

Practical Embodiment of Digitization of Tax Administration in Algeria



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Abstract:

The tax field constitutes the ideal tool for the state's financial policy, by making taxes a duty of citizenship in accordance with the provisions of Article 82 of the 2020 constitutional amendment. However, current developments in the field of information and communication technology, coupled with the spread of the repercussions of the Fourth Industrial Revolution, have obliged Algeria to modernize this tax sector, on the one hand, and, on the other hand, to develop general financial reforms of the tax system on a broader scale. This has been embodied through several stages, starting with the establishment of a digital environment for tax administration as a strategy towards e-government, with the aim of bringing the administration closer to the taxpayer through participatory citizenship by contributing to increasing the dynamism of the national economy in accordance with the requirements of tax control for tax collection based on the principles of transparency and equality.

Key Words: Tax system, digitization of tax administration, participatory citizenship, e-government.

التجسيد العملي لرقمنة الإدارة الجبائية في الجزائر

الملخص: يشكل الحقل الضريبي الأداة المثلى للسياسة المالية للدولة و ذلك بجعل الضريبة من واجبات المواطنة وفقا لمقتضيات المادة 82 من التعديل الدستوري لسنة 2020 ، إلا أن التطورات الراهنة في مجال تكنولوجيا المعلومات و الاتصال المقترن بانتشار تداعيات الثورة الصناعية الرابعة ألزمت الجزائر على عصنة القطاع الجبائي هذا من جهة. ومن جهة أخرى تطوير الإصلاحات المالية العامة للنظام الجبائي على نطاق أوسع ، الأمر الذي جسد عبر عدة مراحل بداية من تكريس بيئة رقمية للإدارة الجبائية كاستراتيجية نحو الحكومة الالكترونية ، و بهدف تقريب الإدارة من المواطن المكلف بالضريبة من خلال المواطنة التشاركية عن

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طريق مساهمة هذا الأخير في الرفع من حركية الاقتصاد الوطني وفقا لمقتضيات الرقابة الجبائية للحصول الضريبي القائم على مبدأي الشفافية و المساواة .

الكلمات المفتاحية: النظام الجبائي ، رقمنة الإدارة الجبائية ، المواطنة التشاركية ، الحكومة الالكترونية.

La Concrétisation Pratique de la Numérisation de l'Administration Fiscale en Algérie

Résumé:

Le secteur fiscal représente l'outil optimal de la politique fiscale de l'État, faisant des impôts un devoir national conformément aux dispositions de l'article 82 de l'amendement constitutionnel de 2020. Cependant, les développements actuels des technologies de l'information et de la communication, ainsi que les répercussions généralisées de la quatrième révolution industrielle, ont incité l'Algérie à moderniser ce secteur fiscal d'une part, et à développer des réformes financières publiques plus larges pour le système fiscal d'autre part. Cet objectif a été atteint grâce à plusieurs étapes, à commencer par la mise en place d'un environnement numérique pour l'administration fiscale, stratégie d'e-gouvernement. L'objectif est de rapprocher l'administration des contribuables grâce à la citoyenneté participative, contribuant ainsi au dynamisme de l'économie nationale, conformément aux exigences de contrôle fiscal et de recouvrement, fondé sur les principes de transparence et d'égalité.

Mots Clés: Le système fiscal, la numérisation de l'administration fiscale, la citoyenneté participative, le gouvernement électronique.



Introduction:

Over the past decade, the world has witnessed significant developments in the field of information and communications technology, which in turn has prompted both developed and developing countries to adopt the modernization of their public administration. This has been achieved through the introduction of digitization within the administration. It imposed a new administrative reality based on the use of modern technologies, with the transition from traditional administrative management to modern administrative management. We find that this is achieved particularly through the introduction of the internet to expedite implementation, reduce the burden on employees, reduce costs, and bring the administration closer to citizens, with the goal of streamlining public service.

From the beginning of 1999 until today, Algeria has been working to establish a digital environment in the public sector as a strategy to implement the e-government announced in 2013 under the name “Electronic Algeria”. Therefore, information and communication technologies has been introduced into various public facilities, in light of what is called “digitization of the public service”.¹

The importance of the topic of our article lies in the fact that it is the talk of the hour, as we aim through this article to clarify the features of digitization in tax administration services.

Tax administration is the important sectors that countries work to develop and improve public service. This is in order to advance this important sector, which is of paramount importance due to its impact on all economic, social, and political aspects. Therefore, the Algerian state has sought to transform transactions from paper to electronic, considering that taxation is a duty of citizenship, in accordance with the provisions of Article 82 of the 2020² Constitutional Amendment. This has facilitated the declaration process to improve services and gain the trust of taxpayers, on the one hand, and serve the interests of the administration, on the other. In light of the above, and in order to fully encompass the various aspects of the study, we decided to address the topic according to the following question:

What are the manifestations of the digitization of tax administration services in light of tax reforms?

¹ - Nora Lakehal , Electronic Service for the Justice sector-Algeria as a model- Al Basaer Journal of Legal and Economic Studies, Volume Number 3 Issue Number 3, September 2023, Algeria, page 81.

² - Presidential Decree No. 20-442 of 15 Jumada Al-Awwal 1442 corresponding to December 30, 2020, promulgating the constitutional amendment approved in the referendum of November 1, 2020, Official Gazette No. 82 issued on December 30, 2020.



In order to answer the problem raised, we divided our research as follows:

The first Topic is “**Tax Administration Modernization Strategy**”, while we devote the second Topic to “**Digitization of Tax Declarations**”, Then we will discuss about “**Digitizing Tax Indentication procedures**” in the topic three .

The First Topic :

Tax Administration Modernization Strategy

Implementing digital technology at the level of the tax administration in Algeria is a challenge to confront globalization, as well as to meet the new organizational plan for the tax administration and expand the scope of the taxpayer network. This requires material and modern capabilities. In this context, the tax administration has initiated fundamental reforms aimed at shifting from the traditional management method to electronic management. The measures taken to achieve tax administration modernization, in particular, are as follows:

First section : Creating a website dedicated to the tax administration

With the expanded use of communication and digitization tools, a website was then created for the General Directorate of Taxes (www.mfdgi.dz)¹ in Arabic and French. This website enables taxpayers to access various applicable tax laws and regulations², and to learn about various taxes and fees, their rates, and payment methods.

The website publishes all announcements and notices related to tax collection, and the website also allows downloading and copying various legislative texts from the laws. Taxation, financial laws, tax regulations, circulars and instructions, as well as tax documents, tax guides and booklets, and all documents related to monthly and annual declarations³. This website is an electronic space that allows information and data to be made available to those who want it, and facilitates access to it with minimal effort and without the hassle of traveling to various tax administration offices.

¹ - www.mfdgi.dz. consulted on 01/02/2025 at 3:00 p.m.

² - Ramdalia Abdullah Sofiane, The Role of Electronic Administration in Developing Public Service and Public Facilities in Algeria, Digitization of Tax Administration as a Model, a paper presented at the International Scientific Conference on the Legal System of Electronic Public Facilities, Reality - Challenges - Prospects, University of Mohamed Boudiaf, M'sila, Algeria, page 9 .

³ - Kamesh Hussein and Boukhadouni Lokman, Digitization of Tax Administration as a Trend to Improve Services in Light of Tax Reforms in Algeria 1992-2022: The Case of the Two Electronic Portals “Jabaytak” and “Musahadatak”, Al-Muntada Journal for Economic Studies and Research, Ziane Achour University - Djelfa, Volume 6, Issue 2, December 2022, page 774.



Second Section : Establishing Departments and Directorates Specializing in Modernizing Tax Administration

Referring to Executive Decree No. 21-252¹, which regulates the central administration of the Ministry of Finance, Article 5 stipulates that the General Directorate of Taxes is divided into three departments, including:

A department concerned with tax management and collection and modernizing professional systems, which is responsible for the following:

- Defining and simplifying tax procedures related to tax base management and collection; ensuring monitoring of the activities of departments related to personal and corporate taxation, as well as real estate taxation; ensuring operational oversight of fuel and mining tax collection; and developing a strategy to modernize the professional systems and procedures of the General Directorate of Taxes to facilitate its information integration.

This department consists of three directorates, two of which are related to modernization:

A- The Directorate for Modernization of Professional Systems and Leadership, which is specifically responsible for the following:

- Defining a strategy for modernizing professional systems and procedures to facilitate their information integration and ensure change management within the framework of modernization projects.
- Ensuring interaction between professional structures and technical services to support functional needs, coordinating and directing procedures to standardize management methods and approaches.
- Conducting studies related to organization and powers, defining the technical and territorial jurisdiction of tax services, and preparing relevant regulatory texts².
- Collecting, consolidating, and interpreting tax and quasi-tax statistical information, managing and evaluating the management system through efficiency indicators.

This directorate consists of four sub-directorates, including the Sub-Directorate for Modernization Strategy Leadership, It is specifically responsible for the following:

¹ - Executive Decree No. 21-252 dated Shawwal 25, 1442 AH corresponding to June 6, 2021, regulating the central administration of the Ministry of Finance, Official Journal Number 47 of 2021.

² - Aziz Samia and Qawarah Umm Al Khair, Electronic Management as an Alternative Strategy to Traditional Management, Afaq Journal for Research and Studies Algeria, Volume01, Issue Number 04 page 113.



- Defining the modernization strategy for the General Directorate of Taxes in line with the national strategy for modernizing public administration and ensuring its follow-up.
- Proposing innovative projects for integration into the information system, promoting a digital culture, and monitoring and ensuring the follow-up of change management processes.

B- The Information Systems Directorate, which is specifically responsible for the following:

- Ensuring the consistency of the information system with the overall strategy and professional requirements of the General Directorate of Taxes.
- Integrating new technological developments in this field into the information system.
- Ensuring the security and operational management of application systems, infrastructure, and the network, while providing users with support and assistance.
- Preparing and disseminating a security policy to ensure data integrity, secure access to applications and equipment, and provide services to users and taxpayers.¹

Note that the Information Systems Directorate consists of four sub-directorates, including the Sub-Directorate for Governance and Information Systems Security, which is specifically responsible for the following:

- Defining the strategic plan for information technology for the General Directorate of Taxes and aligning it with the established overall strategy.
- Managing the portfolio of information systems projects and determining the standards and approaches applicable to them.
- Ensuring the implementation of information systems governance principles by developing control panels and ensuring the security and reliability of information systems by defining and establishing the relevant security policy.

Third Section : Adopting Purely Technical Methods

The tax administration has expanded its internet connection across its various departments to enhance cooperation and coordination between them and facilitate access to necessary information by tax administration departments, each according to its jurisdiction ². A new technology has also been adopted to obtain a tax identification number by sending a taxpayer a numbering request via email to the tax administration. This facilitates the taxpayer's ability to quickly identify and obtain

¹ -Rabie Nasira, The Inevitability of Digitization as a Mechanism for Implementing E-Government in Algeria, Al Ustadh Al Baheth Journal for Legal and Political Studies, Volume 6, Issue 2, p.1031.

² - Youssef Mamesh Al-Mali, Nasser Dadi Adoun, Registered Record of the Institution's Performance and Structure, Al-Mohammadia Printing House, 1st Edition, Algeria 2008 page 25.



this number via the website¹. This has also made the taxpayer's tax file intangible, eliminating the traditional paper-based system. This facilitates the taxpayer's tax file at all stages of tax compliance, from establishing a tax account to tax collection. A method for obtaining tax extracts using the internet, also known as electronic tax extracts, has also been adopted.

The Second Topic : Digitizing Tax Declarations

By embodying e-governance in the tax field, Algeria has adopted information systems for remote tax declarations via two portals, through which taxpayers declare taxable amounts and assets using digital technology. These two portals are: the first is "Your Taxation," and the second is "Your Contribution." This is what we will address in this section.

First Section : The "Jibaya Tic" Portal as a Method For Digitizing Tax Procedures

The Jibaya Tic portal is a virtual space and information system for tax administration, announced by the Ministry of Finance, represented by the General Directorate of Taxes, in 2013 on its website <https://jibayatic.mfdgi.gov.dz>².

It is accessible via the internet to provide remote services, improve business conditions, and promote tax preparedness. This is available to taxpayers affiliated with the Directorate of Large Enterprises, the Tax Center, or the Neighborhood Centers. Upon prior request, they obtain a username and password to access all portal services via the Obligat dépôt déci icon.

The word is divided into "JIBAYA," which means "collection" in Arabic, and "Tic," which refers to information and communication technology. This information system offers several advantages:

A- For the tax administration:

- Complete automation of all administrative procedures, from receiving taxpayers to the tax base, collection, and file management.
- Rapid exchange of information between departments and with various institutional agencies through the implementation of e-administration features.
- Digitization of notifications addressed to taxpayers, enabling investigators to conduct a cross-reference process between the information received after the creation of petitions.
- Reducing the cost of tax publication requests.

¹ - Asmaa Al Labadi and Khadija Taliya, Digitization of Tax Administration - A Case Study of the Tax Center in El Oued, Master's Thesis, Faculty of Law and Political Science, University of Martyr Hamou Lakhdar-El Oued, Academic Year 2018-2019, page 51-52.

²- <https://jibayatic.mfdgi.gov.dz> consulted on 15/02/2025 at 4:00 p.m.



- Providing reliable summary data for prospective and analytical studies and decision-making, with the automation of accounting processes.

B- For the taxpayer:

- Avoiding travel to submit tax declarations remotely.
- Providing taxpayers with information related to their updated tax calendar and tax obligations.
- Access to tax declaration forms and payment via the portal.
- The ability to file appeals in the event of collection issues before the competent authorities.

Second Section : The "Your Contribution" Portal as a Mechanism for Settling Tax Obligations

This portal was created to simplify the fulfillment of tax obligations for taxpayers at the level of tax collection offices affiliated with the provincial directorates that do not have a tax center or neighborhood centers. This electronic space, www.mfdgi.gov.dz/moussahamaicar¹, allows taxpayers to settle their obligations to the tax administration via the Internet, allowing them to initiate payment through means that clear their debts. This provides two features:

A. Confidentiality and security:

This is embodied by accessing private data in a confidential manner, such as²:

- Payment via various types of bank cards and the Algeria Post Gold Card, without the possibility of hacking the taxpayer's PIN.
- Full documentation of the portal's service offerings in detail, starting with the information and dates of each transaction.

B. Embodying the dematerialized nature of procedures:

This is achieved by dematerializing traditional procedures for:

- Tax declaration series G50 - Declarations related to the lump-sum tax system for the G 12 Estimated and G 12 Bis Final Tax Returns.
- The possibility of requesting bank domicile with the payment of taxes and fees related to tax returns, depending on their type.

¹ - www.mfdgi.gov.dz/moussahamaicar consulté le 19-01-2025 à 09h00.

² - Ben Ali Belazoz and Ahmed Washan, Tax reforms as a tool for modernizing and developing tax administration with reference to the case of Algeria, Academy for Social and Human Studies, Issue 17, January 2017, page 69.



The Topic Three:

Digitizing Tax Identification Procedures

The recent digitization of tax administration has contributed to reducing many of the burdens that previously burdened both taxpayers and the administration. This has also imposed state oversight over the activities of individuals engaged in activities subject to the commercial register through what is known as tax numbering, which serves as an individual's identity card before the tax administration. Therefore, we will discuss the definition of tax numbering and then discuss the procedures for obtaining it .

First Section : Definition of Tax Numbering

The Tax Identification Number (TIN) is of great importance, as it serves as proof of the taxpayer's tax identity and an effective means of combating tax evasion through the exchange and cross-referencing of data across various files. Its role is not limited to this alone; it is key to the continuity of professional activity and a primary factor in implementing administrative procedures such as opening bank accounts, implementing investment projects, or engaging in foreign trade procedures.

The Tax Identification Number (TIN) constitutes a management tool and the main axis of the national directory of taxpayers and tax records, as it allows:

- Ensuring a single and final identification of taxpayers
- Facilitating the identification of taxpayers.
- Identifying the assets of natural and legal persons.
- Identifying and tracking commercial and other transactions and the movement of funds to and from Algeria.
- Making changes to the name, social designation, or legal status of the taxpayer, as required.
- Monitoring of persons (natural and legal persons) in place and time.

Therefore, it was agreed to manage the flow of information between various users and actors in the available economic environment using the TIN, which will enable them to identify the tax identity of natural and legal persons and thus organize their activities.

Thus, a number of institutions have approached the tax administration to obtain a tax identification number, such as the National Center for the Commercial Register, the Bank of Algeria, the National Agency for the Promotion of Foreign Trade, the National Agency for Investment Development, the National Agency for the Support of Youth Employment, etc.



All of these bodies provide important information to the tax administration, which should focus on the tax identification number. The technical details of this provision will be determined later through agreements between these bodies.

Second Section : Extracting Tax Numbering Electronically

The Tax Administration has provided taxpayers with the ability to obtain their tax identification number electronically via the internet ¹, They simply enter their personal information on the website <https://nifenligne.mfdgi.gov.dz/> ² and can also verify the number.

As a first step, you must submit an application through the following link <https://nifenligne.mfdgi.gov.dz/> and confirm your details.

Upon completion, you will receive a receipt along with your application number. This will be your guide to tracking the progress of your application and printing your registration certificate.

Then follow the progress of your application processing via the same link mentioned above by entering the required information.

After entering the information related to the taxpayer, he must print the tax registration certificate.

Finally, the person concerned must confirm their tax registration certificate. They must go to the tax inspectorate responsible for their business activity, bringing the following two documents:

- Acknowledgement of receipt
- Two copies of the tax registration certificate.

If all the information is correct, the service official will affix their seal and signature to your certificate. The General Tax Administration will then publish the taxpayer's tax identification number on the certification website.

This platform allows for the following:

- Processing tax registration requests
- Issuing a tax registration certificate
- Approval of the tax registration certificate by the competent authority
- Entering and receiving inquiries related to tax registration

According to the above, it can be said that the tax number is the identity card of the taxpayer, whether a natural or legal person, and that in order to open a tax file in order to declare presence before the tax administration, legal steps and procedures

¹ -<https://nifenligne.mfdgi.gov.dz/> consulted on 17/02/2025 at 2:00 p.m.

² -Kouadri Mouhammad, Digitization of the Tax System and its Role in Supporting Tax Control in Algeria, Al-Muntada Journal for Economic Studies and Research, Volume number 03 Page 240.



must be followed to obtain this number, which has become possible to obtain through the electronic public services platform of the tax administration.

Conclusion:

Through our study of the various aspects related to the modernization of tax administration in Algeria, we can conclude that taxation is a tool for promoting the national economy and a duty incumbent upon taxpayers, as stipulated in the Constitution. The state must facilitate its collection in a legal manner, in line with the digitization of the public sector, enabling taxpayers to declare and pay remotely without complications or bureaucracy.

Therefore, we have reached the following **Results** :

- The introduction of technology and communication technologies to tax administration is an inevitable result of the digitization of public services, in order to facilitate and simplify various tax sector operations.
- Bringing citizens closer to the tax administration is important for embodying the idea of participatory citizenship.
- Digitizing the tax system is a modern method for combating bureaucracy, fraud, and tax evasion.
- Implement administrative digitization in the tax field by developing information systems aimed at facilitating services for citizens.

Based on the above, we have proposed the following **recommendations**:

- Update legal texts to align with the nature of the emerging tax systems in the tax sector.
- Provide all requirements for digitizing the tax system, including legal mechanisms and human resources.
- Introduce new service technologies that facilitate the fulfillment of tax obligations for taxpayers.
- Strengthen oversight mechanisms for the use of information systems to prevent all forms of cybercrime affecting citizens' personal data.
- Among the most important recommendations is that the Algerian legislator must amend the Tax Procedures Law, especially in the supervisory aspect. This law is no longer in line with the requirements of the competitive market, which is witnessing illegal practices by economic operators and taxpayers.



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