



The Self-Entrepreneur: An Analytical Study in Light of Law No. 22-23 Establishing the Basic Law for Self-Entrepreneurs in Algeria

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Abstract:

The Algerian legislator introduced the status of self-entrepreneur through Law No. 22-23, establishing the foundational framework for this entrepreneurial model. This initiative aligns Algeria with both European and Arab countries by facilitating youth access to the labor market and entrepreneurial ventures, aiming to promote domestic investment and extend legal and economic oversight across private and emerging sectors, particularly in digitization and technology.

This paper seeks to analyze the legal framework of the self-entrepreneur system by examining the key provisions of Law No. 22-23.

Keywords: self-entrepreneur, Law No. 22-23, entrepreneurial activities, advantages of self-entrepreneurs, obligations of self-entrepreneurs

Introduction:

Global economic developments have necessitated Algeria's adaptation to achieve comprehensive and sustainable growth. This effort begins with revitalizing its economy and promoting private-sector activities under the constitutional

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guarantee of free trade, investment, and entrepreneurship. Notably, the 2020 constitutional amendment added "entrepreneurship" to the chapter on fundamental rights and public freedoms,¹ highlighting its importance for advancing the national economy.

As part of Algeria's legislative reforms aimed at creating a conducive legal environment for entrepreneurial activity, Law No. 22-23, which defines the legal framework for self-entrepreneurs, was enacted. This legislation was informed by several national sessions organized by the Ministry of Knowledge Economy, Startups, and Micro-Enterprises in Algiers on March 29-30, 2021, focusing on the knowledge economy.² The primary goal is to facilitate youth entry into the labor market, encourage domestic investment, and integrate young entrepreneurs into the formal economy, particularly in the context of technological and digital advancements. This paper examines the legal framework governing the self-entrepreneur system by analyzing the provisions of Law No. 22-23.³ The core research question is:

Has the Algerian legislator successfully regulated the legal framework for self-entrepreneurs, considering the increasing diversity and informality of entrepreneurial activities and the challenges they present?

To answer this question, we adopt a descriptive-analytical approach, presenting factual data and analyzing the provisions of the self-entrepreneur law to identify its key elements. This study is divided into two main sections:

1. The first section defines the concept of the self-entrepreneur, offering both legal and doctrinal interpretations (First Topic), followed by the legal qualifications required to obtain self-entrepreneur status (Second Topic).

2. The second section explores the advantages and obligations of self-entrepreneurs, as outlined in Law No. 22-23.

¹ See Article 61 of the 1996 Constitution, as amended and supplemented by Presidential Decree No. 20-442, dated December 30, 2020, Official Gazette, No. 82, issued on December 30, 2020.

² Menagli Ahmed Lamine, The Basic Law for Self-Entrepreneurs: A New Legal Framework for Entrepreneurship in Algeria, *Journal of Legal and Political Thought*, Vol. 7, No. 1, p. 1130

³ Law No. 22-23, dated December 18, 2022, establishing the Basic Law for Self-Entrepreneurs, Official Gazette, No. 85, issued on December 19, 2022.



THE FIRST TOPIC: The Concept of the Self-Entrepreneur

Defining the concept of a self-entrepreneur requires examining both its legal and doctrinal definitions, as well as the legal conditions necessary to acquire this status.

FIRST REQUIREMENT: Defining the Self-Entrepreneur

In this topic, we will first explore the doctrinal definition of the self-entrepreneur, followed by its legal definition in Algerian legislation and comparative legal systems.

Firstly: Doctrinal Definition of the Self-Entrepreneur

Many scholars define the self-entrepreneur as: "A person engaged in small-scale trade relying primarily on physical labor to earn modest profits for subsistence, rather than on capital investment, and who is not subject to the obligations imposed on merchants."

Another definition describes the self-entrepreneur as: "An individual entrepreneur benefiting from reduced social, tax, and legal burdens, enabling natural persons to create their own primary business independently, outside the traditional corporate structure, with the aim of increasing personal income."⁴

A further view sees the self-entrepreneur as: "A provider of goods or services operating independently, without being linked to a specific employer."⁵

⁴Mohamed Imad Eddine Aghrabi, Characteristics of the Self-Entrepreneur System in Morocco, Master's Thesis, Private Law Department, Business Law Specialty, Faculty of Law, Economics, and Social Sciences, Abdelmalek Essaadi University, Kingdom of Morocco, 2017-2018, p. 23.

⁵Menagli Ahmed Lamine, op. cit., p. 1130.



Self-entrepreneurship itself can be described as: "The transformation of a set of creative and innovative ideas into a profitable economic activity, undertaken independently and on a personal basis."⁶

Secondly: Legal Definition of the Self-Entrepreneur

Some legal systems have been pioneers in adopting the self-entrepreneur model, providing formal definitions.

- **Moroccan Legislation** defines the self-entrepreneur as:

"Any individual engaged in industrial, commercial, or artisanal activities, or providing services on an individual basis, with annual revenue not exceeding:

- 500,000 dirhams for industrial, commercial, or artisanal activities;
- 200,000 dirhams for service activities."⁷

- **Kuwaiti Legislation**, under Article 17, defines self-entrepreneurs as: "Individuals engaged in small trades or crafts relying primarily on their skills to earn modest profits for subsistence rather than on capital investment, such as itinerant vendors and owners of small shops. They are exempt from merchant obligations related to commercial bookkeeping, registration in the commercial registry, and bankruptcy and composition regulations."⁸

- **Algerian Legislation**, similar to these systems, provides a definition in Law No. 22-23 establishing the basic law for self-entrepreneurs: "A self-entrepreneur is any natural person conducting a profitable individual activity listed among the eligible activities for self-entrepreneurship, with annual revenue not exceeding the limit set by applicable legislation."⁹

⁶Souilem Mohamed and Haj Omar Miloud, Regulating Self-Entrepreneurship in Algeria under Law No. 22-23, *Journal of Legal and Economic Research*, Vol. 7, No. 2, p. 338.

⁷Mohamed Imad Eddine Aghrabi, *op. cit.*, p. 21.

⁸See Article 17 of Kuwaiti Commercial Law No. 68 of 1980, available at: <https://wipolex-res.wipo.int>, accessed on November 19, 2024, at 06:13.

⁹See Article 2 of Law No. 22-23, *op. cit.*



This legal definition appears to incorporate the conditions for acquiring self-entrepreneur status. The Algerian legislator restricts this status to natural persons, excluding legal entities. Additionally, it requires that the individual conduct profitable business independently, working alone for personal benefit, without partnerships or collaborators. The activity must also be listed among the eligible entrepreneurial activities defined by relevant regulations.

SECOND REQUIREMENT: Legal Conditions for Acquiring Self-Entrepreneur Status

The conditions for obtaining self-entrepreneur status can be divided into **personal conditions**, which relate to the individual, and **substantive conditions**, which concern the nature of the entrepreneurial activity.

Firstly: Personal Conditions for Benefiting from the Self-Entrepreneur System

An analysis of Articles 2 and 3 of Law No. 22-23 establishing the basic law for self-entrepreneurs reveals several requirements, including those concerning the target group and the legal working age.

1- The Individual Must Be a Natural Person

The Algerian legislator, following the approach of other legal systems, limits self-entrepreneur status to natural persons, excluding legal entities such as companies. This choice aims to reduce unemployment by encouraging individual entrepreneurial initiatives.

2- Reaching the Legal Working Age

the law assumes the individual must have the legal capacity to act as a self-entrepreneur, which is generally attained at **19 years old**, as per general rules found in the Civil Code.¹⁰ However, minors may engage in trade if they are at least

¹⁰See Article 40 of Ordinance No. 75-58, dated September 26, 1975, establishing the Civil Code, as amended and supplemented.



18 years old and have obtained authorization, according to Article 5 of the Algerian Commercial Code.¹¹

Law No. 22-23, however, uses the term "legal working age," which refers to employment regulations that differ from the general legal capacity rules. This nuance suggests a distinct threshold for self-entrepreneurship eligibility based on labor law criteria.¹²

3- Nationality and Residency

The legislator requires self-entrepreneurs to be **Algerian nationals residing in Algeria** or **foreign residents**. Foreigners must comply with specific conditions outlined in Algeria's regulatory framework, notably Law No. 08-11 governing the entry, stay, and movement of foreigners within Algeria.¹³

Secondly: Substantive Conditions for Benefiting from the Self-Entrepreneur System

The substantive conditions relate to the nature of the activity conducted by the self-entrepreneur. These include:

1- Engaging in an Activity Listed as Eligible for Self-Entrepreneur Status

The list of qualifying activities is defined by Executive Decree No. 23-197,¹⁴ particularly Article 4, which identifies seven broad sectors:

- **Consulting, expertise, and training**
- **Digital services and related activities**
- **Domestic services**
- **Services aimed at individuals**

¹¹ Ordinance No. 75-59, dated September 26, 1975, as amended by Law No. 15-20, dated December 30, 2015, Official Gazette, No. 71, issued December 30, 2015.

¹² See Article 15 of Law No. 90-11, dated April 21, 1990, concerning labor relations, Official Gazette, No. 17, issued April 25, 1990.

¹³ Law No. 08-11, dated June 25, 2008, concerning the conditions for the entry, residence, and movement of foreigners in Algeria, Official Gazette, No. 36, issued on July 2, 2008.

¹⁴ Executive Decree No. 23-197, dated May 25, 2023, defining the list of eligible activities and registration procedures for self-entrepreneurs under the basic law, Official Gazette, No. 37, issued on June 4, 2023.



- **Recreation and entertainment services**
- **Services directed at businesses**
- **Cultural, communication, and audiovisual services**

Each sector includes specific individual activities. However, **regulated professions, liberal professions, and crafts** are excluded from this list.¹⁵ The activity list serves as the **sole and mandatory reference** for defining qualifying entrepreneurial activities. Any individual seeking registration in the National Register of Self-Entrepreneurs must use this reference list.¹⁶

The content of the activity list, including specific activities, is updated by ministerial decree based on recommendations from the Self-Entrepreneur Activity Committee.¹⁷ This committee is chaired by the minister responsible for startups or a representative and includes representatives from various ministries, along with experts in entrepreneurship, technology, and digitization. The committee reviews, provides opinions, and issues recommendations regarding eligible activities.¹⁸

The **National Agency for Self-Entrepreneurs** manages the electronic operation of the activity list, including sectors and individual activities. The agency is responsible for reproducing, distributing, and making the list available to users, as well as reviewing proposals for new activities and presenting them to the committee for evaluation.¹⁹

Executive Decree No. 23-196 governs the organization and operation of the National Agency for Self-Entrepreneurs. According to this decree, the agency is: "A public administrative institution with legal personality and financial autonomy, placed under the supervision of the minister responsible for startups, headquartered

¹⁵See paragraph 2 of Article 2 of Law No. 22-23, op. cit.

¹⁶See Article 7 of Executive Decree No. 23-197, op. cit.

¹⁷See Article 8 of Executive Decree No. 23-197, op. cit.

¹⁸See Article 11 of Executive Decree No. 23-197, op. cit.

¹⁹See Article 9 of Executive Decree No. 23-197, op. cit.



in Algiers, with potential branches established by joint decree of the ministers responsible for startups, finance, and public administration."²⁰

2- Compliance with Annual Revenue Limits for Self-Entrepreneur Status

According to Article 2 of Law No. 22-23, which establishes the basic framework for self-entrepreneurs, the legislator requires that a self-entrepreneur's annual revenue must not exceed a legally defined limit. In this context, the 2023 Finance Law sets the maximum revenue threshold for activities governed by the self-entrepreneur law at **five million Algerian dinars**.²¹

Exceeding this statutory revenue cap constitutes a breach of the conditions for holding self-entrepreneur status, resulting in the loss of associated benefits. This consequence is explicitly confirmed by Article 13 of Law No. 22-23.

THE SECOND TOPIC: Advantages and Obligations of the Self-Entrepreneur

To attract young people and encourage them to adopt the self-entrepreneur model, the Algerian legislator, like other jurisdictions, has granted several incentives to motivate participation. At the same time, it imposes relatively simple obligations compared to those of merchants.

FIRST REQUIREMENT: Legal Advantages Granted to Self-Entrepreneurs

Based on Article 9 of Law No. 22-23, the legal advantages for self-entrepreneurs include the following:

Firstly: Simplified Accounting System

Since self-entrepreneurship is limited to small-scale activities, the law allows for the maintenance of simplified financial records. This approach aligns with

²⁰See Articles 2, 3, and 4 of Executive Decree No. 23-196, dated May 25, 2023, concerning the organization and functioning of the National Agency for Self-Entrepreneurs, Official Gazette, No. 37, issued June 4, 2023.

²¹See Article 51 of Law No. 22-24, dated December 25, 2022, establishing the Finance Law for 2023, Official Gazette, No. 89.



earlier legal frameworks, notably the **July 26, 2008 decree**, which sets limits on revenue, employee numbers, and activities qualifying for simplified accounting,²² as well as **Law No. 07-11 on the Financial Accounting System**.²³

Secondly: Exemption from Commercial Registry Registration

One of the most significant advantages for self-entrepreneurs is the exemption from registering in the **commercial registry**, a process known for its complexity and bureaucratic requirements. Unlike merchants, who lose their status if they fail to register, self-entrepreneurs are not subject to the provisions of **Executive Decree No. 97-41**, particularly the requirement to submit various documents for registration.²⁴

Thirdly: Preferential Tax System

The primary goal behind establishing the self-entrepreneur system is to reduce unemployment and provide a legal framework for emerging entrepreneurial activities, especially in **technology and digitization**. Self-entrepreneurs benefit from a preferential tax regime. The **2023 Finance Law** initially set the flat-rate tax at **5% of annual revenue**,²⁵ but after criticism, the **2024 Finance Law** reduced it to **0.5%**,²⁶ a symbolic rate more appropriate for the revenue limits established by law.

Fourthly: Ability to Open a Commercial Bank Account

One of the key advantages granted to self-entrepreneurs by the Algerian legislator is the ability to open a **commercial bank account**. Under normal

²²See Article 2 of the Decision dated July 26, 2008, setting revenue and staffing thresholds for activities applicable to small entities for simplified financial accounting, Official Gazette, No. 19, issued on March 25, 2009.

²³See Article 25 of Law No. 07-11, dated November 25, 2007, establishing the Financial Accounting System, Official Gazette, No. 74, issued on November 25, 2007, as amended and supplemented.

²⁴See the conditions listed on the website of the Ministry of Internal Commerce and National Market Control at: <https://www.commerce.gov.dz/immatriculations-personnes-physiques-et-morales>, accessed on January 1, 2025, at 20:49.

²⁵See Article 16 of Law No. 22-24, dated December 25, 2022, establishing the Finance Law for 2023, Official Gazette, No. 89, issued on December 29, 2022.

²⁶See the last paragraph of Article 18 of Law No. 23-22, dated December 24, 2023, establishing the Finance Law for 2024, Official Gazette, No. 86, issued on December 31, 2023.



circumstances, opening such an account requires **registration in the commercial registry** and submission of a trade license or similar documentation. However, self-entrepreneurs are exempt from the obligation to register in the commercial registry and are still permitted to open a commercial bank account. This provision facilitates the practice of business activities within the self-entrepreneur framework and enables them to benefit from the advantages associated with commercial banking services.

While Article 9 of Law No. 22-23 explicitly outlines the primary benefits for self-entrepreneurs, a careful reading of Articles 7 and 8, found under Chapter 1: General Provisions, reveals additional advantages. Self-entrepreneurs can conduct business from their residence or shared workspaces, whereas merchants must provide a property deed or lease agreement to register with the commercial registry.²⁷

This flexibility particularly benefits those engaged in home-based services, a category listed among the eligible activities under the self-entrepreneur framework. It also encourages participation from stay-at-home women and individuals unable to work outside their homes, providing a formalized pathway into the economy.

To further enhance security, the law protects the self-entrepreneur's personal or family residence from seizure in cases of unpaid debts or liabilities arising from business activities.²⁸

Second REQUIREMENT: Obligations of the Self-Entrepreneur

Given the advantages granted to self-entrepreneurs and the limitations on their revenue, the legal obligations imposed are relatively light to match the simplicity of the system. These obligations include the following:

Firstly: Mandatory Tax Identification Number (TIN)

This requirement follows logically from the privilege of benefiting from a preferential tax regime. It would be unreasonable for a self-entrepreneur to receive tax benefits without obtaining a TIN. After submitting a registration request to the

²⁷See the conditions listed on the website of Internal Commerce and National Market Control.

²⁸See Articles 7 and 8 of Law No. 22-23, establishing the basic law for self-entrepreneurs.



National Self-Entrepreneur Register, either in-person or via the dedicated digital platform, and receiving a card confirming self-entrepreneur status,²⁹ the individual must declare their existence to the regional tax authorities within **30 days** to obtain a TIN.

Once the TIN is issued, the self-entrepreneur must annually request an administrative certificate from the tax authorities indicating the revenue earned, following a template provided by the General Tax Directorate. Additionally, self-entrepreneurs must declare their revenue to the tax authorities for proper tax settlement.³⁰

Secondly: Registration with Social Security

Article 10 of Law No. 22-23 requires self-entrepreneurs to register with the **Social Security Fund for Non-Salaried Workers**. While this is a legal obligation, it also provides long-term benefits, particularly in terms of retirement coverage.

Thirdly: Compliance with Legislative and Regulatory Provisions

Self-entrepreneurs are required to adhere to all applicable laws and regulations related to their business activities. For example, self-entrepreneurs operating in the **services or digitization sectors** must comply with:

- **Law on Commercial Practices and Consumer Protection**
- **Law on the Prevention and Suppression of Cybercrime**
- **Law on General Rules for Electronic Signatures and Certification**
- **Law on Postal and Electronic Communications**
- **Executive Decrees on Quality Control and Fraud Prevention**
- **Regulations for Internet Service Provision**

²⁹See Executive Decree No. 23-198, dated May 25, 2023, defining the self-entrepreneur card template, Official Gazette, No. 37, issued on June 4, 2023.

³⁰See Articles 10 and 11 of Law No. 22-23, op. cit.



Compliance with these laws ensures the legal integrity and professionalism of self-entrepreneur activities.

Conclusion :

The enactment of Law No. 22-23 of December 18, 2022, which provides the basic legal framework for self-entrepreneurs in Algeria, marks a significant regulatory achievement, albeit somewhat delayed compared to other countries, both Western and Arab.

From our analysis of this law, we draw the following conclusions:

✓ Limited Scope of the Law:

The law comprises only 17 articles, delegating critical issues such as the list of eligible activities, the self-entrepreneur card template, and registration procedures to regulatory decrees. Additionally, it assigns the management of the self-entrepreneur register to a designated institution.

✓ Definition of Self-Entrepreneur vs. Self-Entrepreneurship:

The law defines the self-entrepreneur but does not explicitly define self-entrepreneurship. The definition provided includes conditions for acquiring self-entrepreneur status rather than a conceptual definition in the strict sense.

✓ Obligations but Limited Rights:

While the law outlines obligations for self-entrepreneurs, it provides minimal detail on their rights during the actual practice of eligible activities. In the absence of specific provisions, general civil law principles apply, particularly Articles 549 and following of the Civil Code, which define contracts for services or work. This definition aligns well with the concept of self-entrepreneurship.

✓ Reasonable Incentives:

The incentives granted, such as exemption from commercial registry registration, address bureaucratic barriers that might otherwise discourage youth from entering the entrepreneurial market. However, the revenue cap of five million



dinars is widely regarded as insufficient for generating substantial profits, a concern raised by members of the National People's Assembly during deliberations on November 8, 2022.

✓ **Strengths of the Law:**

Despite its shortcomings, the law succeeds in providing a simple and logical framework. Allowing self-entrepreneurs to operate from their residence, while protecting the home from seizure, represents a major departure from general rules that would otherwise permit creditors to claim personal property for unpaid debts.

✓ **Fully Digitalized Registration Process:**

Making the self-entrepreneur card application process entirely digital simplifies entry into the labor market and self-employment, aligning with technological advancements.

✓ **Social Security Benefits:**

The inclusion of social security coverage, retirement benefits, and access to the Chifa card represents a significant step forward, addressing a key aspiration of the Algerian populace.

Recommendations :

- The maximum annual revenue limit for self-entrepreneurs should be revised and increased to better reflect current economic and social realities.
- Exemption from the lump-sum tax should be considered, at least during the first year of actual business operations, to encourage and attract a larger number of young entrepreneurs.
- Legal and economic research on self-entrepreneurship should be promoted to support academic and practical understanding of this business model.
- Creative ideas and innovations related to self-entrepreneurship should be encouraged through awareness campaigns targeting young people, highlighting the advantages and opportunities offered by the self-entrepreneur system.



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