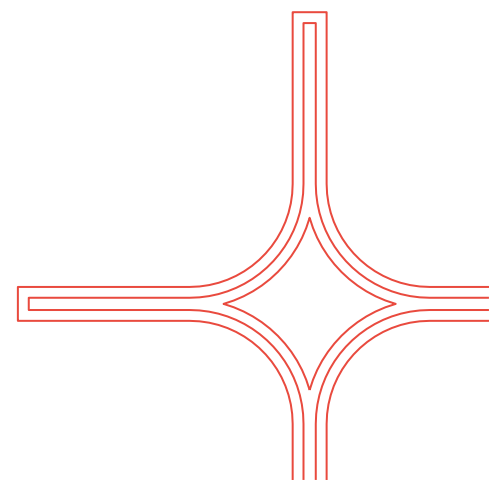
The declaration can be made electronically through the CNRC platform and must be submitted within one month of the legal entity's registration or any modification of information regarding legal entities or their beneficial owners.

## Obligation to Maintain a Dedicated Register

In addition to the declaration to the CNRC, each entity must maintain an updated internal register of the required information on beneficial owners, consistent with the declared information. This register must be retained for up to five years after the entity ceases to exist.

## Access to the Register

Various authorities, financial institutions, and regulatory bodies have immediate access to the Register. In the context of international cooperation, the CNRC exchanges information with its counterparts in accordance with international conventions.



## Compliance Deadline

Entities established before the publication date of Decree 23-429 have until 30 November 2024, to comply.

## Sanctions for Non-Compliance

Financial penalties apply for non-compliance with the stipulated obligations.

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.

## CONTACT:



### Rym Loucif

PARTNER  
LOUCIF+CO

19, Rue des Pins,  
16035 Hydra, Algiers, Algeria  
Email : [rloucif@loucif-law.com](mailto:rloucif@loucif-law.com)  
T. (Algiers): + 213 (0)5 52 58 28 93  
T. (Paris): + 33 (0)6 29 27 13 34

[www.loucif-law.com](http://www.loucif-law.com)

