



FARES LEGAL

BUSINESS LEGAL MONITORING

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Join Us at the "Energy Challenges and Innovations" Conference in Oran NAPEC	

WORDS FROM THE MANAGING PARTNER

Dear Readers,

As the managing partner of our esteemed legal firm, I am pleased to present an overview for the second quarter of 2025, underscoring our proactive engagement within Algeria's evolving business environment. Algeria stands at a pivotal juncture, characterized by its ambitious strides in foreign direct investment and a resilient economy that is adapting to the fluctuations of the global oil market. Our firm has proudly taken the lead, successfully partnering with major multinational corporations across the production, pharmaceutical, and energy sectors.

In Q4 2024, Algeria witnessed a remarkable industrial production increase of 4.8%, exemplifying the nation's commitment to enhancing its economic framework. Our involvement in this trajectory has been substantial; we have facilitated the entry of key clients, including a significant packaging project by Serioplast in Oran. This project not only illustrates our capability to navigate complex regulatory landscapes but also reflects our commitment to sustainability aligned with corporate social responsibility.

Moreover, the recent inclusion of Algeria in the EU's list of high-risk countries emphasizes the necessity for rigorous compliance protocols, an area where we excel. Our expertise extends beyond traditional legal services, as we actively engage in critical seminars on production and energy innovation, ensuring that our clients benefit from up-to-date insights and strategic guidance.

To further highlight our commitment to fostering growth, we are engaged in upcoming conferences focused on pharmaceutical innovation and energy challenges. These platforms exemplify our dedication to sharing knowledge and shaping industry standards in Algeria, thereby reinforcing our position as a trusted advisor.

As we navigate through these dynamic times, our firm remains at the forefront, seamlessly integrating legal expertise with business acumen to support our clients in achieving their operational objectives while contributing to Algeria's sustainable development. Together, we are not just participating in Algeria's growth; we are shaping its future.

Yannil Belbachir
MANAGING PARTNER





I Inside ● Business Data

I Inside ● Business Data

1.1 ALGERIA'S PROMISING JOURNEY IN FOREIGN DIRECT INVESTMENT

In 2024, Algeria attracted \$1.43 billion in foreign direct investment (FDI), reflecting an 18.18% increase from 2023. This resurgence, reminiscent of pre-pandemic levels, highlights Algeria's potential for economic growth. While the country dropped two spots to 16th in Africa's FDI rankings, it remains ahead of Tunisia. The overall rise in African FDI, excluding Egypt, underscores the continent's growing attraction despite global declines. Algeria's remarkable rebound from \$255 million in 2022 to \$1.21 billion in 2023 showcases its evolving investment landscape, promising a brighter economic future.

Source: UNCTAD Report, June 2025.

1.2 ECONOMIC RESILIENCE AMIDST OIL DECLINE: ALGERIA'S 2024 FINANCIAL OVERVIEW

Last June, the World Bank presented its biannual report on Algeria's economic situation, highlighting a 3.6% GDP growth in 2024. This resilience is attributed to a robust performance in non-hydrocarbon sectors, which grew by 4.8%, and investments surging by 9.5%, offsetting a 1.4% contraction in hydrocarbon GDP. Projected GDP growth for 2025 is 3.3%, with hydrocarbons expected to rebound by 1.6%. Inflation has significantly decreased to 4%, bolstered by stabilizing agricultural prices and the dinar's strength. However, external challenges persist, with a

current account deficit projected at -1.7% of GDP in 2024, likely worsened to -6.6% in 2025 due to falling energy prices. Public finances remain strained, with a budget deficit of 13.9% of GDP anticipated for 2024.

1.3 ECONOMIC OVERVIEW: TRADE DYNAMICS FROM 2023 TO 2024

The economic landscape is experiencing notable shifts, especially within export and import sectors. Exports are forecasted to decline by 11.55% from 56.3 billion USD in 2023 to 49.8 billion USD in 2024. This is paralleled by a 4.5% decrease in export volumes. Hydrocarbon exports will particularly suffer, decreasing by 10.12% from 51.4 billion USD to 46.2 billion USD, driven by a 7.4% drop in prices. Non-hydrocarbon exports, which fell from 4.9 billion USD to 3.6 billion USD (a 26% reduction), are also adversely affected by price declines in chemical products (2.2%) and manufactured articles (9.8%).

Conversely, imports are on the rise, expecting a 9% increase from 43.7 billion USD to 47.9 billion USD. The volume of imports will see a 13.1% spike, despite a general decline in import prices by 3.1%. However, certain categories such as beverages and tobacco have faced a dramatic 37.2% price reduction.

Sources: Original data on exports and imports (ONS).



I Inside • Business Data

1.4 INDUSTRIAL PRODUCTION UP 4.8% IN Q4 2024 - A SECTORAL ANALYSIS.

In May 2025, the National Statistics Office (NSO) announced a 4.8% rise in Q4 2024 industrial production, culminating in a 3.7% annual growth rate, driven largely by the energy sector's 5.6% increase. Notably, the ISMMEE sector surged by 25.1%, while mining rebounded with 14.9% growth. Although sectors like textiles and leather experienced declines from previous highs, construction materials showed robust growth at 15.5%. This performance underscores a promising outlook for the economy, supported by strategic investments in key industries (NSO, 2025).

Sources: NSO, 2025.

1.5 ECONOMIC INSIGHTS: NAVIGATING INDUSTRIAL PRODUCTION IN ALGERIA - Q4 2024.

The National Statistics Office (NSO) survey highlights a vibrant industrial sector in Algeria for Q4 2024, with 73% of private sector leaders reporting utilization rates exceeding 75%. This signals robust activity and growth potential within the industry.

Key opportunities for expansion include a surge in private sector demand, enabling businesses to scale operations efficiently. Employment opportunities are rising, particularly in the private sector, offering a stronger workforce poised to enhance productivity. Additionally, most companies report healthy cash flows, with significant access to bank credit facilitating investments.

However, constraints persist. Over 40% of public sector companies grapple with supply chain disruptions, which hinder production capabilities. Equipment limitations further complicate matters, as aging machinery requires upgrades to increase output. Though financial health is generally stable, public sector entities experience pressures from extended payment terms, limiting their access to crucial funding.

1.6 ALGERIA AT THE FOREFRONT OF THE PHARMACEUTICAL INDUSTRY IN AFRICA

In 2024, the Algerian pharmaceutical industry has demonstrated remarkable growth, achieving a 12% increase in local production, which reached 3.2 billion USD. This notable progress reflects a robust investment environment and a commitment to health independence, as evidenced by an 8% reduction in imports and a modest 5% growth in exports. Furthermore, investments in research and development surged by 15%, indicating a strong focus on innovation and the push for self-sufficiency in pharmaceutical needs.

Algeria is consolidating its position as a leader in Africa's pharmaceutical sector, contributing to 30% of the continent's industry output, per M. Ouacim Kouidri, the Minister of Pharmaceutical Industry. The country boasts 218 of the continent's 600 pharmaceutical factories, fulfilling approximately 79% of local medicine requirements.



Inside Business Data

Sources:

Ministère de la Santé, de la Population et de la Réforme Hospitalière. Office nationale des statistiques.

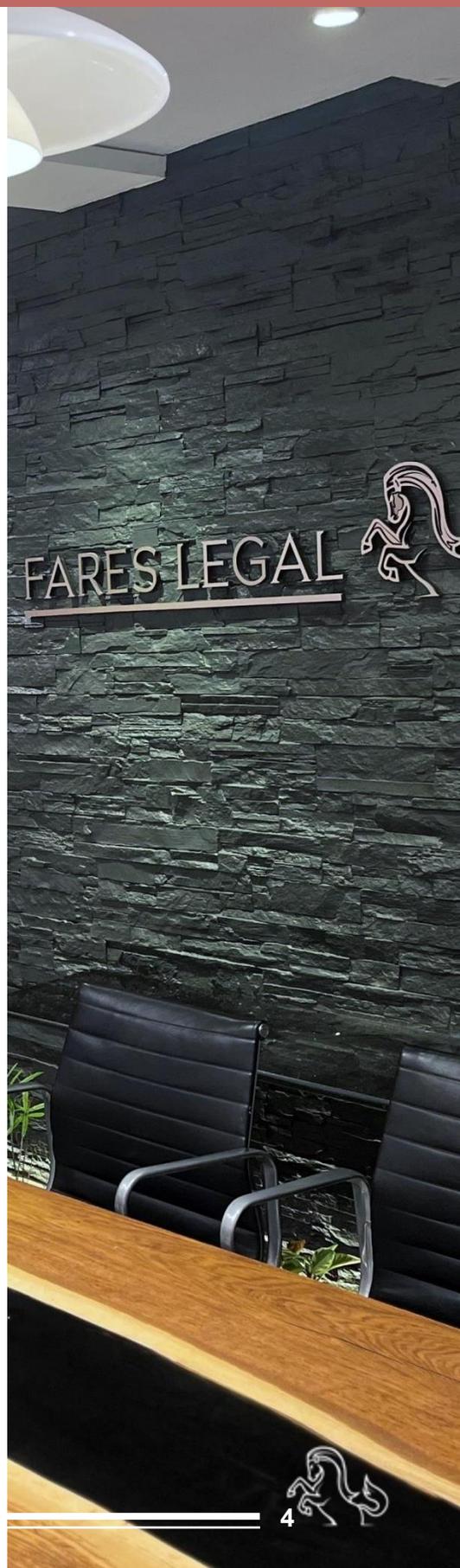
1.7 ALGERIA'S BID ROUND 2024: INSIGHTS AND WINNERS.

The preliminary results of Algeria's 2024 bid round, organized by the National Agency for Hydrocarbon Resources (ALNAFT), reveal significant international interest with companies securing exploration licenses in five southern wilayas. Chaired by Energy Minister Mohamed Arkab, the submission review witnessed participation from key industry leaders. Winning bidders included the Austrian-Swiss consortium Zangas and Filada for "Toual," China's Sinopec for "Guern EL Guesa," and the Italy-Thailand partnership of ENI and PTTEP for "Reggane 2." Additionally, Qatar Energy and TotalEnergies jointly acquired the "Ahara" zone license. However, the "EL M'zaid El Kebir" zone attracted no bids. The event underscores Algeria's appeal as a growing hub for hydrocarbon investment.

1.8 INVESTING IN ALGERIA'S HYDROCARBON TRANSFORMATION: A \$7 BILLION COMMITMENT

On June 12, 2025, Algerian Energy Minister Mohamed Arkab announced ongoing investments totaling \$7 billion in the petrochemical sector. Aiming to increase hydrocarbon transformation from 32% to 50% by 2029, key projects include a new refinery in Hassi Messaoud, a naphtha vapor cracking unit in Arzew, and an ethylene production complex in Skikda. This expansion is projected to reduce the national import bill significantly, from \$1 billion in 2019 to \$400 million in 2024, bolstering local production and meeting domestic demand

Source: Ministry of Energy, Algeria.





II • Inside the Business Updates

II. Inside the Business Updates

2.1 UBO DECLARATIONS FOR BRANCHES OF FOREIGN COMPANIES

In accordance with note n°1806/2025 issued by the General Directorate of the Trade Register on April 20, 2025, branches, agencies, commercial representations and subsidiaries of foreign companies registered in Algeria must now declare their ultimate beneficial owners to the National Center of the Trade Register (CNRC). This obligation derives from Article 5 of Executive Decree no. 23-429 of November 29, 2023, and aims to reinforce transparency and combat money laundering and the financing of terrorism.

The entities concerned must comply within 15 days of being notified from the CNRC, failing which they will be subject to sanctions including fines, business bans and criminal prosecution. This measure is part of Algeria's alignment with international financial compliance standards.

2.2 DISSOLUTION OF ALGEX

On April 13, 2025, President Abdelmadjid Tebboune announced the dissolution of the National Agency for the Promotion of Foreign Trade (ALGEX), marking a major shift in the country's trade strategy. Two new regulatory bodies are expected to replace ALGEX by the end of May—one overseeing imports, the other exports. This reform aims to better regulate the import of goods already produced locally and to support domestic manufacturing. It is part of a broader economic transformation plan targeting a

GDP of USD 400 billion by 2027 and a continued reduction in imports, which have already decreased from USD 60 billion to USD 40 billion.

2.3 EXPRESS CUSTOMS CLEARANCE

Simplified procedures for non-commercial shipments On May 17, 2025, the Customs Department published circular no. 2723/DGD/SP/D012/25, specifying simplified customs clearance procedures for shipments sent by express freight. This measure concerns both imports and exports of non-commercial parcels containing new goods or goods for personal use, whose value does not exceed a threshold set for flat-rate taxation. It is based in particular on the revised Kyoto Convention, the Customs Code and the law on e-commerce. The initiative is designed to facilitate low-volume trade, particularly in the context of e-commerce and auto entrepreneurship.

2.4 EXTENSION OF MATERNITY LEAVE

On May 14, 2025, the Ministry of Labor submitted to the National People's Assembly a bill amending Law n°83-11 on social security, with the key measure of extending maternity leave to 150 days (i.e. 5 months), paid at 100%. This reform is part of an overall reinforcement of protection for female workers, particularly in the case of multiple births or serious pathologies. The text was



II. Inside the Business Updates

approved by the Council of Ministers on May 9, 2025, and meets Algeria's international commitments in terms of social rights. It marks a significant step forward in terms of professional equality and support for parenthood.

2.5 BANKING/FINANCE

Adoption of a regulation enabling and defining the conditions for the granting of emergency liquidity by the Bank of Algeria to solvent and viable banks facing temporary liquidity issues.

The assistance is subject to several conditions, notably the exhaustion of other sources of financing, the presentation of a credible recovery plan, and the provision of adequate guarantees. In cases of uncertainty regarding solvency, a state guarantee is required. The Bank of Algeria will detail the implementation procedures of this mechanism through a forthcoming instruction.

Once implemented, this measure is expected to facilitate access to liquidity and credit for economic operators from banks.

2.7 ALGERIA'S INCLUSION IN THE EU'S HIGH-RISK COUNTRIES LIST FOR MONEY LAUNDERING AND TERRORISM FINANCING

On June 10, 2025, the European Commission added Algeria to its list of high-risk countries concerning money laundering and terrorism financing (AML/CFT). This follows the Financial Action Task Force (FATF) introducing Algeria, Lebanon, Angola, and Ivory Coast to its "grey list" in October 2024. In response, Algeria has adopted measures to combat financial crime, including preparing a sector risk assessment report to be submitted to the FATF by June 2025. The national AML strategy for 2024-2026 emphasizes legislative enhancement, human and technical resource modernization, better risk awareness, and improved national and international cooperation.

2.6 RISK AND COMPLIANCE MANAGEMENT

Adoption of guidelines relating to customer due diligence procedures within insurance and reinsurance companies as well as insurance brokers, in the context of combating money laundering, terrorism financing, and the financing of the proliferation of weapons of mass destruction.

These guidelines aim to strengthen these companies' vigilance with respect to their clients. They define the obligations related to client identification (KYC), risk classification, control procedures, suspicious activity reporting obligations, and record-keeping requirements. They also impose a risk-based approach and specify the factors to be considered in the risk assessment, such as the nature of products and services provided and the geographic location.

As a result, the targeted companies are expected to comply with these guidelines, and clients would be expected to provide more information and documentation to enable proper risk evaluation.





III. Latest Insights of Our Experts

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PRODUCTION IN ALGERIA AND INTEGRATION RATES

In Algerian law, there is no general or explicit definition of the term “production” in broadly applicable legal texts. However, in tax law, an implicit definition appears in Article 10 of the Code of Direct Taxes and Related Levies (CIDTA). According to this article, production can be assimilated to the gross product effectively generated by the company, i.e., the total revenue from its activity (sales, services, benefits in kind, etc.). This gross product serves as the basis for calculating taxable profit, after deduction of allowable expenses. Thus, in the absence of a transversal legal definition, tax law provides one of the only concrete legal benchmarks for understanding the concept of “production” in Algeria.

The integration rate makes it possible to measure the actual level of local production in a final product by legally reflecting the territorial anchoring of that production. However, this approach only applies to certain sectors explicitly defined and regulated by law, such as the automotive, home appliances, and pharmaceutical industries, where minimum integration thresholds of 30% are required to benefit from tax incentives or the “Made in Algeria” label.

In other sectors, activities such as assembly, packaging, or conditioning may be sufficient to qualify a product as “local” from a declarative or commercial point of view, but do not entitle the producer to tax exemptions granted under officially regulated integration policies.

To better understand the legal scope of the concept of local production and the central role of the integration rate in Algerian law, this analysis will first examine how this concept is implicitly built through fiscal and economic mechanisms, and then analyze the legal distinctions between sectors.

3.1. NATIONAL PRODUCTION DEFINED IMPLICITLY THROUGH THE LOGIC OF INTEGRATION.

3.1.1 LACK OF A CROSS-SECTOR LEGAL DEFINITION

In Algerian law, there is no general, uniform, or cross-sector definition of the term “production” applicable to all economic sectors. Legal texts, particularly regulatory or commercial frameworks, remain silent on this notion. This legal gap makes the qualification

of “local production” variable depending on the context, leading to diverging interpretations and sector-specific approaches.



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3.1.2. EMERGENCE OF THE INTEGRATION RATE AS A CRITERION FOR LOCAL PRODUCTION

In Algerian law, the integration rate is not uniformly defined in a single legal text. Its definition is sector-specific, varying by industry (e.g., automotive, home appliances, pharmaceutical). In practice, the qualification of a product as locally produced increasingly depends on meeting a minimum integration threshold, generally set at 30%. This percentage reflects the share of components, raw materials, or manufacturing steps performed on national territory, especially in sectors explicitly regulated by law.

3.2 DIFFERENTIATED LEGAL FRAMEWORK BY SECTOR

In practice, the conditions for qualifying a product as “national” are not uniform. They depend on specific legal rules applicable to each industry. This raises a key question:

What are the required conditions for a product to be considered local or national?

Is it necessary for part of the product's components to be locally manufactured, or would the mere mobilization of Algerian labor—through assembly, packaging, or technical expertise—be sufficient to qualify for effective local integration and thus access the “Made in Algeria” label?

The answer varies by sector. Some industries are strictly regulated by law, with clearly defined integration rates, such as:

- The automotive sector.
- The electronics and home appliances industry.
- The pharmaceutical sector.

3.2.1. SECTORS GOVERNED BY MANDATORY INTEGRATION RATES.

In the automotive sector, Executive Decree No. 22-384 defines the integration rate as the share of parts, subassemblies, and accessories produced locally and integrated into the vehicle, expressed as a percentage of the vehicle's total cost. The decree sets deadlines to reach minimum integration rates:

- 10% by the end of year 2
- 20% by the end of year 3
- 30% by the end of year 5 following approval

The methods for calculating the integration rate are detailed in ministerial orders, including the decree dated August 17, 2023, in the context of Algeria's industrial and investment policy.

In the pharmaceutical sector, locally manufactured medicines must show a minimum integration rate of 30%, according to Article 14 of Executive Decree No. 20-324 (November 22, 2020), as amended by Decree No. 23-101 (March 5, 2023). Exceptions may be granted for economic or supply reasons, upon proposal by the Ministry of Pharmaceutical Industry.

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The calculation methods are specified in Article 3. This framework aims to promote local production and reduce reliance on imports.

In other sectors, such as electronics and home appliances, the Finance Law (Article 60, Supplementary Finance Law 2020) establishes a mandatory minimum integration rate for eligibility to tax benefits.

The requirement to meet a certain integration rate fits into a broader strategy of promoting local subcontracting and national industrial development. Article 55 of the same Finance Law grants a two-year renewable exemption from customs duties and VAT for subcontractors who import or locally acquire components and raw materials for the production of assemblies or subassemblies.

3.2.2. SECTORS WITH FLEXIBLE RECOGNITION: LOCAL PRODUCTION WITHOUT INCENTIVES

Activities such as assembly, packaging, or basic conditioning are sometimes recognized as local production from a declarative or commercial standpoint. However, in the absence of substantial transformation or effective integration, these operations do not qualify for tax benefits under Algeria's industrial support programs.

Annexes I and II of the law on investment promotion, accessible via official websites, specify the list of eligible or excluded economic activities. These annexes clarify that assembly or packaging activities without

significant added value may be excluded from incentive schemes, due to their limited contribution to local integration.

3.3 THE CBAM REGULATION AND ITS APPLICATION IN ALGERIA

In 2024, Algeria's economy continues to show encouraging signs of industrial diversification. Non-hydrocarbon manufacturing output increased by 4 to 6%, driven notably by the pharmaceutical sector (+60%), mining (+15%), and mechanical industries (supported by a renewed wave of public tenders). While this momentum remains marginal compared to the dominance of hydrocarbons (95% of exports, with a 20% increase in 2024), it highlights a structural effort to reduce reliance on the energy sector.

However, this industrial revival strategy is challenged by new international trade and environmental frameworks—particularly with the progressive implementation of the European Union's CBAM (Carbon Border Adjustment Mechanism). The CBAM introduces a carbon border tax on imports of high-emission goods (such as steel, cement, and chemicals) into the EU, directly impacting Algeria's non-hydrocarbon exports, many of which originate from pollution-intensive sectors.

From a legal and commercial standpoint, the CBAM introduces requirements for carbon traceability, certified CO₂ emissions



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reporting, and alignment with EU environmental standards. This regulatory shift redefines access conditions to the European market and presents a strategic challenge for Algerian producers and exporters. Non-compliance may lead to higher costs, loss of competitiveness, and reduced market share, particularly in emerging industrial sectors.

IN THIS CONTEXT, THE ANALYSIS FOCUSES ON THREE KEY AREAS:

- The nature and scope of CBAM as a regulatory and strategic tool for Europe's climate transition;
- The structural and legal challenges it poses for the Algerian economy;
- Sustainable adaptation pathways and opportunities for Algerian companies aiming to maintain or expand their exports to the European Union.

3.3.1. CBAM – IMPLEMENTATION AND REGULATORY SCOPE

The Carbon Border Adjustment Mechanism (CBAM), established by Regulation (EU) 2023/956 of 10 May 2023, forms part of the European Green Deal (COM(2019) 640 final), which aims to achieve carbon neutrality in the EU by 2050. The CBAM is a carbon pricing mechanism applied to imports of selected goods with high carbon intensity from non-EU countries. It pursues two key objectives:

- To mirror the EU Emissions Trading System (ETS) by applying an equivalent carbon price to imported products;

- To prevent carbon leakage, discouraging relocation of production to countries with weaker environmental standards.

► CBAM TIMELINE:

• Transitional phase:

October 1, 2023 – December 31, 2025

- Quarterly reporting obligation of embedded emissions in imported products
- No financial payment required during this period

• Full implementation:

Starting January 1, 2026

- Mandatory purchase of CBAM certificates based on verified emissions
- Use of a registered declarant system via the EU CBAM Registry
- Penalties apply in case of non-compliance (Article 26 of the Regulation)

► Covered products (Annex I of the CBAM Regulation):

- Cement
- Aluminum
- Electricity
- Iron and steel
- Fertilizers
- Hydrogen

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3.3.2. CBAM APPLICATION TO ALGERIA: CHALLENGES AND IMPACTS FOR EXPORTERS

Although Algeria has benefited from an Association Agreement with the EU (since 2005), it is not exempt from CBAM obligations. As of 2024, Algeria's exports to the EU remain predominantly hydrocarbon-based (95% of total exports), with a 20% growth this year. However, a growing share of exports includes non-energy goods (e.g., steel, fertilizers, cement) which fall directly under the CBAM's scope.

► KEY CHALLENGES FOR ALGERIAN EXPORTERS:

Algerian producers must:

- Assess the CO₂ content embedded in their goods, using internationally recognized standards such as ISO 14067 or the GHG Protocol;
- Implement a system for monitoring and reporting direct and indirect emissions;
- **Provide European importers with:**
 - A quarterly emissions declaration.
 - Technical data on the production site.
 - Verified data from an accredited third-party auditor.

- To prevent carbon leakage, discouraging relocation of production to countries with weaker environmental standards.

► MAIN CONSTRAINTS:

- Lack of national carbon traceability standards in Algeria.
- Potential cost increases due to EU importers needing to purchase CBAM certificates, which may reduce price competitiveness.
- Risk of losing market share in Europe if Algerian producers fail to comply in time.

► OPPORTUNITIES AND RECOMMENDATIONS:

- Establish a national environmental certification framework.
- Accelerate investments in industrial decarbonization.
- Support companies in regulatory compliance efforts.
- Raise awareness among economic operators on how to use the CBAM self-assessment tools provided by the European Commission.

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3.4. RSE, PENAL ACCOUNTABILITY, AND THE ALLURE OF POLLUTING INDUSTRIES.

Algeria's business landscape, attractive to polluting industries due to its lenient regulatory framework, places a heavy burden of RSE and penal responsibility on corporate leaders, who must navigate significant civil and criminal liabilities. While the regulatory framework in Algeria might not be overly stringent, the social responsibility of corporations remains paramount, particularly for their international reputation. Corporate leaders are tasked with navigating the balance between expansion and sustainability, as environmental risks now carry significant penal consequences. This article delves into strategic legal frameworks that multinational corporations can leverage to mitigate their environmental liabilities, ensuring regulatory compliance while advancing a commitment to a sustainable future.

GENERAL PROVISIONS ON POLLUTION OFFENSES

The Algerian legislative approach to environmental protection is twofold: it enacts protective measures to combat environmental degradation and imposes penal sanctions on violators. A suite of environmental laws has been established, criminalizing pollution offenses across various sectors. Central to these is Law 03-10, which delineates the principles of environmental protection within the context of sustainable development. This law not only introduces an environmental impact assessment system for development projects but also establishes specific legal regimes and environmental oversight bodies. It underscores the critical need for corporations to integrate environmental considerations into their operational and strategic planning, not just for compliance but to uphold their social responsibility and protect their international image.

PROCEDURES FOR ENVIRONMENTAL COMPLIANCE

To ensure environmental compliance, multinational corporations operating in Algeria must adhere to environmental impact assessment procedures. Development projects, infrastructure, factories, and other developments that could potentially generate polluting waste are required to undergo an environmental impact study or notice, as stipulated by Article 15 of Law 03-10. Additionally, companies must navigate an inquiry procedure and secure prior authorization from the minister in charge of the environment for any activity or investment that could impact the environment. Furthermore, under Article 19 of the same law, installations not subject to an impact study or notice must be declared to the president of the relevant municipal people's assembly. This oversight is managed by the company's administration or authorized personnel.

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The Algerian legislator further empowers legally constituted associations active in environmental protection, granting them, under Article 37 of Law 03-10, the authority to pursue legal action against environmental harm, even when such harm does not directly affect their members. Consequently, companies found with contaminated soil may face administrative orders to suspend operations until the environmental threat is neutralized. In cases of imminent and severe environmental risk, corporations may also be mandated to undertake decontamination efforts on their premises.

BEYOND FINANCIAL RISKS: ENVIRONMENTAL IMPACT ON CORPORATE REPUTATION

Beyond the purely financial aspect, environmental risk proves detrimental to an organization's image. Indeed, the Algerian legislator has had to specify those responsible for non-compliance with laws and regulations related to environmental protection. Article 92 of Law 03-10 designates the corporate leader as solely responsible, either civilly or criminally, for any shortcomings in this area, and is liable for the sanctions provided at the time of the violation. Furthermore, when the owner or operator is a legal entity, the responsibility provided for falls on the legal representatives or de facto managers who ensure its direction or administration, or any person authorized by them. Following this, the legislator grants, in Article 37 of Law 03-10, legally constituted associations active in the field of environmental protection the authority to act before the courts.

However, the impact of environmental responsibility extends far beyond legal obligations. Companies that demonstrate a commitment to environmental stewardship and ethical practices not only enhance their image but also build trust with global partners and consumers. This proactive approach to corporate social responsibility can set a company apart in the international market, where reputation often influences business opportunities and partnerships.

CONCLUSIONS AND RECOMMENDATIONS

Although recently qualified legally in Algeria, environmental risk is wreaking havoc among so-called "eco-responsible" practices of organizations. Indeed, companies will need to obtain all required permits and follow administrative procedures. In addition, hiring an environmental Lawyer or advisor to draft a clear and detailed report on all productions and their impacts on the environment is advisable to avoid costly mistakes. However, in cases where the company's responsibility is engaged, fines and other countermeasures remain merely deterrents. It then remains to rely on the awareness of leaders regarding the stakes involved in safeguarding the environment, and on the good faith of companies to comply with regulations. Consequently, in view of the current economic and environmental stakes, different measures are imposed.



IV. Latest Case Study

IV. Latest Case Study

4.1 CASE STUDY: SERIOPLAST'S PACKAGING PLANT PROJECT IN ORAN

At Fares Legal, our commitment to providing unparalleled legal support in complex international projects was exemplified through our recent collaboration with Serioplast on the establishment of a second packaging plant in the industrial hub of Oran. This flagship development represents a pivotal moment not only for our client but also for local economic growth and job creation.

Navigating the intricacies of investment compliance within the banking regulations, we ensured that Serioplast met all local and international standards. Our team conducted thorough due diligence, meticulously assessing legal risks associated with the acquisition of land and equipment, which are critical components of large-scale industrial projects.

Beyond standard compliance measures, we adeptly negotiated multifaceted contracts that facilitated cross-border transactions and addressed diverse regulatory challenges. Our expertise in crafting innovative legal solutions was crucial in overcoming obstacles that could have hindered the project's progression.

The successful opening of Serioplast's new facility stands as a testament to our diligent efforts and collaborative spirit. The hard work of our team, alongside the dedication of Serioplast, has resulted in a transformative investment that not only enhances the company's expansion strategy but also significantly benefits the local community. We take pride in playing a central role in realizing this ambitious vision.



SERIOPLAST



V ● Inside The Firm

V Inside • The Firm

5.1 CHARITY SUPPORTING A WORTHY CAUSE: DYNAMIC'S GREEN FOUNDATION

At our firm, we are honored to support the Dynamic's Green Foundation, an organization dedicated to providing care and support for children affected by serious skin conditions. Their resilience inspires us, reminding us of the profound need for compassion in our communities.

Through our commitment to social responsibility, we make a small donation to enhance the lives of these young patients. We encourage all who wish to contribute to this noble cause to consider making a donation. Together, we can foster hope and dignity in the lives of those who need it most.

For more information and to donate, please visit [Dynamic's Green Foundation](#).

5.2 NEW CLIENT SPOTLIGHT: WELCOMING INDUSTRY PIONEERS.

We are thrilled to welcome three esteemed new clients we've signed with this quarter. Their expertise and innovative vision already shine in their respective fields, and we look forward to building a prosperous future together.

1. STRATUM RESERVOIR:

Based in the United States, Stratum Reservoir was established decades ago and has become a leader in the oil industry, specializing in analytical services for reservoir testing. The company operates globally with over 2,000 employees, focusing on innovations in Algeria to enhance petroleum exploration efficiency. With revenues exceeding \$500 million annually, Stratum Reservoir plays a crucial role in shaping the future of energy exploration through cutting-edge technological advancements.

2. ADOPTEN PLASTIK VE INSAAT SAN A.

Founded in Turkey in the early 1990s, ADOPTEN is a significant player manufacturing plastic materials for the construction industry, known for pioneering technological advancements. With facilities in more than 30 countries, the company targets Algeria for expanding its range of eco-friendly products. Employing over 3,000 people, ADOPTEN's extensive network underscores its ability to influence the global market, boasting revenues upwards of \$400 million.

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3. ALLER AQUA:

Established in Denmark during the mid-20th century, ALLER AQUA is a pioneer in fish feed production, operating internationally. The company employs around 300 people and focuses on Algerian projects aimed at supporting sustainable aquaculture. With annual revenues reaching approximately \$200 million, its success is driven by a commitment to innovation and environmental development, making ALLER AQUA a key player in the aquaculture sector's global evolution.

5.3 CLIENT TESTIMONIAL:

We are thrilled to welcome a new esteemed client we've signed with this quarter. Their expertise and innovative vision already shine in their respective field, and we look forward to building a prosperous future together.



Marjuan Bredenhann

• Attorney • SST Law Firm • South Africa •

I engaged your legal services to obtain crucial information regarding the jurisdiction of Algeria, and my expectations were undoubtedly met. I would rate the quality of the services a perfect 10, as the assistance provided was both satisfactory and effective. Communication was prompt, allowing for a seamless experience throughout our case. The attorney demonstrated impressive efficiency and expertise, which significantly influenced the positive outcome. Additionally, deadlines were consistently met without any hidden fees. Your team's professionalism and ethical standards were commendable, with no areas for improvement identified. Overall, I am thoroughly satisfied with the service received.

5.4 PAST EVENT INSIGHTS FROM THE SEMINAR ON PRODUCTION, INNOVATION & EXPORT

The seminar, “Algeria Connected: Production, Innovation & Export,” held on June 24th at Fares Legal’s headquarters in Algiers, was a pivotal event in driving Algeria’s economic progress. Featuring esteemed participants such as Mohamed Sebbagh from INAPI and Houssein Eddine Hamrouche from the Algerian Customs Authority, the discussions focused on regulatory compliance and export facilitation. Contributions from global experts, including Patrick Geißler and Kherina Narotam, enriched the dialogue. Major multinational corporations like GSK, Oxy, and EVER Pharma joined forces with public institutions to share actionable insights, laying the groundwork for Algeria’s innovation and investment landscape.

5.5 NEXT EVENTS CALENDAR

We are thrilled to welcome a new esteemed client we’ve signed with this quarter. Their expertise and innovative vision already shine in their respective field, and we look forward to building a prosperous future together.

• FARES LEGAL TO PRESENT AT MONACO MARITIME & ENERGY LAW SYMPOSIUM

Fares Legal is proud to announce that Mr. Yannil Belbachir, Managing Partner, will speak at the prestigious “Sea & Energy” symposium, sponsored by Prince Albert of Monaco, on July 11, 2025. His discussion will cover the legal challenges of green hydrogen export through the Mediterranean. The event gathers top experts to address the maritime and energy sectors’ evolving landscapes.

• FARES LEGAL TO PARTICIPATE IN AHK ALGERIA CONFERENCE ON PHARMACEUTICAL INNOVATION.

We are pleased to announce that Fares Legal, represented by Mazilda Kerkouche, will be a panelist at the upcoming AHK Algeria conference titled “Pharmaceutical Innovation and Intellectual Property – Challenges, Perspectives, and Strategies,” on July 14, 2025, at Hyatt Regency, Algiers. We look forward to discussing technology transfer, patent protection, and litigation within the pharmaceutical sector. Join us for this vital dialogue.

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- **JOIN US AT THE "ENERGY CHALLENGES AND INNOVATIONS" CONFERENCE IN ORAN NAPEC**

We are proud to announce that our firm, Farès Legal, represented by Manager Partner Yannil Belbachir, will present for the third consecutive time at the prestigious NAPEC conference in Oran on October 6th. This event will bring together major multinationals to discuss critical challenges in green hydrogen and the role of artificial intelligence in the energy sector. Don't miss this opportunity!



FARES LEGAL

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