

Legal Requirements for the Listing of Companies and Transferable Securities on the Algiers Stock Exchange under the General Regulation of the Securities Exchange N°.23-04

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Send Article Date: 2026-01-30

Date of acceptance of the article 2026-05-25

Abstract:

The Algiers Stock Exchange has a legal framework in place that governs the listing of companies and transferable securities, aiming to regulate the capital market and promote transparency. To get onto the official list, companies must meet a series of general requirements related to their legal status, along with specific criteria regarding the nature, type, and negotiability of the securities they wish to list. After fulfilling these conditions, there are three statutory procedures available for introducing these securities to the stock exchange: the direct listing procedure, the open-price offer procedure, or the fixed-price offer procedure. Each of these methods varies in how the price is determined, the steps involved in the offering, and the oversight authority managing the process.

key words: Securities Exchange Management Company; debt securities; stock market; professional investors; intermediaries

Introduction:

The securities market stands as a cornerstone of our modern economy, serving as a structured framework of rules and regulations aimed at balancing the needs of two key players: the investor, who is on the lookout for a secure place to invest their savings, and the company, which is in search of funding for its projects. In this dynamic, the securities exchange plays a vital role as an organized institutional mechanism that ensures a safe and transparent environment for trading securities. This, in turn, fosters economic growth and nurtures a culture of investment.

In Algeria, this description aligns perfectly with the official portrayal of the securities exchange as a well-organized and regulated market. It also reflects the important functions of the Algiers Stock Exchange/SGBV, which oversees listing operations, trading sessions, quotation systems, and the distribution of stock market information.

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The process of getting companies and their securities listed on the stock exchange isn't just a straightforward administrative task; it's actually a detailed legal and regulatory journey. This journey involves meeting a variety of conditions and criteria that can change depending on the market type and the specific securities involved. These requirements are crafted to balance the interests of everyone in the financial market. On one side, they aim to safeguard savers and investors from potential risks, while on the other, they encourage companies to tap into the securities market by setting admission standards that reflect the realities and scale of the national economy.

The new General Regulation of the Algiers Stock Exchange No. 23-04, which was issued on October 25, 2023,¹ has brought about a significant transformation in the structure of the Algerian financial market. It now features five specialized markets: the equity market, which includes both the main and growth compartments; the debt securities market, made up of the premium and emerging compartments; the collective investment undertakings market; the professional investors market; and finally, the Treasury securities market. This reorganization aims to enhance flexibility in admission requirements, allowing a diverse range of enterprises, from small startups to large corporations, to access financing through the Algerian financial market.

The exploration of the criteria that determine how companies and transferable securities can gain admission to the Algiers Stock Exchange is incredibly significant. This importance stems not just from a legal standpoint—where understanding the regulatory texts is crucial—but also from an economic angle, as it helps us evaluate how effectively these rules can strike a balance between protecting investors and encouraging companies to list on the exchange. This leads us to some important questions: What legal requirements and procedures do companies and transferable securities need to meet for their listing on the Algiers Stock Exchange to be approved? How exactly are these entities legally listed, and what specific stages and regulations govern that process? To tackle these questions, this study aims to clarify the legal and regulatory framework that outlines these requirements. This includes both the conditions for admission to the securities exchange and the procedures for introducing transferable securities to the Algiers Stock Exchange, all structured according to a methodological plan that encompasses the following:

¹ - Regulation No. 23/04 of the Commission for the Organisation and Supervision of Stock Exchange Operations, dated 25 October 2023, concerning the General Regulations of the Stock Exchange, Official Gazette No. 05, published on 25 January 2024.

TOPIC ONE: Conditions for the Admission of Companies and Transferable Securities to the Algiers Stock Exchange

Subsection One: General Conditions for Admission to the Official List of the Stock Exchange

Subsection Two: Specific Conditions for the Admission of Transferable Securities to Trading on the Stock Exchange

Topic Two: Procedures for Introducing Transferable Securities to the Algiers Stock Exchange

Subsection One: The Direct Listing Procedure

Subsection Two: The Open-Price Offer Procedure

Subsection Three: The Fixed-Price Offer Procedure

TOPIC ONE: CONDITIONS FOR THE ADMISSION OF COMPANIES AND TRANSFERABLE SECURITIES TO THE ALGIERS STOCK EXCHANGE

From a legal perspective, the admission of transferable securities to listing on the Algiers Stock Exchange constitutes a regulated procedure whereby such securities are brought within the scope of official quotation on the organised market. Once admitted, the security becomes available for trading through the market, allowing transactions between investors to take place in a lawful, public, and secure manner¹.

Such admission, however, is subject to compliance with the requirements laid down by the applicable legislation and by the aforementioned General Regulation of the Securities Exchange No.23-04. These requirements comprise, on the one hand, general conditions relating both to the legal entities seeking to list their transferable securities and to the securities themselves, and, on the other hand, specific conditions that vary according to the trading compartment in which admission is sought.

Firstly: General Conditions for Admission to the Official List of the Stock Exchange

The listing of transferable securities on the Algiers Stock Exchange is not an arbitrary process, but a regulated operation governed by the conditions and requirements set out in the aforementioned General Regulation of the Securities Exchange No.23-04. These rules are intended to protect market participants and to ensure transparent, fair, and orderly trading. They fall into two principal

¹ - Abdullah bin Sulaiman Al-Juraish, Stock Trading in the Financial Market, Law and Economics Library, Saudi Arabia, 2018, p. 140

categories: general conditions and specific conditions. The general conditions represent the minimum requirements applicable to any listing operation and relate both to the legal entities seeking admission to the market and to the transferable securities themselves, particularly with regard to their legal nature and negotiability.

First: Conditions for the Admission of the Company to the Official List of the Stock Exchange:

-The company must submit an application for the admission of transferable securities to the stock exchange, accompanied by a draft information memorandum subject to the visa of the Commission.¹

-The company applying for the admission of its securities to trading on the stock exchange must have fully paid up its share capital.²

-The company must appoint a stock exchange intermediary to assist it with the admission and introduction procedures and to verify that it satisfies the admission requirements. The intermediary acts as the company's adviser and is responsible for notifying the Securities Exchange Management Company of the company's intention to submit an application for the admission of transferable securities to trading on the stock exchange.³

-The company must provide evidence that its securities have been deposited with the Central Securities Depository prior to their introduction on the stock exchange.⁴

-The company must inform the Commission of any amendment to any of the components of the admission file.⁵

-The company must transmit to the Commission all financial notices and announcements, as well as any bulletins it intends to publish, in addition to any document containing economic or financial information that the company may publish.⁶

-The company must establish the existence of an internal audit body. This body must be assessed by an independent statutory auditor other than the company's own statutory auditor, who shall issue a report on the company's internal control system. Where such a body does not exist, the company must

¹ - Article 17 of the aforementioned General Regulations of the Securities Exchange No. 23/04.

² - Article 19 of the same regulation.

³ - Articles 20, 21, and 22 of the same regulation.

⁴ - Article 25 of the aforementioned General Regulations of the Securities Exchange No. 23/04.

⁵ - Article 27 of the same regulation.

⁶ - Article 28 of the same regulation.

undertake to establish it during the financial year following the admission of its securities to trading on the stock exchange.

- The company must assume responsibility for securities transfer operations.¹

- The company must notify the Commission of any disposals or relinquishments of asset components that occurred prior to its introduction.²

- The company must undertake to comply with the requirements governing the disclosure of periodic and ongoing information, in accordance with the regulations and instructions issued by the Commission.³

Second: Conditions for the Admission of Transferable Securities to Trading on the Stock Exchange:

Article 18 of the aforementioned General Regulation of the Securities Exchange No. 23-04 provides that the transferable securities eligible for admission to trading on the official list of the stock exchange include capital securities and debt securities issued by joint-stock companies, the rights attached thereto, and securities issued by collective investment undertakings.⁴

-It should also be noted that debt securities issued by the State or local authorities, as well as debt securities issued by legal persons and guaranteed by the State or local authorities, are admitted to trading on the stock exchange by operation of law, provided that the issuer and the guarantor submit a request to that effect, in accordance with Article 17 of the aforementioned General Regulation of the Securities Exchange No. 23-04.

-The admission of transferable securities to trading on the stock exchange is conditional upon the fulfilment of the following requirements:

- The transferable securities in respect of which admission to trading is sought must be freely negotiable.⁵

- The securities must be deposited with the Central Securities Depository, as previously stated.

- Transferable securities carrying a right to acquire an interest in the company's share capital may not be admitted to trading unless the underlying capital securities to which they relate are themselves admitted to trading on the stock exchange.⁶

¹ - Article 36 of the same regulation.

² - Article 35 of the same regulation.

³ - Article 40 of the same regulation.

⁴ - Article 18 of the same regulation.

⁵ - Article 19/2 of the aforementioned General Regulations of the Securities Exchange No. 23/04.

⁶ - Article 32 of the same regulation.

Subsection Two: Specific Conditions for the Admission of Transferable Securities to Trading on the Stock Exchange

The specific requirements for admitting transferable securities to trading on the Algiers Stock Exchange differ according to the market or trading compartment in which admission is sought. Stock exchanges are commonly structured into distinct compartments, each governed by different levels of eligibility requirements, regulatory supervision, and disclosure obligations. Admission to the main compartment of the Algiers Stock Exchange is therefore subject to stricter criteria, particularly with respect to the company's share capital, financial history, projected trading volume, and the proportion of shares offered to the public. By contrast, the growth/start-up compartment is designed to provide a more flexible framework for small and medium-sized enterprises seeking gradual expansion. The principal conditions governing such admission will be examined below.

First: Conditions for the Admission of Capital Securities to Trading on the Capital Securities Market

Pursuant to the first paragraph of Article 16 of the aforementioned General Regulation of the Securities Exchange No. 23-04, capital securities are admitted to the Capital Securities Market, which is divided into two compartments: the main compartment and the growth compartment. The requirements governing the admission of capital securities to trading on the main compartment may be set out as follows:

1. Conditions for Admission to the Main Compartment

It should be noted at the outset that capital securities eligible for admission to trading on the main compartment are confined to those issued by joint-stock companies with a minimum market capitalisation of five billion Algerian dinars (DZD 5,000,000,000). Such admission also requires the distribution to the public of capital securities with a minimum value of one billion Algerian dinars (DZD 1,000,000,000), held by at least 150 shareholders on the date of introduction. Both the company's market capitalisation and the value of the securities distributed to the public are determined by reference to the offer price applicable on the date of subscription or introduction.¹

The admission of capital securities to trading on the main compartment is subject to the fulfilment of the following requirements:

First, the company must publish its certified financial statements for the three financial years preceding the year in which the admission application is filed. This obligation does not apply to companies incorporated through a public offering.

¹ - Article 41 of the aforementioned General Regulations of the Securities Exchange No. 23/04.

Second, the company must submit a valuation report prepared by a member of the National Order of Chartered Accountants, provided that the person preparing the report is neither the company's statutory auditor nor another expert registered with the Commission who is not a member of that Order.¹

Third, the company must have recorded profits during the financial year preceding the date of its application for admission to the main compartment, unless the Commission decides otherwise.²

2. Conditions for Admission to the Growth Compartment

Before setting out the conditions governing the admission of capital securities to trading on the growth compartment, it should be recalled that these conditions are the same as those applicable to the admission of capital securities to trading on the market for small and medium-sized enterprises. The term "growth compartment" reflects the profile of the companies concerned, namely enterprises in the start-up or expansion phase that seek to strengthen their capital by accessing the financial market.³

Accordingly, capital securities issued by joint-stock companies may be admitted to trading on the growth compartment irrespective of the company's market capitalisation. However, capital securities with a minimum value of ten million Algerian dinars (DZD 10,000,000) must be distributed to the public and held, no later than the date of introduction, by at least fifty shareholders or by three professional investors within the meaning of Article 61 of the aforementioned General Regulation of the Securities Exchange.⁴ The value of the securities distributed to the public is determined by reference to the subscription price or, where applicable, the introduction price.⁵

In addition to the foregoing, the company must publish its certified financial statements for the last two financial years. Companies incorporated by means of a public offering are exempt from this requirement.⁶

The company must also submit its valuation report in accordance with Article 43 of the aforementioned General Regulation of the Securities Exchange No. 23-04.⁷

¹ - Article 43 of the same regulation.

² - Article 44 of the same regulation.

³ - The conditions for the admission of capital bonds to trading on the SME Market on the official website of the Algiers Stock Exchange: <https://www.sgbv.dz/ar/?page=rubrique&mod=176> Accessed on 30/03/2026 at 12:06 a.m.

⁴ - Article 61 of the aforementioned General Regulations of the Securities Exchange No. 23/04

⁵ - Article 45 of the aforementioned General Regulations of the Securities Exchange No. 23/04.

⁶ - Article 46 of the same regulation.

⁷ - Article 47 of the same regulation.

Furthermore, the company must appoint a sponsor on the Securities Exchange for a period of five years. The sponsor must be registered with the Commission for the Organisation and Supervision of Stock Exchange Operations. Its role is to assist the company during the securities issuance process and in preparing the admission process, as well as to ensure the company's compliance with its statutory and regulatory disclosure obligations.¹

The company must also enter into a support agreement with the stock-exchange sponsor for a period of not less than one year. In the event that the agreement is terminated, the company must notify the Commission and appoint another stock-exchange sponsor without delay.²

Second: Conditions for the Admission of Debt Securities to Trading on the Debt Securities Market

Pursuant to Article 16/2 of the aforementioned Regulation No. 23-04, the debt securities market consists of two compartments: the Premium Compartment and the Emerging Compartment. The conditions for the admission of debt securities to trading on these two compartments are as follows:

1. Conditions for Admission to the Premium Compartment

Admission to trading on the Premium Compartment is restricted to two categories of debt securities. The first comprises debt securities issued by the State and local authorities, regardless of the amount issued. The second comprises debt securities issued by public institutions and joint-stock companies, provided that, on the date of admission to this compartment, the outstanding amount of the issue is not less than one billion Algerian dinars (DZD 1,000,000,000).³

2. Conditions for Admission to the Emerging Compartment

Trading on the Emerging Compartment of the debt securities market is confined to debt securities issued by public bodies and joint-stock companies, where the outstanding amount of the issue, on the date of admission, is below one billion Algerian dinars (DZD 1,000,000,000).⁴

In addition, any company seeking the admission of its debt securities to trading on the stock exchange is required to appoint a stock exchange sponsor duly registered with the Commission. The sponsor must continue to perform its duties for as long as the company's securities remain admitted to trading on the stock exchange.

The stock exchange sponsor is responsible for assisting the company from the bond issuance stage, through the admission-to-trading procedures, and

¹ - Article 48 of the same regulation.

² - Article 49 of the same regulation

³ - Article 51 of the same regulation

⁴ - Article 51 of the aforementioned General Regulations of the Securities Exchange No. 23/04.

subsequently for ensuring that the company complies with its statutory and regulatory obligations.¹

The Commission for the Organisation and Supervision of Stock Exchange Operations may also require the company seeking admission of its securities to trading on the debt securities market to provide additional guarantees, particularly where the offer is made to the public. Such guarantees may take the form of a financial guarantee, real security, or a credit rating issued by an entity previously recognised by the Committee.²

Third: Conditions for Admission of Securities to Trading on the Collective Investment Undertakings Market

Securities issued by collective investment undertakings may be admitted to trading on the market only on the basis of an admission application submitted to the Committee, accompanied by an information notice that must first be approved by the Commission. This notice must include the essential information relating to the collective investment undertaking, as well as the characteristics of the securities concerned by the admission procedure.³

The provisions of Subsection One of Section Two of Chapter Two of the aforementioned Regulation No. 23-04 on the General Rules of the Securities Exchange also apply to collective investment undertakings. These provisions set out the general conditions governing the admission of companies and securities to the official listing, as previously discussed at the beginning of this study.⁴

Fourth: Conditions for the Admission of Securities to Trading on the Professional Investors Market

Trading on the Professional Investors Market is reserved for equity securities, debt securities, and securities issued by collective investment undertakings, provided that trading in such securities is carried out exclusively by professional investors.

Securities admitted to trading on this market are not subject to the admission requirements applicable to the other markets referred to above, whether those requirements relate to share capital, the minimum outstanding amount of debt securities, or the portion of capital distributed to the public.⁵

Article 61/2/3 refers to the two categories of professional investors, providing as follows:

¹ - Article 53 of the same regulation

² - Article 54 of the same regulation.

³ - Articles 56,57 of the same regulation.

⁴ - Article 55 of the same regulation.

⁵ - Article 60 of the aforementioned General Regulations of the Securities Exchange No. 23/04

"An institutional investor is any investor falling within one of the following categories:

- collective investment undertakings;
- banks and financial institutions;
- insurance companies and mutual insurance societies;
- the National Investment Fund;
- venture capital companies;
- pension and social security funds;
- any public body legally authorised, or authorised under its statutes, to acquire equity interests in other companies or to invest in transferable securities.

2. Qualified Investor

A qualified investor is any investor falling within one of the following categories:

- investment fund management companies;
- management companies of collective investment undertakings;
- stock exchange intermediaries incorporated in the form of commercial companies;
- asset management companies;
- participatory investment advisers;
- shareholders and managers of companies whose securities are admitted to trading on the Professional Investors Market;
- companies, or groups of companies, whose consolidated balance sheet total or turnover exceeds a threshold determined by an instruction issued by the Commission;
- shareholders and managers of collective investment undertakings and management companies, as well as the natural or legal persons responsible for managing them;
- natural persons holding a portfolio of transferable securities and similar instruments, or deposits, with a total value exceeding a threshold determined by an instruction issued by the Commission;
- any natural or legal person wishing to be treated as a qualified investor, provided that they submit a written declaration to their stock exchange intermediary confirming their ability to understand and assess the potential risks, and successfully pass the knowledge and suitability test relating to investment in transferable securities, prepared by their stock exchange intermediary."

Fifth: Conditions for the Admission of Securities to Trading on the Treasury Securities Market

Only assimilated Treasury bonds traded by specialists in this category of securities may be admitted to trading on the Treasury Securities Market.¹

TOPIC TWO: PROCEDURES FOR THE ADMISSION OF TRANSFERABLE SECURITIES TO THE ALGIERS STOCK EXCHANGE

The procedures to be followed for the admission of transferable securities to the stock exchange are determined by the Stock Exchange Management Company, in agreement with the issuer and the stock exchange intermediary entrusted with carrying out the admission process.²

The Stock Exchange Management Company informs the market of the opening of the procedure for admitting the transferable security by publishing a notice in the Official Quotation Bulletin. This notice must include, in particular, the following information:

- the identity of the issuer;
- the stock exchange intermediary entrusted with the admission process;
- the number, type, and characteristics of the securities;
- the proposed price or price range, as applicable;
- the scheduled admission date and the procedure adopted for the first quotation;
- any other information required to ensure proper disclosure to the public.³

Pursuant to Article 66 of the aforementioned Regulation No. 23-04 on the General Rules of the Securities Exchange, and in accordance with Article 8 of Decision No. 24-04 issued by the Stock Exchange Management Company concerning the procedures for listing transferable securities on the stock exchange and the disclosure of information,⁴ transferable securities whose admission has previously been approved by the Commission for the Organisation and Supervision of Stock Exchange Operations are introduced on the stock exchange through one of the following procedures:

- the direct quotation procedure;
- the open-price offer procedure;

¹ - Article 62 of the aforementioned General Regulations of the Securities Exchange No. 23/04

² - Article 66 of the same regulation.

³ - Article 67 of the same regulation.

⁴ - Decision No. SGBV/04-24 concerning procedures for listing securities on the stock exchange and for the disclosure of information, The Stock Exchange Management Company, Algiers, May 23, 2024.

The text of the decision is available on the official website of the Stock Exchange via the following link:

<https://www.sgbv.dz/commons/post/Reglementation%20FR/SGBV/DECISION%20file525415463.pdf>

Accessed on 01/04/2026 at 3:37 p.m.

- the fixed-price offer procedure.

Firstly: The Direct Quotation Procedure

The direct quotation procedure is an exceptional mechanism that empowers the Stock Exchange Management Company to list securities on the official market for immediate trading. This procedure may be used where the securities covered by the admission application are held by a number of shareholders that is not lower than one of the thresholds provided for in Articles 41 and 45. These thresholds represent the minimum number of shareholders required by the legislature to ensure a sufficient distribution of the securities, thereby supporting reasonable market liquidity and investor protection. The applicable threshold varies according to the compartment in which the securities are admitted to trading.

Under Article 41, the relevant threshold is set at no fewer than fifty (50) shareholders or three (3) professional investors. This requirement is intended to reflect the specific nature of start-up companies that are still in the process of expansion, by granting them greater flexibility in accessing the market with a smaller shareholder base.

Under Article 45, the relevant threshold is set at no fewer than one hundred and fifty (150) shareholders. This higher threshold is consistent with the requirements of the Main Market, particularly the need for capital to be distributed among a broader investor base.

In both cases, once the required threshold is met, the listing process is not subject to the traditional initial subscription procedures. Instead, the Stock Exchange Management Company determines an initial listing price, approves it in light of prevailing market conditions, and registers the securities on the official list so that they may be traded directly.¹

However, under Article 72 of the aforementioned Regulation No. 23-04, the direct quotation procedure is not limited to cases involving the first admission of securities on the basis of the shareholder thresholds referred to above. Its scope also extends to other categories of transferable securities, with a view to simplifying their admission to trading on the market.

These cases include securities whose characteristics correspond to those of securities already admitted to trading and previously quoted on the market. In such cases, the reference price of the comparable securities may be used to determine the new listing price, without the need to repeat the full subscription procedures.

They also include rights attached to quoted securities, such as pre-emptive subscription rights, rights arising from the conversion of securities into shares, or any other rights deriving from securities that have already been admitted to trading.

¹ - Article 71 of the aforementioned General Regulations of the Securities Exchange No. 23/04

The direct quotation procedure further applies to debt securities issued by highly creditworthy issuers, including debt securities issued by the State or local authorities, debt securities issued by joint-stock companies, as well as securities issued by collective investment undertakings directly.¹

Where the Stock Exchange Management Company decides to admit a transferable security through the direct quotation procedure, it must publish a notice in the Official Quotation Bulletin. This notice must contain the essential information required to inform market participants of the conditions and procedures adopted, and to ensure the necessary transparency of the listing process. Pursuant to Article 73 of the aforementioned Regulation No. 23-04, the notice must include the following elements:

The notice must specify the selected procedure, expressly indicating that the adopted procedure is the direct quotation procedure, so as to distinguish it from the other listing procedures.

It must also state the date of the first quotation, namely the day on which the securities will be quoted on the market for the first time. This date marks the effective commencement of trading.

The notice must further indicate the listing price, being the price approved by the Stock Exchange Management Company as the basis for the start of trading, as well as the quotation method or mechanism according to which the transferable security will be priced during trading sessions.

However, the direct quotation procedure is not limited to merely determining the listing price of the securities and commencing trading. It may also involve making available, on the date of the first quotation itself, a specified quantity of securities intended for sale on the market, provided that the Stock Exchange Management Company approves the admission conditions and the date of the operation.²

Subsection Two: The Open-Price Offer Procedure

The open-price offer procedure is one of the mechanisms used for the admission of securities to trading on the securities exchange. It is characterised by its interactive nature, as it allows investors to participate in determining the final listing price within a price range fixed in advance.

This procedure is based on offering a specified number of securities to the public on the listing date, while setting a price range consisting of a minimum and a maximum price. Investors may then submit their orders within that range.³

¹ - Article 72 of the aforementioned General Regulations of the Securities Exchange No. 23/04

² - Article 74 of the same regulation.

³ - Article 75 of the aforementioned General Regulations of the Securities Exchange No. 23/04

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Where a transferable security is admitted through the open-price offer procedure, the Stock Exchange Management Company must publish a notice setting out the essential elements required to ensure that the operation is conducted transparently and properly, and that investors are able to participate in the subscription process on an equal footing.

Pursuant to Article 76 of the aforementioned Regulation No. 23-04, this notice must specify the admission conditions, the procedure for notifying purchase orders, and the means by which such orders are to be transmitted to the Stock Exchange Management Company. It must also indicate the total number of securities offered for subscription, together with the minimum and maximum price limits within which investors may submit their purchase orders.

The notice must further set out the mechanisms for allocating the securities among investors whose purchase orders have been accepted, as well as any special conditions governing the listing operation, where applicable.

Pursuant to Article 77 of the aforementioned Regulation No. 23-04, as well as Article 17 of the aforementioned SGBV Decision No. 04-24, it is clear that the Stock Exchange Management Company plays a central role in organising listing and trading operations. It receives and centralises all purchase orders transmitted through stock exchange intermediaries, and supervises the processing of the entire operation.

Under Article 78 of the aforementioned Regulation No. 23-04, together with Article 18 of the above-mentioned SGBV Decision No. 04-24, the Stock Exchange Management Company, in the context of an open-price offer procedure, accepts only those purchase orders whose prices fall within the price range previously specified in the listing notice. This range therefore constitutes a binding reference framework, and any order submitted at a price below the minimum limit or above the maximum limit is automatically excluded.

The final listing price is determined by matching purchase orders against sell orders, taking into account the number of securities offered for sale. Where special placement arrangements exist, the resulting listing price may not exceed the pre-placement price. Pre-placement refers to cases in which part of the securities offered has been allocated prior to listing, through one or more stock exchange intermediaries, in order to help ensure the success of the operation.

Furthermore, purchase orders submitted under the open-price offer procedure are executed only where the price stated by the investor in the order is higher than the final listing price, after any adjustment required by the processing mechanisms, including the application of a reduction coefficient where appropriate.

Article 79 of the aforementioned Regulation No. 23-04, together with Article 19 of SGBV Decision No. 04-24, provides that, when implementing the open-price

offer procedure, the Stock Exchange Management Company must observe a fundamental rule: purchase orders are satisfied, and the securities offered are allocated, only where the price stated by the investor in the order is higher than the final listing price resulting from the operation, after any adjustment made through the application of a reduction coefficient, where applicable.

Accordingly, orders submitted at prices below the final listing price are entirely excluded from execution. By contrast, orders submitted at prices equal to or higher than the listing price are accepted and executed, subject, where necessary, to the application of any reduction coefficient.

Subsection Three: The Fixed-Price Offer Procedure

The fixed-price offer procedure is one of the recognised mechanisms for admitting securities to trading on the securities exchange. Compared with other admission procedures, it is characterised by simplicity and clarity, as it is based on offering a specified number of securities to the public for subscription on the scheduled listing date, at a fixed price that is determined and disclosed in advance and is not subject to negotiation or adjustment.¹

Where this procedure is used for the admission of securities to trading on the stock exchange, the Stock Exchange Management Company must publish an admission notice setting out, with precision, the conditions under which investors' purchase orders will be accepted. The notice must also specify the manner in which such orders are to be notified, or the procedures to be followed to ensure that they are transmitted within the prescribed time limits and in the required form.

The notice must further indicate the number of securities made available to the public and the fixed price at which those securities are offered, this being the sole price at which subscription may take place. It must also define the methods for allocating the securities among the order-givers. Where appropriate, the notice may include special listing conditions or any other terms that the Stock Exchange Management Company considers necessary to ensure the orderly conduct of the operation.²

The Stock Exchange Management Company is responsible for centralising the purchase orders submitted by investors through authorised stock exchange intermediaries. Its role is not limited to the mere collection of such orders, but extends to full supervision of the processing of the operation at all its stages.

The acceptance of orders by the Stock Exchange Management Company is governed by the rule that no purchase order may be accepted unless the price offered by the investor corresponds exactly to the fixed offer price previously

¹ - Article 80 of the aforementioned General Regulations of the Securities Exchange No. 23/04

² - Article 81 of the same regulation.

stated in the listing notice. Thus, under the fixed-price offer procedure, investors may not submit orders at different prices, nor may they negotiate the announced price. They must accept the price set out in the listing notice as it stands, without any increase or reduction.

Where the offer is successful, the final listing price is therefore the fixed offer price itself.

This formulation follows SGBV Decision No. 04-24, which provides that, under the fixed-price offer procedure, only limited-price orders stipulated at the offer price indicated in the listing notice are retained by the SGBV, and that the SGBV centralises purchase orders transmitted by stock exchange intermediaries within the conditions and time limits set in that notice. It is also consistent with COSOB Regulation No. 23-04, which defines the fixed-price offer as a procedure under which a specified number of securities is made available to the public at a firm, predetermined price.¹

Article 83 of the aforementioned Regulation No. 23-04 authorises the Stock Exchange Management Company to resort to what is known as a nominal fixed-price offer. This is an exceptional procedure, distinct from the ordinary fixed-price offer, and may be used only at the request of the stock exchange intermediary entrusted with the listing operation or at the request of the issuer itself.

In such a case, the purchase orders submitted by investors must be nominal orders. In addition, no purchaser may submit more than one purchase order, and that single order must be filed with only one stock exchange intermediary.

In the same context, the stock exchange intermediary entrusted with the listing operation, as well as the issuer of the securities, may propose that purchase orders submitted in response to the fixed-price offer be organised into different categories, provided that the prior approval of the Stock Exchange Management Company is obtained.

These categories may be distinguished on the basis of two main criteria: first, the quantity of securities requested; and second, the capacity or status of the order-givers.²

Conclusion:

At the end of this study, it may be concluded that, through its new General Regulation No. 23-04, the Algiers Stock Exchange has taken a significant qualitative step towards establishing a more flexible and specialised financial market. This is reflected, in particular, in the division of the market into five

¹ - Article 82 of Regulation No. 23/04 and Article 22 of the aforementioned Decision No. 24/04 of the Securities Exchange Management Company.

² - Article 84 of the aforementioned General Regulations of the Securities Exchange No. 23/04

distinct segments: the equity market, the debt securities market, the collective investment undertakings market, the professional investors market, and the Treasury securities market.

This division is not merely an administrative adjustment; rather, it constitutes a restructuring of the financial market aimed principally at reconciling two key objectives: on the one hand, protecting savers and investors, and, on the other, encouraging companies, especially small and medium-sized enterprises, to access financing through the securities exchange.

In light of the provisions of the new General Regulation of the Securities Exchange No. 23-04 analysed in this study, a number of key findings may be drawn, the most important of which are as follows:

The study has shown that, by adopting the new General Regulation, the Algerian legislator recognised the need to keep pace with developments in global financial markets. This approach was reflected in the restructuring of the financial market into five specialised markets, a reform that was not merely formal in nature, but rather responded to the diversity of institutions and the varying scale of their financing needs.

This new segmentation has made it possible to admit companies of different sizes and financial capacities to trading, instead of limiting market access primarily to large companies, as had previously been the case. While the legislator maintained strict admission requirements for the Main Compartment, particularly in terms of capitalisation, public distribution of capital, and financial disclosure, it also took a bold step by creating the Growth Compartment under less stringent conditions. This included removing the capitalisation requirement, lowering the minimum distribution threshold, and requiring companies to appoint a stock exchange sponsor to support them for a period of five years.

The study also revealed the flexibility of the procedures adopted for the admission of transferable securities to trading. The new regulation provides for three distinct mechanisms: the direct quotation procedure, the open-price offer procedure, and the fixed-price offer procedure. Taken together, these mechanisms allow the company and the intermediary to select the most appropriate procedure according to the nature of the securities and prevailing market conditions.

At the same time, these procedures are surrounded by sufficient legal safeguards, including prior notices, prescribed time limits, and the possibility of postponing the admission where the interests of the market so require.

Furthermore, under Article 85 of Regulation No. 23-04, the legislator authorised the transfer of securities between compartments of the same market, either where the issuer no longer complies with the conditions applicable to the compartment in which its securities are admitted, or at the request of the issuing

company once the conditions for admission to the target compartment have been met. This mechanism is new compared with the previous regulatory texts, and its introduction may be explained by the increase in the number of market segments within the stock exchange, which required a legal framework governing transfer between compartments according to clear rules.

The professional character of the stock exchange has also been strengthened through the introduction of the stock exchange sponsor system. As a result, the relationship between the listed company and the administrative bodies of the stock exchange has become one of continuous support and supervision, rather than being limited to purely formal administrative procedures. This approach helps reduce the risks faced by newly listed companies, which may lack the necessary experience in managing securities and complying with the requirements of the financial market.

The new regulation has also introduced faster technical mechanisms for processing data, thereby shortening the statutory time limits for examining listing applications and granting the Commission for the Organisation and Supervision of Stock Exchange Operations broader powers to intervene promptly where deficiencies arise in disclosure.

On the basis of these findings, the study proposes a number of recommendations, the most important of which are the following:

First, access by limited liability companies to the financial market should be regulated, through the creation of a separate market dedicated to the trading of other financial products that do not take the form of shares and bonds issued by joint-stock companies. This recommendation is justified by the fact that the legislator requires companies wishing to list their securities on the stock exchange to be incorporated as joint-stock companies. This remains the only legal form among commercial companies authorised to issue shares and bonds negotiable on the financial market. As a result, other legal forms are excluded from access to the stock exchange, which relatively narrows the scope of financial-market activity.

Second, the public distribution threshold in the Growth Compartment should be reconsidered. It currently stands at DZD 10 million distributed among 50 shareholders, a threshold that may still be relatively high for start-ups and small enterprises.

Third, the legal agreement concluded between the issuing company and the stock exchange sponsor should include a clause requiring the sponsor either to guarantee coverage of a specified percentage of the distribution operation or to secure the minimum number of shareholders required by law as part of its core duties, in return for a commission linked to the fulfilment of those obligations. This proposal seeks to transform the sponsor's role from that of a mere administrative adviser into an effective partner in attracting liquidity to the listed

company, thereby enhancing the effectiveness of stock-exchange admission and reducing the risks associated with weak initial subscription coverage.

Fourth, an interactive digital platform should be developed to allow companies to simulate and monitor the listing process under the three admission procedures. Such a platform should provide ready-to-use digital templates for information notices and admission files, as well as an automated estimate of the expected costs, similar to the digital tools currently used for the trading of transferable securities.

List of Sources and References:

1-Legal texts:

-Regulation No. 23/04 of the Commission for the Organisation and Supervision of Stock Exchange Operations, dated 25 October 2023, concerning the General Regulations of the Stock Exchange, Official Gazette No. 05, published on 25 January 2024.

-Decision No. SGBV/04-24 concerning procedures for listing securities on the stock exchange and for the disclosure of information, The Stock Exchange Management Company, Algiers, May 23, 2024.

The text of the decision is available on the official website of the Stock Exchange via the following link:

<https://www.sgbv.dz/commons/post/Reglementation%20FR/SGBV/DECISION%20/file525415463.pdf>

Accessed on 01/04/2026 at 3:37 p.m.

2-Books:

-Abdullah bin Sulaiman Al-Juraish, Stock Trading in the Financial Market, Law and Economics Library, Saudi Arabia, 2018.

3-Websites

The conditions for the admission of capital bonds to trading on the SME Market on the official website of the Algiers Stock Exchange:

<https://www.sgbv.dz/ar/?page=rubrique&mod=176> Accessed on 30/03/2026 at 12:06 a.m.