

TRANSFERS OF COMPANIES OPERATING IN STRATEGIC SECTORS: PUBLICATION OF A NEW DECREE

Algiers, 2 December 2025



Key points

- Publication of Decree No. 25-304, which sets out the detailed modalities for obtaining the prior authorization required for transfers of companies operating in a strategic sector.
- Scope of application limited to transfers involving: (i) a company operating in a strategic sector as defined by the 2020 Supplementary Finance Law and its subsequent amendments; and (ii) a foreign purchaser (foreign natural or legal person, or an Algerian company whose share capital is majority-owned by foreign persons).
- Authorization procedure consisting of: (i) the filing of an application by the target company; (ii) a mandatory interministerial consultation within 30 days; and (iii) a decision issued by the competent ministry within a maximum period of 60 days.
- Authorization issued in accordance with the model annexed to Decree 25-304; in the event of refusal, the applicant is notified in writing.
- Mandatory rejection of the application where there are indications of situations likely to affect public order, public security, public health or the economic interests of the country, or where the purchaser is involved in acts of corruption or in financial or economic criminality.

The legal framework governing the transfer of shares in Algerian companies operating in a strategic sector is now complete.

Executive Decree No. 25-304 of 23 November 2025 (“**Decree 25-304**”) sets out the detailed modalities for obtaining the prior authorization required under Article 52 of the Finance Law for 2020.

Scope of Application

Prior authorization is required where the following two cumulative conditions are met:

Condition 1 - The target company operates in a strategic sector

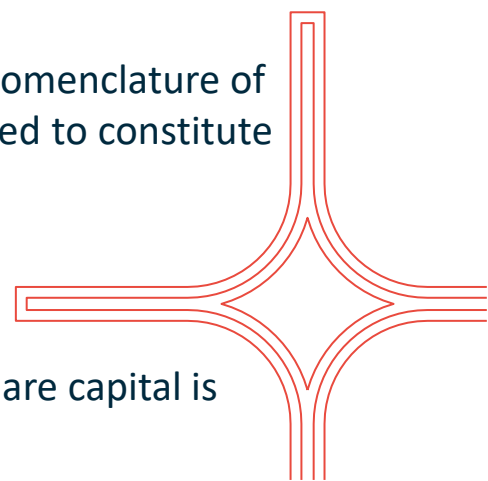
The strategic sectors, as defined in Article 50 of the 2020 Supplementary Finance Law, as amended, include:

- military industries;
- railways, ports and airports;
- pharmaceutical industries (excluding investments relating to the manufacture of essential, innovative and high-value-added products requiring complex, protected technologies intended for the local market and for export);
- fertilizer production activities.

Executive Decree No. 21-145 of 17 April 2021 defines the activity codes - as listed in the official nomenclature of economic activities issued by the National Centre for the Commercial Registry - that are considered to constitute ‘strategic’ activities.

Condition 2 – The purchaser is a foreign person

The purchaser must be either a foreign natural or legal person, or an Algerian company whose share capital is majority-owned by foreign persons.



Prior Authorization Procedure

- **Filing of the application:** The target company submits the application to the ministerial department competent for its sector of activity. The application must specify, inter alia, the identity of the purchaser and the value of the transaction. Filing the application gives rise to the issuance of an acknowledgment of receipt, which shall not be construed as an authorization.
- **Interministerial consultation:** The competent ministerial department requests the opinions of the ministries in charge of national defence, foreign affairs, interior, justice, finance, domestic trade and health, as well as the Central Bank of Algeria. Each should issue its opinion within 30 days of being consulted.
- **Decision:** The ministry responsible for reviewing the application has a maximum period of 60 days from the date of the filing receipt to notify its decision.
 - If the opinion is favourable: a prior authorization is issued in the form annexed to Decree 25-304.
 - If the authorization is refused: the applicant is notified in writing.

Mandatory Rejection

The prior authorization request must be rejected in the following cases:

- existence of indications of situations likely to affect public order, public security, public health or the economic interests of the country;
- involvement of the purchaser in acts of corruption or in financial or economic criminality.

For any further information or assistance, please do not hesitate to contact us.

CONTACT:



Rym Loucif

PARTNER
LOUCIF+CO

19, Rue des Pins,
16035 Hydra, Algiers, Algeria
Email : rloucif@loucif-law.com
T. (Algiers): + 213 (0)5 52 58 28 93
T. (Algiers): + 213 (0)7 70 07 21 16
T. (Paris): + 33 (0)6 29 27 13 34

