

Legal Forms of Incorporations in Algeria

Common Elements for all Commercial Companies

Among the common features listed below, it should be recalled all companies incorporated after the supplementary finance law for 2009 are under obligation to have a local resident shareholding of 51%.

- Incorporation of the company
- Corporate name

A corporate name already registered by another company or enterprise with the Trade Register may not be chosen. A certificate attesting to the non-registration of the corporate name, valid for six months, must be delivered to the new company by the national trade registry. The corporate name must be followed by the corporate form.

Corporate Object:

The company is free to choose its object, subject to compliance with set conditions in the case of activities subject to specific regulations. The corporate object shall include all commercial activities that the company intends to conduct, based on the activity codes listed in the economic activity list.

The corporate object shall be clearly defined in the articles of association of the company to be drafted by a notary in Algeria. These nationally recognized activity codes will be registered in the company's trade register. The registration of regulated activity codes is subject to securing the required license, permit or authorization.

When the corporate object under consideration does not correspond to any activity code listed in the economic activity list, a request may be presented to the authorities of the national trade registry so that an activity code may be created.

Contributions:

1. *Cash contributions:* the funds generated by cash contributions are deposited with a notary or a financial institution. In the case of non-resident shareholders or partners, the funds are deposited in the name of the company being formed in an Algerian bank in a pending account opened in a foreign currency.

2. *Contributions in kind:* one or more expert evaluators of the in-kind contributions are designated by judicial decision at the request of one or all of the founders. They serve to appraise the value of the contributions in kind. Their report is attached to the Articles of Association.

3. *Labor equity:* in the case of partnerships.

The Articles of Association: the Articles of association are signed by all shareholders or partners, either in person, or through a proxy with special power of attorney, and must be drawn up in a notarized deed. The first board members or managing directors and the statutory auditor, when designation is mandatory, are designated in the Articles of Association or during the statutory shareholders' meeting established by a notarized deed or by a private agreement filed with a notary and registered and published.

Required documents for the incorporation shall be provided to the public notary in charge of registration of the company. Documents usually required by notaries for the incorporation of the company must be made available to the notary chosen by the shareholders.

The Company as a Legal Entity: registration of the company with the trade registry is mandatory and confers upon the company its legal status with all the related rights and obligations for the company itself, a corporation and the shareholders and directors who are individuals.

Accountability: the board members or managing directors are accountable, individually or jointly, as the case may be, *vis-à-vis* the company or third parties, for violations of legal provisions, violations of the Articles of Association or managerial misconduct.