Journal of Development Research and Studies, Volume (13) / Issue (1), June 2026, p366-p379

The startup's label in the algerian legislation: a critical analytical approach

علامة مؤسسة ناشئة في التشريع الجزائري: مقاربة تحليلية نقدية

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Received :06/01/2026 Accepted :20/05/2026 Published:30/06/2026

Abstract:

This study critically analyzes the legal regime of the "Startup Label" in Algeria, specifically Executive Decree No. 20-254 and its amendments (21-422 and 25-311). Adopting a descriptive-analytical approach, the research evaluates the legislative shift from a static definition to a performance-based model, highlighted by the new "Scale-up" category. The analysis reveals persisting ambiguities regarding the legal nature of the Labeling Committee and support bodies like Algeria Venture. It concludes that while the ecosystem is successfully institutionalized, substantive reforms in judicial review and terminological consistency are essential for full legal efficacy.

Keywords: Startup Label, Innovation Policy, Legal Framework, Scale-up, Public Financing.

JEL Classification Codes: K23, O38, M13.

الملخص:

تُحلل هذه الدراسة بشكل نقدي النظام القانوني لـ"علامة مؤسسة ناشئة" في الجزائر، وتحديداً المرسوم التنفيذي رقم 20-254 وتعديلاته (21-422 و25-311). باعتماد المنهج الوصفي التحليلي، يُقيم البحث التحول التشريعي من تعريف جامد إلى نموذج قائم على الأداء، وهو ما برز من خلال الفئة الجديدة "المؤسسة المتسارعة" (Scale-up). يكشف التحليل عن وجود غموض مستمر يحيط بالطبيعة القانونية للجنة منح العلامة وهيئات الدعم مثل "الجزائر فنتشر". وتخلص الدراسة إلى أنه على الرغم من نجاح مأسسة النظام البيئي، فإن إجراء إصلاحات جوهرية في آليات الرقابة القضائية وضمان الاتساق المصطلحي يُعد أمراً ضرورياً لتحقيق الفعالية القانونية الكاملة.

الكلمات المفتاحية: علامة مؤسسة ناشئة، سياسة الابتكار، الإطار القانوني، مؤسسة متسارعة، التمويل العمومي.

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Introduction

In various legal systems —particularly in Algeria—startup enterprises have come to represent a contemporary economic paradigm through which states aspire to achieve qualitative leaps in development. These entities are envisaged as instrumental in mitigating reliance on hydrocarbon-derived revenues, especially amidst the volatility of global oil markets **(Meziane & Amrouche, n.d.)**.

In response, the Algerian **regulatory framework** has recently undergone reformative recalibrations to articulate a general legal architecture designed to incentivize and scaffold specific forms of entrepreneurial activity. This framework seeks not merely to foster wealth creation in its financial and material dimensions, but also to catalyze job creation and economic dynamism **(Satori, 2016)**.

Within this legal-economic construct, the term startup denotes a novel economic model premised on innovation, ideation, and entrepreneurial agility, all of which are legally valorized through the conferment of the Startup Label. This designation is conferred upon ventures that meet a defined set of legal prerequisites, triggering a host of legal effects—some grounded in the general investment framework established by **Law No. 22-18 (Law No. 22-18, 2022)**, others emanating from sector-specific interactions with peer enterprises under business incubation schemes.

This study interrogates the following central question: To what extent does the current regulatory framework for the 'Startup Label' provide a coherent and effective legal regime that balances administrative control with the entrepreneurial agility required for economic growth?

To answer this inquiry, the research adopts a dual methodology: a descriptive approach, outlining various legal scenarios and the conditions that govern them; and an analytical approach, aimed at deconstructing statutory texts and deriving their interpretive implications.

Accordingly, the study is structured into two principal sections:

1. A conceptual delineation of the Startup Label;
2. An examination of the legal effects entailed in acquiring such designation.

1. Conceptual Framework of the Startup Label

The articulation of the Startup Label as a legal and economic category necessitates, in the first instance, a rigorous definitional effort (1.1), followed by an examination of the procedural mechanisms governing its conferment (1.2).

1.1 Definition of the Startup Label

Clarifying the meaning of the Startup Label constitutes the foundational bedrock of the present inquiry, as it offers the necessary conceptual grounding prior to engaging with the doctrinal and regulatory intricacies of the subject. However, legal scholarship remains noticeably deficient in providing a precise definition of this term. Accordingly, this section begins by delineating the conceptual contours of startup enterprises (1.1.1), before addressing the statutory criteria for acquiring the Startup Label (1.1.2), through which its legal meaning can be inferred.

1.1.1 Startup Enterprises

In general parlance, a startup refers to a newly launched entrepreneurial venture, typically characterized by its novelty, adaptability, and potential for accelerated growth. Etymologically, the term "startup" is derived from the combination of start, denoting activation or initiation, and up, implying upward trajectory or elevation—thus collectively signifying a business entity in its nascent stage with high growth aspirations.

In Algerian legislative discourse, the term gained normative relevance with the promulgation of **Law No. 17-02 (Law No. 17-02, 2017)**, particularly Article 21, which introduced the establishment of credit guarantee and launch funds aimed at bolstering small and medium-sized enterprises and promoting startups operating within innovative project frameworks.

The institutionalization of the startup concept was further solidified through Executive Decree No. 20-54, which delineated the remit of the Minister of Small Enterprises, Startups, and the Knowledge Economy. Decree No. 20-55 subsequently created a delegated Ministry for Startups under the same umbrella, which was later reattached to the Prime Minister's Office via **Executive Decree No. 20-307 (Executive Decree No. 20-307, 2020)**.

In tandem with these developments, the **executive power** issued **Executive Decree No. 20-254 (Executive Decree No. 20-254, 2020)**, establishing a National Committee tasked with granting the Startup Label, the Innovative Project Label, and the Business Incubator Label, while defining the committee's prerogatives, composition, and operational procedures. The decree was later amended and supplemented by **Executive Decree No. 21-422 (Executive Decree No. 21-422, 2021)**, which introduced Article 11—stipulating that any enterprise subject to Algerian law may qualify as a startup, provided it satisfies specific statutory criteria.

Further, **Law No. 22-09 (Law No. 22-09, 2022)**, which amended the Commercial Code, mandates that a simplified joint-stock company may only be established by entities that have been awarded the Startup Label. Despite the proliferation of legal texts addressing startups, Algerian legislation has refrained from offering a definitive legal definition for either startup or Startup Label, opting instead to articulate general conditions for classification **(Jadli & Charfi, 2021, p. 72)**.

From a jurisprudential standpoint, the designation "startup" inherently connotes recent origin and temporal proximity to inception. It is thus understood as a transitional organizational form, engineered to scale into a mature enterprise **(Souiki, 2021, p. 71)**. In its embryonic phase, a startup seeks alignment between its product offering and market demand; in its growth stage, it pursues a scalable and replicable business model capable of propelling it into full-fledged corporate maturity.

Other academic perspectives define startups as newly established business entities characterized by low initial capital requirements and rapid profitability, underpinned by their capacity for exponential growth and technological integration. Synthesizing these conceptualizations, it becomes evident that while much attention is given to defining the startup, the notion of the Label remains underexplored. It may thus be posited that the Startup Label is a formal certificate of legal recognition, granted by a competent regulatory committee, to entities that meet a statutorily defined threshold. The label bestows upon such

entities the legal status of a “startup,” denoting not only recent establishment but also demonstrable potential for rapid and sustainable development.

1.1.2 Conditions for the Granting of the Startup Label

Legal scholars and economic jurists broadly concur that a range of cumulative conditions must be fulfilled for an enterprise to qualify for the Startup Label. Chief among these are: (i) the enterprise must be of recent establishment, and (ii) it must demonstrate high growth potential and scalability, suggesting clear prospects for market expansion. These core criteria are further articulated through a constellation of auxiliary standards and regulatory benchmarks.

The Algerian **regulatory authority** enshrined the nationality requirement in Article 11 of **Executive Decree No. 20-254 (Executive Decree No. 20-254, 2020)**. This provision underscores that only entities incorporated under Algerian jurisdiction may be eligible for the label—thereby precluding foreign entities from access to the incentives accorded to startups, even within the broader legal regime governing foreign investment under **Law No. 22-18 (Arees & Ben Zair, 2021, p. 22)**. Although seemingly self-evident, this requirement has been deliberately codified to safeguard national economic interests. This emphasis reflects the strategic role assigned to startups in bolstering national economic resilience and fostering endogenous wealth creation within a sustainable development framework **(Meziane & Amrouche, n.d., p. 37)**. In contrast, foreign direct investment—whether direct or indirect—tends to remain aligned with the investor's own interests, notwithstanding emergent doctrines such as corporate social responsibility **(Satori, 2016)**, which ascribe to corporations a public-interest dimension beyond their profit-driven rationale **(Dhoumour & Meqrach, 2018, p. 332)**.

In addition to the nationality criterion, the recency and innovation requirement has also been codified. The age of the enterprise must not exceed eight (08) years at the time of application. This condition ensures that only entities genuinely in their formative or early developmental stages may benefit from the label, based on a reasonable presumption of their latent potential for rapid growth.

Some jurisdictions have gone further by extending eligibility for the Startup Label to ideas and inventions in their pre-incorporation phase—offering legal and institutional support to innovators and inventors, thereby granting them a grace period within which to formalize their enterprise and subsequently access the incentives embedded within the startup ecosystem **(National Startup Portal, 2022)**. This notion is echoed in Clauses 3 and 4 of Article 11, which impose a cap on annual turnover, the exact threshold of which is to be determined by the National Committee. This effectively aligns startups with small enterprises, a conceptual convergence reflected in the lack of textual distinction between the two categories in the earlier regulations.

Article 5 of **Law No. 17-02** defines such entities as producers of goods and/or services, while Article 11 of Decree No. 20-254, as amended by **Executive Decree No. 21-422**, introduces an additional requirement of presenting an innovative idea—thus linking eligibility explicitly to innovation and not merely to scale.

Another essential criterion pertains to ownership structure: At least 50% of the startup's capital must be held by natural persons, accredited investment funds, or entities already bearing the Startup Label. The criterion relating to staff size stipulates that the total number of

employees must not exceed 250. This threshold serves to distinguish startups from large-scale enterprises, which typically do not require the same degree of state support. The intent here is to prioritize small-scale, high-potential entities that contribute to market diversification and economic vitality through competitive dynamism in an enabling environment.

Finally, the condition of demonstrable growth potential warrants particular emphasis. Applicants must substantiate their capacity for substantial and accelerated development—both through material indicators (e.g., infrastructure, capitalization) and intellectual assets (e.g., academic qualifications, proprietary innovations, R&D output). Supporting documentation must convincingly attest to the enterprise's aptitude for scaling operations and expanding market reach.

Crucially, the executive power has recently refined this framework through Executive Decree No. 25-311 (Executive Decree No. 25-311, 2025). This decree introduces the concept of the "Accelerated Enterprise" (Scale-up) to distinguish high-performing entities from early-stage startups. To qualify for this advanced status, an enterprise must demonstrate a growth in turnover of at least 20% over the last three years and invest a minimum of 3% of its revenue in Research and Development (R&D). This legislative update signifies a transition from supporting "potential" to rewarding "proven performance."

1.2 Mechanisms Governing the Granting of the Startup Label

Enterprises that successfully satisfy the statutory conditions delineated above may initiate the process of obtaining the Startup Label, along with the Innovative Project and Business Incubator designations. This is accomplished through formal application to the competent authority—namely, the National Committee for the Granting of the Startup Label—in accordance with legally prescribed procedures and timeframes (1.2.1 and 1.2.2).

1.2.1 The National Committee for the Granting of the Startup Label, Innovative Project, and Business Incubator

The National Committee for the Granting of the Startup Label, the Innovative Project Label, and the Business Incubator Label was established under the auspices of **Executive Decree No. 20-254 (Executive Decree No. 20-254, 2020)**. The committee operates under the supervisory authority of the Minister responsible for Startups and the Knowledge Economy, and more precisely, under the delegated Ministry attached to the Office of the Prime Minister.

A preliminary observation must be made regarding the legal status of this committee. Although the decree designates Algiers as the official seat of the committee, it remains silent on its juridical personality and financial autonomy—raising significant interpretive questions about the legal consequences and enforceability of its decisions **(Ministry of Startups, 2020)**. The committee is entrusted with a multifaceted mandate, foremost among which is the conferral of the Startup Label. In addition, it is responsible for assessing and promoting innovative projects, and for contributing to the advancement of the startup ecosystem through targeted institutional and regulatory support.

Regarding its composition, the committee comprises a constellation of ministerial representatives. According to Article 3, the committee is presided over by the Minister in charge of Startups—or by a duly appointed delegate—thereby affirming the body's administrative character and its institutional subordination to the abovementioned Ministry. The secretariat of the committee is housed within the same Ministry, reinforcing this

hierarchical relationship. Despite this, the committee maintains internal governance by ratifying its own internal procedural regulations.

Structurally, the committee includes two representatives from the Ministry of Startups—a chairperson (the Minister or their proxy) and an additional delegate. Supplementary members are drawn from the Ministries of Finance, Higher Education and Scientific Research, Post and Telecommunications, Industry, Agriculture, Fisheries and Fishery Products, Digitization, and the Energy Transition and Renewable Energies sectors.

Following the promulgation of **Executive Decree No. 21-422 (Executive Decree No. 21-422, 2021)**, which amended Article 3 of the founding decree, additional members were incorporated: a representative from the Ministry of the Pharmaceutical Industry, the **Algerian National Institute of Industrial Property (INAPI)**, relevant professional associations and industry clusters, a national or international expert in emerging technologies, and a delegate from the employers' union.

The amended decree further stipulates that members must possess demonstrable professional expertise in innovation and emerging technologies, and they are formally appointed by decision of the Minister in charge of Startups, upon recommendation from the relevant ministerial or institutional bodies. Appointments are valid for three years, renewable once only, and notably, substitutions are prohibited in the event of absence—a provision that underscores the fixed institutional nature of membership.

In sum, while the expansion of the committee's membership reflects a commendable effort to incorporate a broader range of technical and sectoral expertise relevant to the startup ecosystem, the notable exclusion of the Ministries of Trade and Environment raises questions—especially considering the vital role these sectors play in shaping the operational landscape of innovative enterprises.

1.2.2 Procedural Framework for the Granting of the Startup Label

The National Committee for the Granting of the Startup Label convenes at least twice per month in regular session. Extraordinary meetings may also be called at the discretion of the committee's Chairperson, who is responsible for setting the agenda and fixing the dates of such meetings. **To address bureaucratic rigidity, Executive Decree No. 25-311 (2025) has explicitly authorized the digitization of the committee's proceedings, allowing for remote meetings and deliberations to enhance administrative efficiency and responsiveness.**

Pursuant to Article 12 of **Executive Decree No. 20-254**, any enterprise seeking to obtain the Startup Label must submit its application through the National Startup Portal, accompanied by a comprehensive dossier comprising the following documents:

- A copy of the commercial register, fiscal identification card, and statistical identification;
- A copy of the company's articles of association;
- Proof of affiliation with the National Social Insurance Fund, along with a nominative list of employees;
- Proof of registration with the Social Security Fund for Non-Salaried Workers;
- Financial statements for the current fiscal year;
- A detailed business plan;
- Academic, technical, and professional qualifications of the company's personnel;

- Where applicable, any documentation evidencing intellectual property rights, awards, or distinctions obtained.

However, Article 12, as amended by **Executive Decree No. 21-422**, reveals a shift toward embedding innovation and knowledge economy principles within the startup qualification framework. This is underscored by the updated terminology of the supervising ministry, now explicitly titled "Ministry of Startups and the Knowledge Economy." The amended provision now expressly identifies documents linked to **innovation-driven value, such as intellectual property certificates, innovation awards, and "Innovative Project" Labels**, shifting focus away from purely administrative paperwork.

Furthermore, a minimum of 50% of the founding partners must hold doctoral degrees—a commendable regulatory innovation that aligns eligibility with the intellectual capital needed to participate in the knowledge economy, as opposed to traditional commercial standards based on capital or market speculation. In this same spirit, Ministerial Decision No. 1275 of 27 September 2022 issued by the Ministry of Higher Education and Scientific Research introduced a regulatory framework enabling university students to defend graduation projects structured as startup ventures, signaling a progressive convergence between academia and entrepreneurial innovation. **It is worth noting that the term "Startup" in this academic context has recently been substituted with "Economic Enterprise Project" pursuant to Ministerial Decision No. 008 of 23 February 2025, broadening the scope to include all viable economic initiatives.**

Nonetheless, a critical observation must be made regarding paragraph 3 of Article 12, which requires applicants to provide a "detailed description of the product or service". Under consumer protection law **(Law No. 09-03, 2009)**, the legal term "product" encompasses both tangible goods and services. As such, this phrasing may lead to terminological ambiguities, and legislative clarification is warranted to ensure semantic coherence.

With respect to procedural timelines, once the application is submitted, the applicant is granted fifteen (15) calendar days to rectify any missing documentation upon notification from the committee. Failure to do so results in automatic rejection. Importantly, the thirty (30) day deadline for the committee to issue a decision is suspended during any period of delay attributable to the applicant's failure to furnish complete documentation.

Upon expiry of the thirty-day review period, the committee may either:

- Grant the Startup Label for a term of four (4) years, renewable once; or
- Reject the application by reasoned decision, with notification delivered electronically to the applicant.

Under the new regime of Executive Decree No. 25-311, the renewal of the Startup Label is no longer an automatic administrative procedure. It is now conditional upon the evaluation of specific "Performance Indicators" (KPIs), such as the evolution of the customer base, revenue growth, and the continued innovative nature of the project. This amendment reinforces the economic accountability of the labeled entities, shifting from an "obligation of means" to an "obligation of result."

In the case of rejection, the applicant is entitled to file a substantiated request for reconsideration, which the committee must adjudicate within thirty (30) days of submission, by way of a final and binding electronic decision. It is noteworthy, however, that the committee's decisions are not subject to appeal before any higher administrative body. Only a

request for reconsideration is allowed. This raises critical jurisprudential questions regarding the legal nature of such decisions, particularly whether they qualify as administrative acts subject to judicial review before administrative courts **(Khelloufi, 2013)**.

According to classical administrative law doctrine, for a decision to be justiciable, it must be individualized, directed at a specific legal subject, and produce direct adverse legal effects. In light of the committee's ambiguous legal character, we submit that—under orthodox principles of administrative law—its decisions should be considered amenable to administrative litigation, subject to the general conditions governing administrative action and judicial oversight.

2. Legal Consequences of Acquiring the Startup Label

The conferment of the Startup Label confers upon the beneficiary enterprise a privileged legal and economic status, effectively positioning it as a favored entity within the national economic architecture. This privileged position entitles the startup to (i) targeted institutional support and legal facilitation by specially created bodies (2.1), and (ii) substantial fiscal incentives designed to enhance its market competitiveness (2.2) **(Executive Decree No. 21-170, 2021)**.

2.1 Institutional Support and Accompaniment

In addition to longstanding entities within Algeria's entrepreneurial support framework—such as ANSEJ, CNAC, and ANGEM—the Algerian **executive power** has promulgated specialized legal instruments establishing dedicated institutions tasked exclusively with supporting startup ventures. Among these is Executive Decree No. 20-356, which establishes the Algeria Venture Corporation (*Algéria Venture*) **(Executive Decree No. 20-356, 2020)**, a state-backed entity responsible for promoting and managing the infrastructure supporting startups.

The institution operates under the aegis of the Minister for Startups and is headquartered in Algiers. In contrast to the National Committee, Algeria Venture enjoys legal personality and financial autonomy. The decree institutes a dual legal regime governing Algeria Venture's operations: its interactions with the State are governed by public law, whereas its dealings with third parties are subject to private commercial law. This places Algeria Venture within the legal framework of *Établissements Publics à caractère Industriel et Commercial* (EPICs)—entities that, although public in form, pursue industrial and commercial activities akin to private-sector enterprises **(Khaira, 2021, p. 1)**.

Such hybrid legal nature gives rise to complex jurisdictional issues, particularly concerning the delineation between acts of sovereign authority and ordinary commercial transactions. Legal scholarship has often relied on the "appearance of sovereign authority" doctrine, yet the specific scope of Algeria Venture's prerogatives vis-à-vis startups remains legally opaque and demands further doctrinal elucidation.

Articles 5 and 6 of **Executive Decree No. 20-356** define Algeria Venture's missions in terms of strategic participation, infrastructure development, and operational deployment. The corporation is empowered to implement the national startup support strategy, establish new support structures, promote innovation, engage in technology monitoring, and conclude commercial and industrial contracts related to its mission. It is also authorized to contract debt and engage in revenue-generating activities **(Arar & Seddiqi, 2021, p. 33)**.

The corporation's governance structure comprises a Board of Directors, a General Director, and a Scientific and Technical Council. The board includes ministerial representatives, a delegate from the Algerian Startup Fund, a representative from Sonatrach, and the Chair of the Scientific Council. The latter provides technical oversight and advises the General Director on training programs and startup development plans, while verifying their actual needs.

In parallel, the **executive power** created a dedicated financing mechanism via **Executive Decree No. 21-303 (Executive Decree No. 21-303, 2021)**, which governs the management of Special Account No. 150-302, designated as the Fund for Supporting and Developing the Startup Ecosystem. The fund is administered by the Minister for the Knowledge Economy and Startups, acting as the principal authorizing officer.

Under Article 3 of Executive Decree No. 21-303, the fund's eligible expenditures include: feasibility study financing, business plan development, and technical assistance support—each specifically earmarked for startup enterprises, and the application of a 5% customs duty rate, i.e. a reduction in the customs tariff to 5%. Unlike conventional lending schemes, this fund operates on equity-based financing, following a risk-sharing investment model in lieu of debt-based instruments. It eschews collateral requirements, which startups, by definition, typically lack. Instead, it is premised on shared returns and losses, thereby encouraging entrepreneurial innovation among financially under-capacitated youth. Notably, the model accommodates the possibility of failure, recognizing the inherently high-risk nature of early-stage ventures. This innovative financing mechanism represents a paradigmatic shift away from interest-bearing loans secured by real guarantees, and toward participatory financing. It offers a viable alternative for young innovators who may possess the intellectual capital and creativity, yet lack the material guarantees demanded by traditional financial institutions **(Arees & Ben Zair, 2021)**.

2.2 Access to Services Provided by Business Incubators

Business incubators represent a contemporary institutional mechanism for support and accompaniment, from which startup enterprises significantly benefit. Initially regulated by **Executive Decree No. 03-78 (Executive Decree No. 03-78, 2003)**, these entities—referred to as enterprise nurseries—were classified as public institutions of an industrial and commercial nature, endowed with legal personality and financial autonomy, and designed to facilitate the creation and expansion of small and medium-sized enterprises (SMEs). The decree distinguishes between three types of structures: the incubator, the linkage workshop, and the business hostel.

With the advent of Executive Decree No. 20-254, the Algerian **regulatory authority** introduced a specialized legal framework regulating business incubators, including the procedures for obtaining the Business Incubator Label (2.2.1), as well as the scope and nature of the support extended to labeled institutions (2.2.2).

2.2.1 Business Incubators

Business incubators are formally defined as structured institutional entities that may operate under various ownership configurations—including fully public institutions, privately-owned entities, or hybrid models established through public-private partnerships. These incubators are conceived as foundational pillars within the entrepreneurial support ecosystem, with a core mandate to facilitate the emergence, development, and sustainability of startup enterprises and holders of innovative projects **(Souiki, 2021, p. 71)**.

Their functional role extends beyond mere infrastructure provision to encompass a comprehensive suite of support services tailored to the specific needs and developmental stages of early-stage ventures. Among the most salient services offered are the provision of adequately equipped and strategically located workspaces; the organization of capacity-building programs and training modules designed to enhance entrepreneurial competencies; the delivery of tailored advisory and mentoring services spanning legal, financial, and managerial domains; as well as the facilitation of access to diverse funding channels, including seed capital, venture financing, and public grants.

In performing these functions, business incubators serve as critical enablers of innovation-driven economic growth, knowledge transfer, and job creation within the broader framework of national development policies. These incubators are legally recognized entities—either public, private, or hybrid in nature—and are commonly embedded within universities, research laboratories, or proximate institutions in order to maximize synergies and resource accessibility. They typically enjoy a robust infrastructure, specialized expertise, institutional memory, and an expansive network of partners and collaborators **(El Moumen et al., n.d.)**.

The procedures for acquiring the Business Incubator Label mirror those applicable to the Startup Label. Applications must be submitted via the National Startup Portal, addressed to the National Committee for the Granting of the Startup Label, Innovative Project Label, and Business Incubator Label, and must include the following legally required documentation:

- A comprehensive spatial and operational development plan of the incubator;
- A detailed inventory of equipment made available to hosted startups;
- A list of services, training programs, and capacity-building activities offered by the incubator;
- A register of all startups previously or currently incubated.

The competent committee designated by the relevant authorities is mandated to examine and process all submitted applications for the Business Incubator Label within a strict and predefined timeframe not exceeding thirty (30) calendar days from the date of receipt. This procedural deadline reflects the broader principles of administrative efficiency and regulatory predictability enshrined within the national startup governance framework.

In alignment with the procedural guarantees accorded to Startup Label applications, the decree equally provides for mechanisms of administrative reconsideration, whereby applicants whose initial submissions are denied or contested are afforded the opportunity to submit a formal request for review. Such reconsideration processes are governed by the same evaluative criteria and deliberative standards applicable to the original assessment. Final decisions rendered by the committee, whether upon initial examination or following reconsideration, are deemed binding and subject to the same legal and institutional safeguards established for analogous startup-related designations.

Once granted, the Business Incubator Label is conferred for a fixed duration of five (05) years, during which the recipient entity is expected to maintain full compliance with the applicable regulatory and operational requirements. At the conclusion of this period, the label may be renewed in accordance with the same procedural framework and evaluative criteria initially applied. **However, Executive Decree No. 25-311 (Executive Decree No. 25-311, 2025) has introduced a critical "obligation of result" for this renewal. It is now**

contingent upon the incubator providing a track record of its incubated projects, specifically demonstrating that a significant portion has successfully obtained the "Startup" or "Innovative Project" label. This ensures that the state supports only those incubators that actively contribute to the ecosystem's growth.

2.2.2 Services and Obligations of Labeled Incubators

Institutions bearing the Business Incubator Label are subject to specific legal obligations, as articulated in Article 21 of **Executive Decree No. 20-254**. These include:

- Provision of physical infrastructure (housing): Incubators must host startups within purpose-designed workspaces, supplying them with equipped premises, meeting rooms, IT infrastructure, office supplies, and Internet access.
- Technical support: Incubators must offer project accompaniment during the establishment phase, assist with business plan formulation, provide targeted training, and support startups in accessing financing opportunities and integrating into relevant markets.

The fulfillment of these obligations by accredited incubators is subject to ongoing and systematic oversight conducted by the National Committee, which is vested with the authority to ensure continuous compliance with the regulatory, technical, and institutional standards underpinning the Business Incubator Label. This supervisory function is integral to safeguarding the integrity, transparency, and effectiveness of the broader incubation ecosystem.

In the event of any detected breach, non-compliance, or failure to uphold the incubator's contractual or statutory commitments—whether in relation to governance, service provision, or performance benchmarks—the Committee is empowered to initiate corrective measures that may include the temporary suspension or definitive withdrawal of the label. Such administrative sanctions are not applied arbitrarily but are instead governed by a procedural framework that guarantees due process. Specifically, any decision to revoke or suspend the label is subject to the same reconsideration mechanisms and procedural safeguards that regulate the initial awarding of the label, thereby ensuring consistency, fairness, and legal certainty in the application of disciplinary measures within the national startup and innovation support infrastructure.

According to Article 25 of Decree No. 20-254, the incubator's mission is fundamentally twofold:

- Spatial and logistical support, ensuring the localization and physical installation of the incubated startup;
- Technical accompaniment, providing advisory, training, and financial navigation services throughout the startup's early lifecycle.

Conclusion

Through the promulgation of Executive Decree No. 20-254 **and its subsequent amendments (Decrees No. 21-422 and 25-311)**, the Algerian **executive authority** established a pivotal and foundational legal instrument that formally institutionalizes the Startup Label as an integral component of the country's overarching policy framework. This initiative is strategically positioned within a comprehensive national vision aimed at fostering sustainable economic revitalization by leveraging innovation-led growth, promoting a culture of technological advancement, and empowering youth-driven entrepreneurial initiatives.

The Startup Label thus serves not merely as a regulatory or administrative designation, but as a catalytic mechanism for embedding Algeria more deeply into the global dynamics of the knowledge economy, where human capital, creativity, and digital transformation are regarded as critical vectors of socio-economic progress.

This normative framework delineated by Executive Decree No. 20-254 articulates an extensive and meticulously structured set of legal procedures, regulatory conditions, and administrative requirements designed not only to confer formal recognition upon qualifying entrepreneurial ventures but also to ensure their long-term viability, institutional support, and potential for growth within increasingly competitive and innovation-oriented market environments.

The framework goes beyond mere acknowledgment of startups by embedding them within a broader ecosystem of strategic governance, wherein eligibility criteria, evaluation benchmarks, and compliance obligations are carefully calibrated to promote entrepreneurial excellence and technological advancement. Furthermore, the decree provides for the establishment of dedicated institutional bodies and specialized regulatory mechanisms entrusted with the operationalization, supervision, and continuous monitoring of the startup lifecycle—from inception and early-stage development to expansion and market integration.

This is concretely manifested in the tangible legal and operational implications associated with obtaining the Startup Label, particularly regarding access to state-backed institutional support systems, targeted technical assistance, tailored mentoring programs, preferential administrative treatment, and facilitated financial instruments such as grants, tax incentives, and venture capital linkages—thus positioning the labeled entities within a privileged framework of national economic priorities and innovation policy.

From this analysis, several key findings emerge:

- Startups constitute a nascent yet high-potential category of enterprise, strategically positioned to serve as the backbone of Algeria's envisioned economic resurgence.
- The legal framework deliberately links startup eligibility to innovation metrics and educational attainment, thus reinforcing the transition toward a knowledge-based economy.
- A National Committee has been established under the auspices of the Minister for Startups and the Knowledge Economy, endowed with full authority to oversee compliance and confer the Startup Label.
- The ecosystem is further reinforced by supporting entities, including Algeria Venture and the Startup Financing Fund, as well as business incubators, forming an integrated support infrastructure.
- The funding model adopted by the Startup Fund is equity-based and participatory, diverging from traditional loan structures characterized by interest rates and collateral requirements.

In light of these findings **and the recent legislative evolution (2025)**, the following recommendations are proposed:

- Amend the legal framework to allow pre-incorporation granting of the Startup Label to qualified projects, thereby enabling innovators to access startup-related privileges while being granted a grace period to establish their entity.

- Incorporate representatives from the Ministry of Trade and the Ministry of Environment into the National Committee, recognizing the critical relevance of both sectors to entrepreneurial activity.
- Clarify the legal nature of the Committee through statutory reform to ensure that its decisions are explicitly subject to judicial review, enhancing legal certainty for applicants.
- Ensure terminological consistency in legislative drafting, particularly regarding terms such as "product," in alignment with definitions under consumer protection law.
- Develop clear criteria for distinguishing between the administrative, commercial, and industrial activities of Algeria Venture to dispel existing ambiguities over judicial competence and institutional classification.
- Introduce incentive mechanisms for business incubators in recognition of their role in hosting and mentoring startups, thereby encouraging broader institutional participation in the entrepreneurial ecosystem.

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