

## BENEFICIAL OWNERSHIP TRANSPARENCY AND NEW FRAMEWORK FOR EXTERNAL FINANCING

Algiers, 20 May 2026



### Key points

- Decree 26-163 replaces the 2023 framework on beneficial ownership and extends it to legal arrangements, including trusts established outside Algeria.
- Legal entities must declare their beneficial owners to the CNRC; for legal arrangements, this declaration is made by obliged entities.
- The beneficial owner is identified based on a 20% threshold of capital or voting rights, or, failing that, on effective control over the entity. If no beneficial owner can be identified under these criteria, the legal representative is deemed to be the beneficial owner.
- The Order of 17 February 2026 sets out the procedures for recourse to external financing for projects of national interest.
- Such recourse is subject to the prior authorisation of the Council of Ministers, after approval of the project by the lender.
- The Ministry of Finance centralises the search for financing, the identification of lenders and the conduct of negotiations.
- The ministries and institutions concerned remain responsible for project maturity, the quality of studies and proper project implementation.

Two important texts have recently been published in Algeria, with direct implications for investors. They strengthen beneficial ownership transparency requirements and clarify the conditions under which external financing may be used for projects of national interest.

### Beneficial owners: a framework extended to legal arrangements and trusts

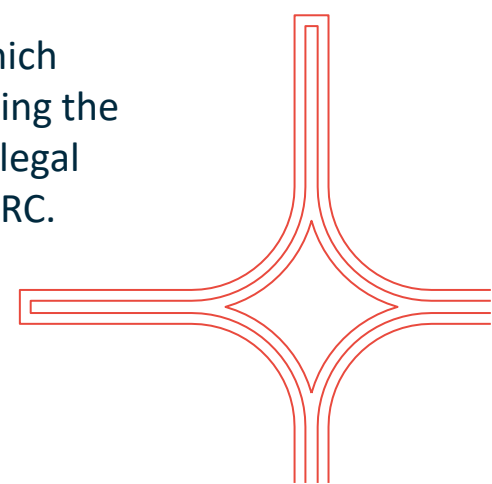
#### Background and scope of application

Pursuant to Law No. 05-01 of 6 February 2005 on the prevention of, and fight against, money laundering and terrorist financing, as amended, Executive Decree No. 26-163 of 20 April 2026 relating to the public register of beneficial owners of legal entities and legal arrangements (“**Decree 26-163**”) was published in Official Gazette No. 32 of 4 May 2026.

This new Decree 26-163 replaces the framework introduced in 2023, Executive Decree No. 23-429 of 29 November 2023 being expressly repealed.

Decree 26-163 maintains the obligation for all legal entities to declare their beneficial owner to the services of the National Trade Register Centre (Centre national du registre de commerce) (“CNRC”) within whose territorial jurisdiction their registered office is located. It specifies, however, that its provisions do not apply to legal entities whose share capital is wholly or majority-held by the State, nor to public-law legal entities.

The text further distinguishes between the basic information relating to the relevant entities, which must be submitted to the competent authority according to the nature of such entities — including the CNRC for commercial undertakings and the General Directorate of Taxes for civil companies and legal arrangements — and the declaration of beneficial owners, which falls within the remit of the CNRC.



## Extension to legal arrangements / Trusts

The principal development introduced by the text lies in the extension of the framework to legal arrangements, including trusts established outside Algeria, with a view to strengthening the transparency of ownership and control structures and, more broadly, Algeria's framework for the prevention of, and fight against, money laundering and terrorist financing.

Legal arrangements are defined as entities not subject to Algerian law, created by contract or agreement, pursuant to which funds are placed under the management or control of a person, for a specified period, for the benefit of a designated beneficiary or for a specific purpose.

For these structures, the declaration of beneficial owners to the CNRC is incumbent upon the obliged entities, namely, in particular, financial institutions and certain regulated professions subject to anti-money laundering obligations.

## Criteria for identifying the beneficial owner

Decree 26-163 provides that the beneficial owner is the natural person who holds, directly or indirectly, at least 20% of the capital or voting rights. Failing identification on that basis, the beneficial owner is the natural person who exercises, by any factual or legal means, effective control over the management, administration or executive bodies, over the general meeting, or over the operation of the legal entity or legal arrangement. If no natural person can be identified according to these criteria, the beneficial owner is the legal representative.

For trusts and similar legal arrangements, the identification requirement is broader and covers, in particular, the settlor, the trustee(s) or fiduciaries, the guardian, the protector, the beneficiaries, the holders of powers, and any natural person who ultimately exercises effective control over the structure.

## Declaration, time limits and formalities

The declaration of beneficial owners must be made to the CNRC within 30 days following the incorporation, registration, enrolment or approval of the legal entity, or within 30 days following the commencement of the business relationship or the performance of a transaction in Algeria by the legal arrangement. Any change must also be declared within 30 days. In respect of legal arrangements, obliged entities must inform the CNRC of any change to the information within 15 days.

The declaration is made electronically, in accordance with the templates appended to Decree 26-163, and a separate form must be provided for each beneficial owner where there is more than one beneficial owner. The documents relating to the beneficial owner must be attached to the declaration.

## Keeping of the register and updating obligations

Legal entities and legal arrangements must keep an ad hoc register containing the basic information and the information relating to their beneficial owners. Such information must be accurate, sufficient, adequate and kept up to date. The register and the required information must be retained for at least five years from the expiry of the legal entity or the definitive cessation of the legal arrangement's activity in Algeria.

Finally, legal entities and obliged entities acting on behalf of legal arrangements must confirm each year, before 31 December, the authenticity of the information relating to beneficial owners with the CNRC.

## External financing: an operational framework for projects of national interest

### Background

Since 2009, investments are required, save for limited exceptions, to be financed through local financing. In this context, Article 108 of the Finance Law for 2020, as amended by Article 201 of the Finance Law for 2025, marks a development by allowing recourse to external financing for projects of national interest, subject to certain conditions.

This article provides that the financing of projects of national interest may be secured from international, bilateral or multilateral financial institutions, as well as from any other financial partner, subject to the prior authorisation of the Council of Ministers.

It also confers upon the Ministry of Finance an exclusive role in seeking financing, identifying potential lenders and submitting requests to them.

Published in Official Gazette No. 29 of 19 April 2026, the Order of 17 February 2026 lays down the procedures for recourse to external financing for the implementation of projects of national interest. The Order does not, however, specify the criteria for qualifying a project as a "project of national interest".

### Central role of the Ministry of Finance

The Order confirms the central role of the Ministry of Finance in managing the external financing process. The Ministry is responsible for preparing and monitoring the related procedures, including, in particular, canvassing financial partners, submitting financing applications and conducting negotiations for the mobilisation of loans.

These steps are carried out in coordination with the ministries and public institutions concerned by the projects proposed for external financing.

### Prior authorisation of the Council of Ministers

Recourse to external financing remains subject to the prior authorisation of the Council of Ministers. The Order specifies that such authorisation is sought after the project has been approved by the competent bodies of the lender.

The Order therefore establishes a two-stage procedure: approval of the project by the lender, followed by the application for authorisation from the Council of Ministers before any effective recourse to external financing.

## Responsibility of project sponsors

The Order also places significant responsibility on the ministries and public institutions concerned with respect to the preparation and implementation of projects.

They assume full responsibility for the maturity of the projects proposed for external financing and for the quality of the studies produced. They are also responsible for the proper implementation of the projects, in compliance with the prescribed costs, timelines and objectives.

In practice, this text therefore frames recourse to external financing around three principal requirements: centralisation of the process by the Ministry of Finance, prior authorisation of the Council of Ministers and enhanced responsibility of the state-owned entities sponsoring the 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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