

Entrepreneurship in Algerian Legislation: A Mechanism for Developing the National Economy

Benfid Hasnia

Department of law, University of Oran 2 Mohamed ben ahmed (Algeria),
benfrid.hasnia@univ-oran2.dz

Received: 05/12/2025

Accepted: 27/03/2026

Published: 22 /04/2026

Abstract:

Algeria increasingly views entrepreneurship as a key driver of economic development and a means to reduce dependence on hydrocarbons. By encouraging individual initiatives, small and medium-sized enterprises, and start-ups, the State aims to promote innovation, create jobs, and build a diversified and sustainable economy. To support this vision, the Algerian legislator has established a legal framework that facilitates business creation, offers tax and financial incentives, and provides specialized support mechanisms to help entrepreneurs overcome administrative and technical challenges.

Keywords: Economic growth, Entrepreneurship, Small and medium-sized enterprises, Start-ups, Financing.

1. INTRODUCTION

Following the colonial period, the State maintained a monopoly over economic activity. However, in order to address the stagnation that characterized the national economy at the time, and to keep pace with global economic developments, it gradually found itself compelled to abandon this monopoly. This shift involved opening the door for the private sector to participate in the national economy with the aim of revitalizing it. Consequently, the State began to rely on entrepreneurship as a key lever for achieving sustainable development. In this context, small and medium-sized enterprises, as well as start-ups, emerged as central instruments for embodying the new economic dynamic, given their essential role in job creation and wealth generation.

The Algerian legislator has recognized the significance of these economic actors and has therefore worked to establish a clear legal framework to regulate and promote them. This effort began with Law No. 17-02 on the development of small and medium-sized enterprises¹, which defined SMEs, outlined their classification criteria, and set the incentives granted to them. The framework was subsequently strengthened through

¹- **Law No. 17-02**, dated January 10, 2017, concerning the Guiding Law for the Development of Small and Medium Enterprises, Official Gazette No. 2, issued on January 11, 2017, p. 4..

regulatory instruments governing start-ups, particularly Executive Decree No. 20-254¹, as amended by Executive Decree No. 21-422², which introduced a modern legal definition of the start-up and specified the financial and technical support mechanisms available to such entities.

To provide a comprehensive legal environment for all aspects of entrepreneurship, the legislator also established several public bodies dedicated to supporting entrepreneurs, including the National Agency for Entrepreneurship Support and Development, the National Agency for the Promotion of Small and Medium-Sized Enterprises, and the National Fund for Financing Start-Ups.

In light of these developments, the study raises a central question: How has Algerian legislation structured entrepreneurship through the legal framework governing small and medium-sized enterprises and start-ups, and what institutional support mechanisms has it put in place to promote and strengthen them?

To address this question, the study adopts the descriptive and deductive methods, given the need for clear definitions to establish the relevant concepts, particularly those relating to SMEs and start-ups. It also employs the analytical method, as the research requires examining and interpreting the legal texts governing these entities. The study is divided into two sections: the first outlines the conceptual framework of SMEs and start-ups, while the second examines the institutional support mechanisms established for their development.

2. The Legal Framework of Small and Medium-Sized Enterprises and Start-Ups in Algerian Legislation

In order to stimulate development, the Algerian legislator has given considerable attention to economic enterprises through successive laws and regulations aimed primarily at encouraging small investors to adopt this type of business structure.

2.1 The Legal Regulation of Small and Medium-Sized Enterprises

The legislator has attached significant importance to small and medium-sized enterprises (SMEs) with the objective of enabling them to fulfill their role in achieving economic and social development, especially after they have proven at the international level to be an effective alternative for boosting national economies.

Branch One: Definition of Small and Medium-Sized Enterprises

¹- Executive Decree No. 20-254, dated September 15, 2020, establishing the National Committee for Granting the Start-up Enterprise and Innovative Project and Business Incubator Labels, and determining its tasks, composition, and operation, Official Gazette No. 55, issued on September 21, 2020, p. 10.

²- Executive Decree No. 21-422, dated November 4, 2021, amending and supplementing Executive Decree No. 20-254, Official Gazette No. 84, issued on November 4, 2021, p. 6.

The legislator defined SMEs in Article 5 of Law No. 17-02 on the development of small and medium-sized enterprises as follows:

“A small or medium-sized enterprise, regardless of its legal form, is defined as an enterprise engaged in the production of goods and/or services:
– *employing between one (1) and two hundred fifty (250) persons;*
– *whose annual turnover does not exceed four (4) billion Algerian dinars, or whose total annual balance sheet does not exceed one (1) billion Algerian dinars;*
– *and which satisfies the criterion of independence...”*

From this provision, several key elements can be inferred, the most important of which are:

- First, the legislator adopted an *economic* rather than a *legal* approach in defining SMEs. This is evident in the phrase “an enterprise engaged in the production of goods and/or services¹,” which clearly reflects an economic activity rather than a legal form. As scholars have pointed out, the term “enterprise” in this context refers broadly to the *project* itself, whether individual or collective, thereby attributing characteristics of a company to an enterprise, even if indirectly². Second, the legislator established *three criteria* to clearly identify SMEs. Notably, these criteria correspond to those adopted by European states under EU Recommendation No. 96/280/EC of April 3, 1996³.

These criteria are:

1. the number of employees,
2. annual turnover or total annual balance sheet, and
3. the independence criterion.

The provisions of Articles 8, 9, and 10 of Law No. 17-02 on the development of small and medium-sized enterprises classify SMEs into three categories:

- Medium-sized enterprises:
These are enterprises employing between fifty (50) and two hundred fifty (250) persons, with an annual turnover ranging from four hundred million (400,000,000) to four billion (4,000,000,000) Algerian dinars, or a total annual

¹ - Loukadir Malha, Role of Banks in Financing SMEs in Algeria, Master’s Thesis, Mouloud Mammeri University of Tizi Ouzou, Faculty of Law, 2012–2013, p. 20.

² - Karima Karim, The Single-Member Limited Liability Company and Its Compatibility with SMEs, PhD Thesis, Djillali Liabes University – Sidi Bel Abbès, Faculty of Law, 2009–2010, pp. 5–7.

³ - Journal Officiel des Communautés Européennes, No. 107, April 30, 1996, p. 4

balance sheet between two hundred million (200,000,000) and one billion (1,000,000,000) Algerian dinars.

- Small enterprises:
These are enterprises employing between ten (10) and forty-nine (49) persons, with an annual turnover not exceeding four hundred million (400,000,000) Algerian dinars, or a total annual balance sheet not exceeding two hundred million (200,000,000) dinars.
- Very small enterprises:
These are enterprises employing between one (1) and nine (9) persons, with an annual turnover below forty million (40,000,000) Algerian dinars, or a total annual balance sheet not exceeding twenty million (20,000,000) dinars.

It is worth noting that when an enterprise falls into one category based on the number of employees and into another category based on its turnover or annual balance sheet, priority is given to the turnover criterion, as explicitly provided for in Article 11 of the same law.

Furthermore, Article 37 of Law No. 17-02 excludes certain activities and types of companies from being classified as SMEs. Through this provision, the legislator sought to define the scope of application of the law by stipulating that small and medium-sized enterprises may not take the form of certain businesses, including: banks and financial institutions, insurance companies, real estate agencies, and import companies.

Branch two: The Various Legal Forms Available to Small and Medium-Sized Enterprises

Small and medium-sized enterprises may take the form of a "project," which can be either an individual project or a collective one. In both cases, it ultimately takes the form of a commercial company. In this regard, the legislator did not impose a specific type of company that must be adopted; rather, the choice is left to the investor, depending on his vision, capacities, and ambitions. Commercial companies are generally divided into three main categories: capital companies, partnerships, and hybrid companies.

1. Capital Companies

Capital companies are so named because they are primarily based on financial contribution rather than personal considerations. Their formation depends on the amount of capital contributed by each partner—not on the partner's identity. They are essentially aggregations of capital in which the personality of the shareholder is irrelevant. The main examples of this category are joint-stock companies (S.A.) and limited partnerships by shares.

With respect to the joint-stock company, its characteristics are entirely incompatible with the nature and requirements of small and medium-sized enterprises, as well as with the expectations of investors in this category. The procedures for its incorporation are complex and burdensome, which makes it unsuitable as a legal form for SMEs. As for the limited partnership by shares, the duality of partners and the differentiated scope of their liability do not align with the needs of SMEs, and therefore it is also not a form typically adopted by such enterprises.

2. Partnerships

Partnerships are not established on the basis of financial contribution, but rather on the personal qualities of the partners, given the close acquaintance and mutual trust among them. These companies rely essentially on personal considerations, which explains their designation as *partnerships*. The most common forms are the general partnership and the limited partnership.

The general partnership is characterized by a strict and demanding legal regime, particularly with respect to the acquisition of trader status and the extensive personal liability borne by each partner. These features often discourage small investors from adopting this form. As for the limited partnership, the multiplicity of partners complicates the incorporation process, and the severe liability imposed on general partners—combined with the exclusion of limited partners from management—makes this form unsuitable for meeting the expectations and needs of small investors. Consequently, small and medium-sized enterprises rarely choose partnerships as their legal structure.

3. Hybrid Companies

Hybrid companies—also referred to as *mixed-type companies*—are those that combine elements of both capital companies and partnerships. The most prominent example is the limited liability company (SARL). This form relies simultaneously on personal and financial considerations. The legislator regulated limited liability companies under Articles 564 to 591 of the Commercial Code¹.

A key feature of this form is that partners do not acquire trader status, and their liability is limited to the value of their individual contributions to the capital.

The provisions governing this company were amended by Law No. 15-20, which modified and supplemented Ordinance No. 75-59 on the Commercial Code². The most significant amendments include:

¹ - **Issued pursuant to Order No. 75-59**, dated September 29, 1975, concerning the Commercial Code, Official Gazette No. 105, issued on December 19, 1975, p. 1306.

² - **Law No. 15-20**, dated December 30, 2015, amending and supplementing Order No. 75-59, dated September 26, 1975, concerning the Commercial Code, Official Gazette No. 71, issued on December 30, 2015, p. 5

- Article 590 (as amended) raised the maximum number of partners from 20 to 50 partners.
- Article 566 (as amended) granted partners full freedom to determine the amount of share capital, whereas previously it could not be set below 100,000 Algerian dinars.
- Article 567 bis (newly introduced) now allows partners to contribute *in kind*, a possibility that was previously prohibited.

These characteristics make limited liability companies the most suitable and optimal legal form for small investors, particularly due to the limitation of liability to the amount of the contributed shares, the absence of trader status for partners, the possibility of contributing in kind, and the full freedom to determine the amount of capital.

2.2 The Legal Framework of Start-Ups

In its efforts to promote the national economy, the Algerian legislator has not limited support to small and medium-sized enterprises, but has also relied on start-ups as a means to accelerate economic development.

Branch One: Definition of Start-Ups

The Algerian legislator first addressed start-ups under Law No. 17-02, which provides the general framework for the development of small and medium-sized enterprises. Article 21 of this law deals with financing SMEs through loans and introduces the concept of innovative and emerging enterprises.

With the issuance of Executive Decree No. 20-254, which established a National Committee for the Award of the Start-Up Label, Innovative Project, and Business Incubator, and its regulatory provisions including Executive Decree No. 20-356 of November 30, 2020¹, establishing the Institution for the Promotion and Management of Start-Up Support Structures, Official Gazette No. 73, December 3, 2020, p. 9, as amended], the National Committee was designated as the competent authority to grant the start-up label. Its responsibilities include awarding the Start-Up Label, the Innovative Project Label, and the Business Incubator Label, as well as identifying and promoting innovative projects and contributing to the development of start-up ecosystems. The Committee also examines appeals following the rejection of applications for any of these labels, in accordance with Articles 2 and 8 of the same decree.

¹ - **Executive Decree No. 20-356**, dated November 30, 2020, concerning the establishment of the Institution for the Promotion and Management of Support Structures for Start-ups, specifying its tasks, organization, and functioning, Official Gazette No. 73, issued on December 3, 2020, p. 9. (Amended and Supplemented)

Although the decree does not provide a precise legal definition of a start-up, Article 11 specifies the conditions that any enterprise must meet to be eligible for the start-up label under Algerian law:

- The enterprise must be no more than eight (8) years old. While the legislator does not explicitly define the starting point of this period, it is generally assumed to be the date of incorporation.
- The enterprise's business model must rely on innovative products, services, business models, or ideas.

The enterprise's annual turnover must not exceed the amount set by the National Committee.

- At least 50% of the company's capital must be owned by natural persons, accredited investment funds, or other enterprises that have obtained the start-up label.
- The enterprise must have sufficient growth potential, with the objective of accelerating its exit from the incubation phase.
- The number of employees must not exceed 250, which is the same threshold used by the legislator to distinguish between SMEs and large enterprises. This indicates that the concept of start-ups is influenced by that of small and medium-sized enterprises.

Although there are similarities between the concepts of SMEs and start-ups, some scholars argue that equating the two categories is not appropriate¹. Each category has distinct characteristics.

For example, SMEs are generally risk-averse in order to preserve their capital, operate primarily in a limited local market while seeking to maintain their position, and use modern technology minimally or at a modest level.²

In contrast, start-ups are characterized by rapid growth, innovation, and a strong orientation toward expansion and market disruption.

Branch Two: Procedures for Granting the Start-Up Label

Articles 11, 12, 13, and the following provisions of Executive Decree No. 20-254, which established the National Committee for the Award of the Start-Up Label, Innovative Project, and Business Incubator, set out the procedures for granting the start-up label, as follows:

¹ - Abdelhamid Lamine & Samia Hasaïn, "Support Measures for the Start-Up Environment and Innovation in Algeria: A Review of Legislative Decree No. 20/254," *Journal of Research in Contracts and Business Law*, Frères Mentouri University – Constantine 1, Vol. 5, No. 2, 2020, p. 8.

² - Termoul Nassira, "The Effectiveness of SMEs in Promoting Algerian Investment," Master's Thesis, Business Law Department, University of Algiers 1, Ben Youcef Ben Kheda, Faculty of Law, 2013–2014, pp. 39– 42.

- Submission of the application: Applications must be submitted through the National Start-Up Portal and accompanied by the following documents:
 - o a copy of the commercial register;
 - o a tax and statistical identification card;
 - o a copy of the company's bylaws;
 - o proof of registration with the National Social Security Fund, accompanied by a nominal list of employees;
 - o proof of registration with the National Social Security Fund for non-employees;
 - o a copy of the current year's financial statements;
 - o a detailed business plan;
 - o the educational, technical, and professional qualifications of the enterprise's personnel;
 - o and, if applicable, any intellectual property documents, awards, or recognitions obtained.
- Response and validity: A decision regarding the application must be issued within 30 days from the date of submission. The start-up label is granted for a period of four years, renewable only once. In the event of rejection, the decision must be reasoned and communicated to the applicant electronically. The applicant may submit a justified request for reconsideration, and the final decision must be communicated electronically within 30 days from the date of the reconsideration request. Decisions granting the start-up label are published on the National Start-Up Portal.

In this context, it is noteworthy that, under Law No. 22-09¹, which amended the Commercial Code, the legislator introduced a new form of commercial company that had not been previously regulated, named the "Simplified Joint-Stock Company".

This new company type is governed in Chapter 12, Section 2, of Title I of the Commercial Code, specifically under Articles 715 bis 133 to 715 bis 143, and it may be exclusively established by start-ups. In other words, the formation of a simplified joint-stock company is linked specifically to the start-up enterprise, as provided for in Article 715 bis 133 of the amended and supplemented Commercial Code.

3. Institutional Support Mechanisms for SMEs and Start-Ups

Several bodies have been established to finance investment projects. Given the impossibility of covering them all, this study will focus on the National Agency for the Support and Development of Entrepreneurship as a mechanism for supporting micro-enterprises, as well

¹ - Law No. 22-09 of May 5, 2022, amending and supplementing the Commercial Code, Official Gazette No. 32, May 14, 2022, p. 12.

as business incubators and the Fund for the Support and Development of the Economic Ecosystem for Start-Ups, which specialize in financing start-ups.

3.1 The National Agency for the Support and Development of Entrepreneurship

The legislator established the National Agency for Youth Employment Support under Executive Decree No. 96-296, which defined the agency and its statute. Its name was changed in 2020 to the National Agency for the Support and Development of Entrepreneurship pursuant to Executive Decree No. 20-329.

Articles 1 and 4 of the same decree granted the agency a special legal status, endowing it with legal personality and financial independence. Oversight authority was assigned to the Minister of Knowledge Economy, Start-Ups, and Micro-Enterprises pursuant to Executive Decree No. 22-355¹.

In terms of internal organization, the agency comprises central and local structures, as defined by the internal organization decision dated April 22, 2025², which lays out the agency's internal governance framework.

Branch One: Conditions for Obtaining Support from the Agency

Article 2 of Executive Decree No. 03-290³, as amended and supplemented by Executive Decree No. 22-46⁴ sets out the legal conditions for obtaining financial support from the National Agency for the Support and Development of Entrepreneurship, as follows:

- The project owner must be between 18 and 55 years old.
- The project owner(s) must possess recognized professional qualifications and/or cognitive competencies, certified by a diploma or any other professional document.
- The applicant must not have previously benefited from support under the activity creation scheme.
- The applicant must provide a personal financial contribution meeting the minimum level specified in Article 3, as amended by Executive Decree No. 21-126⁵ which provides:

The minimum personal contribution depends on the total investment amount and the financing method, as follows:

1. For triple financing involving banks or financial institutions:

¹ - Executive Decree No. 22-355 of October 20, 2022, granting the Minister oversight over the National Agency for the Support and Development of Entrepreneurship, Official Gazette No. 71, October 27, 2022, p. 5].

² **Decision dated April 22, 2025, on the internal organization of the National Agency for the Support and Development of Entrepreneurship, Official Gazette No. 40, issued on June 29, 2025, p. 13.**

³ - Executive Decree No. 03-290 of September 6, 2003, defining the conditions and levels of aid granted to young project owners, Official Gazette No. 54, September 10, 2003, p. 10

⁴ - Executive Decree No. 22-46 of January 19, 2022, amending and supplementing Executive Decree No. 03-290, Official Gazette No. 6, January 20, 2022, p. 8.

⁵ - Executive Decree No. 21-126 of March 19, 2021, amending Executive Decree No. 03-290, Official Gazette No. 25, April 4, 2021, p. 14.

- 15% of the total investment if it is less than or equal to 10 million DZD.
- 12% if the investment is made in special zones or high plateaus.
- 10% if the investment is made in southern regions. The special zones mentioned above are designated by a joint ministerial decision between the ministers responsible, respectively, for micro-enterprises, interior affairs, local authorities, and finance. Regardless of the above percentages, the minimum personal contribution for students with innovative ideas and unemployed youth with projects is set at 5% of the total investment cost if the investment is less than or equal to 10 million DZD.

2. For dual financing without resorting to bank financing:

- 50% of the total investment if it is less than or equal to 10 million DZD.

Branch Two: Financing Schemes Provided by the Agency

In its effort to support youth and attract them to the investment sector, the legislator has established incentives facilitating easy access for project owners to the investment environment. The National Agency for the Support and Development of Entrepreneurship provides two main types of loans: non-reimbursable loans and additional non-reimbursable loans.

1. Non-Reimbursable Loans

The so-called non-reimbursable loans are governed by Article 7 of Presidential Decree No. 96-234¹, as amended and supplemented. Within this framework, the Agency offers several financing schemes for the establishment and expansion of micro-enterprises, as follows:

- Self-Financing: Under this scheme, the project owner finances the investment entirely and independently, without resorting to external sources. Beneficiaries of this scheme are subject to the same regulations as those under other financing schemes and enjoy the same advantages provided under the micro-enterprise promotion framework, except for the additional non-reimbursable loans, as stipulated by Article 03 bis of Executive Decree No. 03-290, as introduced by Executive Decree No. 18-191².

Choosing this financing scheme gives the enterprise full freedom in selecting the type of activities to be financed. The main objective of using the Agency's support is to benefit from financial incentives, including tax and quasi-tax exemptions and VAT exemptions for the purchase of equipment³.

¹ - Presidential Decree No. 96-234 of July 2, 1996, on supporting youth employment, Official Gazette No. 41, July 3, 1996, p. 11.

² - Executive Decree No. 18-191 of July 22, 2018, amending and supplementing Executive Decree No. 03-290, Official Gazette No. 44, July 22, 2018, p. 10.

³ - Yasmina Ammamra – Wiam Mellah, "Evaluation of the National Agency for Youth Employment Support Financing in Establishing and Supporting SMEs," *Journal of Money and Business Economics*, University of Larbi Tebessi, Algeria, Vol. 3, No. 4, 2020, p. 171.

- Dual Financing: Article 04 of Executive Decree No. 20-374, amending Article 11 of Executive Decree No. 03-290, provides for dual financing where 50% of the investment amount is contributed by both the project owner and the Agency, applicable when the total investment is less than or equal to 10 million DZD.
- Triple Financing: This scheme involves three parties sharing the financing of the project. The project owner contributes 5% to 15% of the investment amount, while the Agency contributes 15% of the total investment if the investment is less than or equal to 10 million DZD. If the investment is made in special zones or high plateaus, the non-reimbursable loan rate is 18%, and it rises to 20% for investments in southern regions, as established by Article 04 of Executive Decree No. 20-374, amending Article 11 of Executive Decree No. 03-290.

However, regardless of the provisions mentioned above, the amount of the non-reimbursable loan (i.e., the financing provided by the Agency) is set at 25% of the total investment cost when the investment is less than or equal to 10 million DZD. This preferential rate applies specifically to students with innovative ideas and unemployed youth with projects, in accordance with Article 11 of Executive Decree No. 03-290, as amended by Executive Decree No. 21-125, mentioned previously.

Secondly: Additional Non-Reimbursable Loans

Article 11 bis 1 of Executive Decree No. 03-290, as amended by Executive Decree No. 20-374, regulates the provisions concerning this type of loan. It allows project owners to benefit from an additional non-reimbursable loan, provided it is necessary. This additional loan may be granted under the following circumstances:

- A loan not exceeding 500,000 DZD to cover rent for the premises or docking fees at ports, intended for the establishment of goods and services production activities, excluding non-resident activities. This loan is granted only when the young entrepreneur resorts to:
 - Bank financing at the initial stage of establishing the activities.
- An additional non-reimbursable operational loan, exceptionally, not exceeding 1,000,000 DZD.

The conditions and procedures for granting this loan are determined by a joint ministerial decision between the Minister of Finance and the Minister responsible for micro-enterprises, which was indeed issued on 26 September 2021¹.

Article 3 of this decision specifies the legal conditions for benefiting from the additional non-reimbursable operational loan, which are as follows:

- The micro-enterprise must be experiencing liquidity shortage or lack of cash.
- The micro-enterprise must be operational at the time of submitting the loan application.

¹ - Ministerial decision dated 26 September 2021, determining the conditions and procedures for granting the additional non-reimbursable operational loan, Official Gazette No. 86, 11 November 2021, p. 28.

- The essential equipment of the micro-enterprise must be present.
- The micro-enterprise must not be compensated by the joint guarantee fund for the risks of loans granted to youth entrepreneurs.

3.2 Support Mechanisms for Start-Ups

To ensure the success of policies focusing on start-ups, it was necessary to provide financial guarantees to support these enterprises. Accordingly, the Algerian legislator established specific institutions and mechanisms dedicated to financing start-ups.

Branch One: Business Incubators

Business incubators assist start-ups in entering the field of entrepreneurship by providing both financial and non-financial support, including guidance in project management. In this context, Article 21 of Executive Decree No. 20-254, establishing the National Committee for granting the “Start-Up,” “Innovative Project,” and “Business Incubator” labels, stipulates:

“Eligible for obtaining the Business Incubator label is any structure, public or private, or a public-private partnership, that offers support to start-ups and holders of innovative projects in terms of accommodation, training, consulting, and financing.”

This provision clearly demonstrates that the legislator expanded the range of entities eligible for the Business Incubator label, without limiting it to specific types of organizations.

Article 25 of the same decree defines the tasks entrusted to business incubators, which include:

- Hosting the start-ups being incubated and providing them with equipped workspaces.
- Supporting project owners during the process of establishing their enterprise.
- Assisting start-ups in preparing business plans, market studies, and financing plans.
- Providing specialized training, particularly in business management and legal and accounting obligations.
- Making logistical resources available to project owners, such as meeting rooms, IT equipment, office supplies, and high-speed internet.
- Assisting start-ups in developing prototypes.
- Supporting incubated start-ups in securing funding and market penetration.

Article 29 subjects the implementation of incubator obligations to ongoing monitoring by the National Committee, while Article 30 provides that any breach of these obligations may result in the suspension or withdrawal of the Business Incubator label by the National Committee, with the decision being justified and communicated electronically to the concerned party.

Branch Two: Fund for Supporting and Developing the Economic System of Start-Ups

In order to support and encourage start-ups, the legislator established a special allocation account in the Treasury under No. 150-302, entitled Fund for Supporting and Developing the Economic System of Start-Ups, pursuant to Article 131 of Law No. 19-14¹.

The legislator also issued Executive Decree No. 21-303² which governs the management of this account. According to Article 2 of the decree, the Minister Delegate to the Prime Minister, in charge of Knowledge Economy and Start-Ups, is the principal authority authorized to disburse from this account.

Furthermore, Articles 3 and 4 of the same decree stipulate that the list of revenues and expenditures recorded in the account, as well as the methods for monitoring and evaluating the account, shall be determined by joint ministerial orders issued by the Minister of Finance and the Minister in charge of Start-Ups.

Accordingly, the funding areas of the Fund for Supporting and Developing the Economic System of Start-Ups were determined pursuant to the Joint Ministerial Decision dated 23 August 2023³ Article 2 of this decision, under the heading "Expenditures of this account," provides for the allocation of resources to:

- Funding Feasibility Studies:
 - Expenses related to technological feasibility studies.
 - Expenses related to economic feasibility studies.
- Funding for Business Plan Development:
 - Expenses related to the development of the business plan.
- Funding for Technical Assistance:
 - Expenses related to the accreditation of modeling centers.
 - Expenses related to the accreditation of data centers.
- Funding Costs Related to the Creation of a Prototype:
 - Design, simulation, and validation tests of the concepts.
 - Production, testing, and validation of prototypes for start-ups and innovative projects awarded relevant marks.
 - Procurement of equipment, raw materials, and software.

¹ - Law No. 19-14, dated ..., on the Finance Law for 2020, Official Gazette No. ..., p. ..., as amended by Article 68 of Law No. 20-07 on the Supplementary Finance Law for 2020 and Article 42 of Order No. 21-07 on the Supplementary Finance Law for 2021.

² - Executive Decree No. 21-303, dated 1 August 2021, specifying the management procedures for Special Allocation Account No. 150-302, entitled Fund for Supporting and Developing the Economic System of Start-Ups, Official Gazette No. 60, issued on 5 August 2021, p.11.

³ - Ministerial Decision dated 23 August 2023, determining the revenue and expenditure code of Special Allocation Account No. 150-302, entitled Fund for Supporting and Developing the Economic System of Start-Ups, Official Gazette No. 81, issued 24 October 2021, p. 17.

Entrepreneurship in Algerian Legislation: A Mechanism for Developing the National Economy

- Expenses related to technical work accompaniment.
- Expenses related to testing, certification, accreditation, and standardization.
- Funding for prototypes of innovative projects.
 - Funding for Training:
- Expenses related to the training of trainers.
- Expenses related to specialized mentoring.
 - Incubation of Start-Ups:
- Expenses related to hosting start-ups awarded the “Start-Up” mark.
- Expenses related to incubating innovative projects awarded the “Innovative Project” mark.
- Implementation of special programs to launch and support start-ups in partnership with economic operators.
 - Promotion of the Start-Up Economic Ecosystem:
- Expenses related to expert interventions for the committee responsible for granting marks.
- Expenses related to promoting and funding start-ups awarded marks.
- Expenses related to national-level filings for patents and trademarks, and their maintenance during the validity period of the “Start-Up” and “Innovative Project” marks.
- Patent costs under the Patent Cooperation Treaty and patent extensions for start-ups and innovative projects awarded marks.
- Expenses related to acquiring a database of patents and all forms of intellectual property.
- Implementation of special programs to launch and support start-ups according to the technological needs of national enterprises.

It is clear from this text that the funding provided by the Fund for Supporting and Developing the Economic System of Start-Ups is significant and comprehensive, particularly in terms of the areas it covers, which are diverse, encompassing both financial and non-financial aspects. Moreover, this funding supports start-ups across different stages, whether pre-establishment, foundation, or launch, thereby linking the start-up to its broader economic environment.

Monitoring and Evaluation of the Funding

Regarding the monitoring and evaluation of the funding provided by the Fund for Supporting and Developing the Economic System of Start-Ups, the Joint Ministerial Decision dated 23 August 2021¹ establishes clear procedures.

According to Articles 2, 3, and 4 of this decision:

- Funding is open to innovative project owners, start-ups, and business incubators.
- Funding is provided in the form of financial allocations.
- The beneficiaries must sign an agreement with the Minister responsible for start-ups. This agreement defines the implementation, monitoring, and evaluation of activities, specifies the rights and obligations of the parties, and sets out the amount and disbursement procedures of the allocated funds.

Articles 6 and 7 assign the Ministry's services with the responsibility to monitor and supervise the use of allocations, granting them the authority to request all necessary accounting documents and supporting records.

Article 8 restricts the use of the allocated funds solely to the purposes for which they were granted, while Article 5 obliges beneficiaries to prepare periodic reports on the use of the funds.

It is evident from these provisions that the Algerian legislator has established a comprehensive and structured framework to ensure the proper use, accountability, and transparency of the financial support provided to start-ups, incubators, and innovative projects.

4- Conclusion

Algeria is steadily moving towards consolidating a culture of entrepreneurship as a strategic choice to advance the national economy, recognizing that the economic future relies on innovation and individual initiative. The growing attention to small and medium-sized enterprises (SMEs) and start-ups has enabled the establishment of a legal and regulatory framework that encourages project creation and facilitates the transformation of ideas into tangible realities.

Particular emphasis has been placed on student entrepreneurship through Ministerial Decision No. 1275, dated September 27, 2022, which allows university students to transform their graduation projects into start-ups and obtain a "University Certificate – Start-up." This decision was amended by Decision No. 008, dated February 23, 2025, changing the certificate's name to "University Certificate – Economic Enterprise," providing pedagogical and technical support mechanisms within universities through innovation labs and business incubators, enabling students to acquire the essential skills to launch their own ventures.

Based on the foregoing, the following recommendations can be proposed:

¹ - Ministerial Decision dated 23 August 2021, concerning the methods for monitoring and evaluating Special Allocation Account No. 150-302, titled Fund for Supporting and Developing the Economic System of Start-Ups, Official Journal No. 81, issued on 24 October 2021, p. 18.

Entrepreneurship in Algerian Legislation: A Mechanism for Developing the National Economy

- Simplify administrative procedures and make them more streamlined through digitalization to motivate youth and cultivate a spirit of independent initiative.
- Enhance international cooperation by establishing partnerships with leading foreign universities and centers in the field of entrepreneurship to benefit from global expertise.
- Implement continuous training for project owners to ensure sustainability and improve business performance.

Bibliography List :

Academic References:

- Karima Karim, *The Single-Person and Limited Liability Company and Its Suitability for Small and Medium Enterprises – A Comparative Analytical Study*, PhD Thesis, Djilali Liabes University – Sidi Bel Abbes, Faculty of Law, 2009-2010.
- Nassira Termoul, "Effectiveness of Small and Medium Enterprises in Promoting Algerian Investment", Master's Thesis in Law, Business Law Branch, University of Algiers 1, Faculty of Law, 2013-2014.
- Malha Loukadir, *The Role of Banks in Financing Small and Medium Enterprises in Algeria*, Master's Thesis, Mouloud Mammeri University – Tizi Ouzou, Faculty of Law, 2012-2013.
- Samia Hassaine Abdelhamid Lamine, "Measures Supporting the Startup Environment and Innovation in Algeria: A Reading of Legislative Decree No. 20-254", *Journal of Contract and Business Law Research*, University of Frères Mentouri Constantine 1, Vol. 5, No. 2, 2020.
- Yasmina Amamra & Wiam Malah, "Evaluation of the National Agency for Youth Employment Support in the Establishment and Support of Small and Medium Enterprises", *Journal of Economics, Finance, and Business*, University of Larbi Tebessi, Algeria, Vol. 3, No. 4, 2020.

Legal References:

- Order No. 75-59, dated September 29, 1975, on the Commercial Code, Official Journal No. 105, issued on December 19, 1975, p. 1306.
- Law No. 15-20, dated December 30, 2015, amending and supplementing Order No. 75-59, Official Journal No. 71, issued on December 30, 2015, p. 5.

- Law No. 17-02, dated January 10, 2017, establishing the Guideline Law for the Development of Small and Medium Enterprises, Official Journal No. 2, issued on January 11, 2017, p. 4.
- Law No. 22-09, dated May 5, 2022, amending and supplementing the Commercial Code, Official Journal No. 32, issued on May 14, 2022, p. 12.
- Executive Decree No. 20-254, dated September 15, 2020, establishing the National Committee for awarding the “Startup Enterprise” and “Innovative Project” labels, and incubator recognition, Official Journal No. 55, issued on September 21, 2020, p. 10.
- Executive Decree No. 20-356, dated November 30, 2020, establishing the Institution for the Promotion and Management of Startup Support Structures, Official Journal No. 73, issued on December 3, 2020, p. 9.
- Executive Decree No. 21-303, dated August 1, 2021, determining the management procedures of the special allocation account No. 150-302 titled "Fund for Supporting and Developing the Economic Ecosystem of Startups", Official Journal No. 60, issued on August 5, 2021, p. 11.
- Executive Decree No. 21-422, dated November 4, 2021, amending and supplementing Executive Decree No. 20-254, Official Journal No. 84, issued on November 4, 2021, p. 6.
- Joint Ministerial Decision, dated August 23, 2021, determining the revenue and expenditure code of the special allocation account No. 150-302 titled "Fund for Supporting and Developing the Economic Ecosystem of Startups", Official Journal No. 81, issued on October 24, 2021, p. 17.
- Joint Ministerial Decision, dated September 26, 2021, defining the terms and procedures for granting additional non-repayable loans for operating expenses, Official Journal No. 86, issued on November 11, 2021, p. 28.

2-International References:

- Recommendation of the European Commission, April 3, 1996, Official Journal of the European Communities No. 107, issued on April 30, 1996, p. 4.