Encouraging Entrepreneurial Initiatives and Promoting Enterprises: An Analysis of the Provisions of Executive Decree No. 25-311

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Abstract:

Algeria has sought to encourage entrepreneurial activities, enhance their quality, and promote institutional development by supporting and strengthening the position of start-ups and encouraging their growth, in light of the efficiency and rapid expansion they have demonstrated. This approach was adopted pursuant to Executive Decree No. 25-311, which provides for the renewal of the "Start-up" label for any start-up wishing to continue and sustain its activity, as well as the granting of the "Business Incubator" label to any incubator meeting the required criteria, in recognition of its role in supporting and assisting such enterprises.

The decree also aims to encourage any start-up seeking rapid growth and development through a substantive amendment introduced therein, namely the creation of the "Scale-up" label for any start-up that has achieved rapid growth and meets the required legal criteria, in accordance with the prescribed procedures.

Keywords:

Start-up, Business Incubator, Renewal, Scale-up.

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عن تشجيع الأعمال الريادية وترقية المؤسسات: قراءة في أحكام المرسوم التنفيذي رقم 25-311

الملخص:

عمدت الجزائر في سبيل تشجيع الأعمال الريادية والرفع من جودتها وترقية المؤسسات على الحرص على دعم وتعزيز مكانة المؤسسة الناشئة وتشجيعها، بعدما حققته من فعالية ونمو سريع، بموجب المرسوم التنفيذي رقم 25-311، أين فتح المجال لتجديد علامة "مؤسسة ناشئة" لكل مؤسسة ناشئة ترغب في مواصلة نشاطها والاستمرار فيه، وعلامة "حاضنة أعمال" لكل حاضنة أعمال توفرت فيها المعايير المطلوبة، لما لها من دور في دعم ومرافقة هذه المؤسسة. عملت أيضا على تشجيع كل مؤسسة ناشئة ترغب في النمو والتطور السريع من خلال التعديل الجوهري الذي تضمنه نفس المرسوم، وهو استحداث علامة "مؤسسة متسارعة"، لكل مؤسسة ناشئة حققت نموا سريعا وتوفرت فيها المعايير القانونية المطلوبة، وفي إطار الإجراءات المقررة لذلك.

الكلمات المفتاحية:

مؤسسة ناشئة، حاضنة أعمال، تجديد، مؤسسة متسارعة.

Sur l'encouragement de l'entrepreneuriat et la promotion des entreprises : lecture des dispositions du décret exécutif n° 25-311

Résumé :

L'Algérie s'est efforcée d'encourager les activités entrepreneuriales, d'en améliorer la qualité et de promouvoir le développement institutionnel, notamment en soutenant et en renforçant la position des start-up, ainsi qu'en favorisant leur croissance, eu égard à l'efficacité et à la dynamique d'expansion rapide qu'elles ont démontrées. Cette orientation a été consacrée par le décret exécutif n° 25-311, lequel ouvre la possibilité de renouveler le label « Start-up » au profit de toute entreprise émergente souhaitant poursuivre et pérenniser son activité, et d'accorder le label « Incubateur d'entreprises » à tout incubateur remplissant les critères requis, en reconnaissance de son rôle d'accompagnement et de soutien à ces entreprises.

Par ailleurs, ledit décret tend à encourager les start-up ayant réalisé une croissance et un développement rapides, à travers la création du label « Scale-up», sous réserve du respect des conditions juridiques et des procédures prévues à cet effet.

Mots clés:
Start-up, incubateur d'entreprises, renouvellement, Scale-up.

Introduction

In its efforts to diversify sources of revenue and reduce dependence on the hydrocarbons sector, the Algerian state has introduced new legal mechanisms intended to support the national economy beyond this framework. Accordingly, it adopted a policy of encouraging entrepreneurship, individual initiative, and the promotion of enterprise creation through the enactment of a set of incentive-based legal provisions. Among the most prominent of these is Law No. 17-02 concerning the framework law for the development of small and medium-sized enterprises[1], which aims to promote this category of institutions. Executive Decree No. 20-254 was also issued, relating to the establishment of a national committee responsible for granting the labels "Startup," "Innovative Project," and "Business Incubator," and determining its missions, composition, and functioning[2]. This decree introduced the system of startups, defined as emerging enterprises seeking growth and development provided they meet the conditions stipulated in the same decree, in addition to establishing the system of business incubators aimed at supporting newly established enterprises and assisting holders of innovative ideas and projects who seek to translate them into practical reality.

In recent years, the Algerian state has shown increasing interest in emerging enterprises, given the effective role they play in the national economy, whether through their contribution to economic development, the encouragement of individual initiatives and investment in entrepreneurial skills, or the provision of employment opportunities and the reduction of unemployment rates, particularly among university graduates and holders of innovative ideas.

As a result, Executive Decree No. 25-311 was issued[3], reflecting the Algerian state's orientation toward improving the quality of entrepreneurial activities, strengthening innovation, promoting enterprises, and supporting creative activities. Through this decree, the state sought to enhance the dynamism of these

1 Dated 10 January 2017, Official Journal of the People's Democratic Republic of Algeria, No. 02, issued on 11 January 2026.

2 Executive Decree No. 20-254, dated 15 September 2020, establishing a national incubator for granting the labels "Startup", "Innovative Project" and "Business Incubator", and determining its missions, composition and functioning, Official Journal of the People's Democratic Republic of Algeria, No. 55, issued on 21 September 2020.

3 Executive Decree No. 25-311, dated 01 December 2020, amending and supplementing Executive Decree No. 20-254 dated 15 September 2020, establishing a national incubator for granting the labels "Startup", "Innovative Project" and "Business Incubator", and determining its missions, composition and functioning, Official Journal of the People's Democratic Republic of Algeria, No. 81, issued on 07 December 2025.

enterprises within the national economy and elevate their performance by strengthening their environment and supporting their projects. This raises the following question:

What legal mechanisms has Algeria established to improve the quality of entrepreneurial activities and encourage individual initiatives within the framework of Executive Decree No. 25-311?

To address this issue, the descriptive analytical method was adopted to identify the legal mechanisms established by the Algerian legislator to enhance entrepreneurship and encourage individual initiatives within the framework of Executive Decree No. 25-311. These mechanisms consist of the renewal of the "Startup" label and the "Business Incubator" label (Section One), and the introduction of the "Accelerated Enterprise" label (Section Two).

Chapter I: Renewal of the “Startup” Label and the “Business Incubator” Label: Focus on Performance and Efficiency

A start-up is distinguished by its capacity for rapid growth and its ability to adapt to changing market conditions, characteristics that enable it to maintain a sustainable competitive advantage. Recognizing these distinctive features, the Algerian legislator has subjected the establishment and operation of start-ups to a specific legal framework comprising a set of conditions tailored to their nature and objectives. At the same time, the legislator has sought to promote entrepreneurial initiative by providing founders with enhanced opportunities for growth and investment.

In this regard, Executive Decree No. 25–311 introduced mechanisms aimed at strengthening the sustainability and development of start-ups. Notably, it allows enterprises holding the “Start-up” label to apply for its renewal upon the expiry of the initial validity period, thereby enabling them to continue their activities and retain access to the legal and financial incentives associated with that status. Furthermore, in recognition of the pivotal role played by support structures within the entrepreneurial ecosystem, the decree also provides for the renewal of the “Business Incubator” label, allowing incubators to continue offering guidance, mentoring, and support to start-ups throughout the implementation and development of their projects.

Section I: Renewal of the “Startup” Label

The Algerian legislator has reinforced the legal framework governing start-ups by introducing the possibility of renewing the “Start-up” label. However, eligibility for renewal is contingent upon the prior acquisition of the label and compliance with the legal conditions and procedures established under Executive Decree No. 25–311.

Subsection 1: Obtaining the "Startup" Label

A start-up is defined as a small enterprise incorporated under Algerian law with the objective of developing and marketing an innovative product or service. It is distinguished by its high growth potential, capacity for rapid expansion, and exposure to significant commercial risk, while offering substantial prospects for value creation and profitability[4].

The business needs to operate within an eight-year timeframe and must have at To qualify for the "Start-up" label, the enterprise must have been established for no more than eight years and at least 50% of its share capital must be held by natural persons, investment funds, or enterprises holding the "Start-up" label. In addition, the enterprise must employ fewer than 250 employees and demonstrate the capacity to mobilize the resources necessary to accelerate its development beyond the incubation stage. Its annual turnover must remain below the threshold established by the National Committee for Start-ups[5].

Furthermore, the enterprise must develop an innovative solution capable of generating added value, whether through the introduction of new products or services, improvements to existing offerings, the adoption of innovative business models, or the implementation of novel organizational practices:

- The commercial register and the tax and statistical identification card need to be duplicated in full.
- The company's articles of association need duplication, together with the financial statements which belong to the present year.
- The National Social Insurance Fund requires a certificate of affiliation.
- This applies to both salaried employees who must show their nominal employee list and non-salaried individuals.
- The business plan of the enterprise needs to be presented in a detailed, and complete format.
- The enterprise staff members possess scientific qualifications together with their technical experience which they have gained.

4 BOUALCHAOUR Cherifa: "The Role of Business Incubators in Supporting and Developing Startups: Case Study of Algeria," Al-Bashair Economic Journal, Faculty of Economic Sciences, Commercial Sciences and Management Sciences, Tahri Mohamed University, Bechar, Vol. 04, No. 02, 2018, p. 421.

5 DJEKIDEL Yahia, DOUA Mohamed, MERRAD Rais: "The Startup in Algeria: Characteristics and Obligations," Journal of Excellence for Research in Economics and Management, Vol. 05, No. 01, 2021.

– Any intellectual property document, and any prize or award obtained, where applicable.

Following the examination of the application and verification of the supporting documentation, the National Committee must issue its decision within thirty days from the date of submission. Where the statutory conditions are satisfied, the enterprise is granted the “Start-up” label for a period of four years, renewable once[6].

If the application file is incomplete, the examination period is suspended, and the applicant is notified electronically to provide the missing documents within a maximum period of fifteen days from the date of notification. Failure to comply within the prescribed period results in the rejection of the application[7].

Where the National Committee rejects the application, it must notify the applicant electronically, stating the grounds for its decision. The Committee may reconsider the rejection upon receipt of a duly reasoned request for review. In such cases, the applicant must be informed electronically of the final decision within thirty days from the date on which the request is submitted[8].

Subsection 2: Legal Controls for the Renewal of the "Startup" Label

Any enterprise that has been granted the “Start-up” label by the National Committee for Start-ups is entitled to apply for its renewal in accordance with the provisions of Executive Decree No. 25–311. Such renewal is conditional upon compliance with the substantive requirements and procedural conditions prescribed by the decree. The renewal mechanism thus enables eligible enterprises to maintain their certified status and continue benefiting from the incentives and support measures associated with the “Start-up” label.

6 Article 07: Executive Decree No. 21-422, issued on 04 November 2021, amending and supplementing Executive Decree No. 20-254, establishing a national committee for granting the labels “Startup”, “Innovative Project” and “Business Incubator”, and determining its missions, composition and functioning, Official Journal of the People's Democratic Republic of Algeria, No. 84, issued on 04 November 2021.

7 Article 14 of Executive Decree No. 20-254, as amended by Article 03 of Executive Decree No. 25-311, op. cit. Article 14, Executive Decree No. 20-254, as amended by Article 03, Executive Decree No. 25-311, op. cit.

8 Article 13, Executive Decree No. 20-254, op. cit.

A- Criteria for Renewing the "Startup" Label

While Executive Decree No. 20–254 provides for the granting of the “Start-up” label to enterprises that satisfy the prescribed conditions[9], the amended regulatory framework further supports entrepreneurial development by permitting the renewal of the label once. Eligibility for renewal is subject to compliance with the requirements set out in Article 14 bis of Executive Decree No. 20–254, as amended, which may be summarized as follows:

- Innovation Criterion: To qualify for renewal, the enterprise must demonstrate a sustained commitment to innovation through the development of innovative business models, the introduction of new products or services, or the registration of patents, software, or other forms of intellectual property. Innovation constitutes a defining characteristic of start-ups and serves as a key criterion distinguishing them from conventional enterprises. In this context, innovation may be understood as the process of transforming creative ideas into commercially viable products, services, or organizational solutions capable of generating economic value[10].
- Invested Capital Criterion: At least 50 per cent of the enterprise's share capital must be held by natural persons, accredited investment funds, start-ups, or business incubators holding the relevant official labels. This requirement is intended to preserve the entrepreneurial character of the enterprise, ensure its operational autonomy, and promote investment within the start-up ecosystem while maintaining effective managerial control by its founders.
- Rapid Growth Criterion: An enterprise seeking renewal of the “Start-up” label must demonstrate substantial growth potential, evidenced by measurable expansion in its activities, revenues, customer base, or market presence. This criterion reflects the fundamental objective of the start-up model, namely the achievement of scalable growth and the capacity to expand commercial operations efficiently without a proportionate increase in operating costs. Accordingly,[11] the enterprise must establish that it possesses the resources and capabilities necessary to sustain continued growth and development.

9 Article 14/02, Executive Decree establishing a national committee for granting the labels “Startup”, “Innovative Project” and “Business Incubator”, and determining its missions and composition.

10 Article 14 bis 01, Executive Decree No. 25-311, op. cit.

11 See, Paragraph 03, Article 14 bis, Executive Decree No. 20-254, supplemented by Article 04, Executive Decree No. 25-311, op. cit.

B - Procedures for Renewing the "Startup" Label

To obtain renewal of the “Start-up” label, an enterprise must submit an application through the national electronic platform established by the ministry responsible for start-ups, accompanied by the following supporting documentation:

- The revenues of the startup for the last three 03 years.
- The evolution of the number of customers or users of the solutions and services developed by the startup.
- The number of patents or registered software obtained by the startup.
- A detailed video presentation of the startup’s growth lasting 03 minutes.
- A report on the funding raised by the startup[12].

Following examination of the renewal application and verification of compliance with the prescribed requirements, the National Committee shall issue a decision either granting or refusing the renewal of the “Start-up” label. The applicant shall be notified electronically of the Committee's decision, and any refusal must be accompanied by a statement of reasons.

Where the application is rejected, the applicant may submit a duly reasoned request for review. In such circumstances, the National Committee must communicate its final decision electronically within a maximum period of thirty days from the date of submission of the request for review.[13]

Section II: Renewal of the "Business Incubator" Label

During their early stages of development, start-ups require specialized support mechanisms capable of facilitating growth, enhancing their prospects of success, and improving their long-term sustainability. To address these needs, the Algerian regulatory framework has established business incubators as institutional structures designed to provide technical, managerial, and logistical support to emerging enterprises. These incubators play a crucial role in hosting entrepreneurial projects, assisting start-up founders, and fostering innovation within the broader entrepreneurial ecosystem.

Recognizing the importance of business incubators in promoting entrepreneurship and supporting the development of start-ups, Executive Decree No. 25–311 provides for the renewal of the “Business Incubator” label, subject to compliance with the prescribed legal requirements. This mechanism enables

12 DARANI Linda, op. cit., p. 156.
13 Article 14 bis 01, Executive Decree No. 20-254, supplemented by Article 04, Executive Decree No. 25-311, op. cit.

accredited incubators to continue their activities and maintain their contribution to the development of the national start-up ecosystem.

Subsection 1: Obtaining the "Business Incubator" Label

A “Business Incubator” is defined as any public, private, or public–private institutional structure that provides support and guidance to start-ups and innovative project holders through a range of services, including hosting, training, consultancy, mentoring, and access to financing.[14]

The granting of the “Business Incubator” label is subject to compliance with the conditions prescribed by Executive Decree No. 25–311. To obtain the label, the applicant entity must submit an application through the national electronic platform dedicated to start-ups, accompanied by the supporting documentation required under Article 22 of the decree. The National Committee examines the application and verifies the authenticity and completeness of the submitted documents before issuing its decision:

- A detailed layout plan of the business incubator.
- A list of equipment made available by the incubator to the startups it will host, including offices, machines, computer equipment, and other facilities.
- A presentation of the various services provided by the business incubator to startups.
- A presentation of the various training and mentoring programs proposed by the incubator, including those related to research, consultancy, training, product development, and marketing.
- The curricula vitae of the business incubator staff, trainers, and mentors to verify their qualifications and required professional experience.
- A list of startups previously incubated.

Article 23 of the same decree adds other documents required to obtain this label when the business incubator belongs to the private sector, namely:

- A copy of the company's articles of association, current financial accounts, business register, and tax and statistical identity card.
- A certificate of affiliation with the National Social Insurance Fund, whether for employees accompanied by a nominative list of employees, or for non salaried workers.

14 Article 21, Executive Decree No. 20-254, op. cit.

The "Business Incubator" label is granted to eligible entities that satisfy the prescribed legal requirements for a period of five years, renewable in accordance with the applicable regulatory provisions.

Where an application is refused, the procedures governing notification, justification of the decision, and requests for review are identical to those applicable to the refusal of the "Start-up" label, as provided for in Article 27 of Executive Decree No. 25–311.

The National Committee may also suspend or withdraw the "Business Incubator" label where the incubator fails to comply with the obligations set out in Article 25 of the decree. Any decision to suspend or withdraw the label must be reasoned and communicated electronically to the concerned entity.

Following the rectification of the identified deficiencies, the incubator may submit a duly reasoned request for reconsideration. In such cases, the National Committee must issue its final decision within thirty days from the date of submission of the request and notify the applicant electronically of the outcome[15].

Subsection 2: Legal Framework for the Renewal of the "Business Incubator" Label

The renewal of the "Business Incubator" label is available to incubators that have previously obtained accreditation and continue to satisfy the requirements established under Executive Decree No. 25–311. Eligibility for renewal is conditional upon compliance with both the substantive criteria and procedural requirements prescribed by the applicable regulatory framework.

A- Criteria for Renewing the "Business Incubator" Label

Given the central role of business incubators in supporting entrepreneurial activity, facilitating the development of start-ups, and strengthening the innovation ecosystem, the regulatory framework permits the renewal of the "Business Incubator" label. Renewal is intended to ensure the continued operation of incubators that demonstrate effectiveness in delivering support services and achieving measurable outcomes.

Accordingly, renewal is subject to an assessment of the incubator's performance and the results achieved during the validity period of the label. Such performance may be demonstrated through the following indicators:

- Documents related to the activities and operations carried out by the business incubators during the previous five years, in particular:

15 Article 30, Executive Decree No. 20-254, op. cit.

- A list of incubated projects that obtained the labels “Innovative Project”, “Startup”, and “Accelerated Enterprise” .
- A list of contracts concluded by the business incubator within the framework of open innovation[16].

The granting of the “Business Incubator” label entitles the incubator to benefit from the support mechanisms and incentive measures established by the State under Article 31 of Executive Decree No. 20–254.

B- Procedures for Renewing the “Business Incubator” Label

To renew the “Business Incubator” label, the applicant entity must submit an application through the national electronic platform dedicated to start-ups, accompanied by documentation demonstrating the activities, services, and operational results achieved by the incubator during the preceding five-year period.

Following examination of the application and verification of the submitted information, the National Committee shall issue a decision either granting or refusing the renewal of the “Business Incubator” label. The applicant shall be notified electronically of the Committee’s decision, and any refusal must be accompanied by a statement of reasons.

Where the application is rejected, the applicant may submit a duly reasoned request for reconsideration. In such cases, the National Committee must communicate its final decision electronically within a maximum period of thirty days from the date of submission of the request for reconsideration[17].

Chapter II: Introduction of the "Scale up Enterprise" Label

Executive Decree No. 25–311 introduced a significant amendment to the regulatory framework governing start-ups in Algeria through the establishment of the “Scale-up” label. This reform reflects the evolution of Algeria’s entrepreneurship policy from supporting the creation of innovative enterprises to fostering their sustained growth and market expansion. By introducing a legal category specifically designed for high-growth enterprises, the decree extends institutional support beyond the start-up phase and promotes the development of enterprises capable of achieving greater economic impact and competitiveness.

The introduction of the “Scale-up” label forms part of a broader strategy aimed at strengthening the national innovation ecosystem and facilitating the transition of successful start-ups into mature growth-oriented enterprises.

16 Article 06, Executive Decree No. 25-311, supplementing Executive Decree No. 20-254 with Article 31 bis 01, op. cit.

17 Article 27, Executive Decree No. 20-254, op. cit.

However, eligibility for this designation remains subject to compliance with the conditions and procedures prescribed by Executive Decree No. 25–311.

Section I: Concept of the Scale up Enterprise

The term "scale-up enterprise" is referred to in the Anglo-Saxon context as a "scale-up," while in France it is known as *changement d'échelle d'une entreprise*, and in Algerian law as a "scale-up enterprise." This term has become associated with success and rapid growth in the field of entrepreneurship. Whereas a start-up is an enterprise in its early stages of development, a scale-up enterprise is a start-up that has reached an advanced stage of growth and market expansion, characterized by specific features that distinguish it from related concepts.

Subsection 1: Definition of the Scaleup Enterprise

A scale-up enterprise is defined as an enterprise that has progressed beyond the start-up stage and is characterized by an annual growth rate exceeding 20 percent in both turnover and employment. It is also distinguished by expansion beyond its initial markets, as illustrated by the French transport company Uber.

The Organisation for Economic Co-operation and Development further requires that such enterprises employ more than 10 employees, possess a scalable business model, and pursue a long-term vision for sustainable growth. Similarly, the European Union defines scale-up enterprises as innovative companies experiencing a phase of rapid growth, characterized by an increase in the number of employees, provided that they employ at least 10 employees at the outset and achieve an annual growth rate of no less than 20 percent over three consecutive years. The European Union's strategy seeks to support these enterprises in order to bridge the financing gap with the United States and enhance competitiveness.

From the foregoing definition, the characteristics of scaleup enterprises may be inferred as follows:

- Rapid and sustainable growth:** Scale-up enterprises are distinguished by having progressed beyond the start-up stage and by achieving high growth rates that enable them to expand their operations and enter new markets without a proportionate increase in costs.
- Innovative capacity:** Scale-up enterprises are characterized by a strong focus on innovation and the strategic use of advanced technologies as key drivers of growth and competitiveness.
- Access to financing:** Given their substantial funding requirements, scale-up enterprises often benefit from enhanced access to financial support. The European Union provides a notable example through initiatives aimed at supporting high-growth enterprises, including the Scaleup Europe Fund.

- Scalability and market expansion:** A scale-up enterprise is characterized by its ability to increase production capacity, diversify its products or services, and expand into new markets.
- Ability to attract investment:** One of the defining characteristics of scale-up enterprises is their capacity to attract investors and venture capital funding to support their growth and expansion strategies[18].

Subsection 2: Distinguishing Accelerated Enterprises from Similar Concepts

The concept of a scale-up enterprise is often confused with other concepts associated with entrepreneurship. It is therefore necessary to distinguish it, in particular, from small and medium-sized enterprises (SMEs), start-ups, and business accelerators.

A- Distinguishing Between Accelerated Enterprises and Small and Medium Sized Enterprises

Like scale-up enterprises, small and medium-sized enterprises contribute significantly to economic development and constitute an important driver of economic activity. Nevertheless, the two categories differ in several respects:

– Growth potential: Small and medium-sized enterprises (SMEs) generally operate on a limited scale and do not require substantial financial resources. They are engaged in the production of goods or the provision of services and employ no more than 250 employees. Their annual turnover does not exceed four billion Algerian dinars, and their annual balance sheet total does not exceed one billion Algerian dinars. SMEs are also characterized by their operational independence and reliance on local resources, reflecting their relatively limited scale of activity[19].

By contrast, scale-up enterprises represent the advanced stage of successful start-ups and are distinguished by their strong growth potential and capacity for rapid market expansion. To support their growth strategies, they frequently rely on external financing, particularly from venture capital funds and angel investors[20].

– Innovation: Small and medium-sized enterprises (SMEs) are not required to demonstrate innovation at the time of their establishment, as they often

18 European Commission, https://research-and-innovation.ec.europa.eu, accessed on 12 March 2026 at 12:30.

19 Article 05, Law No. 17-02, containing the framework law for the development of small and medium-sized enterprises.

20 https://moukawil.dz/knowledgebase/difference-entre-startup-et-micro-entreprise/, accessed on 12 March 2026 at 12:45.

operate by offering goods and services that are already established in the market. By contrast, scale-up enterprises are characterized by a strong emphasis on innovation and technology, as well as the continuous development of new products, services, business models, and innovative projects.

- Regulatory status: The "Scale-up" label is granted only after the enterprise has satisfied the prescribed legal requirements and obtained approval from the competent National Committee. Once granted, the enterprise remains subject to the general legal framework applicable to enterprises governed by Algerian law. In contrast, SMEs may be established directly upon fulfilment of the applicable legal requirements and registered in the commercial register without the need to obtain a prior label or accreditation.
- Support mechanisms: Pursuant to Article 15 of Law No. 17–02, SMEs benefit from qualification and modernization programmes, as well as technical assistance measures aimed at enhancing their competitiveness.

Accelerated enterprises, by contrast, benefit from government support aimed at fostering innovation and growth, including financing, assistance in marketing their products, support for international expansion, tax exemptions, and incubator support.

- Regarding financing: small and medium-sized enterprises generally finance their projects through personal savings, loans, or grants, given their relatively limited financial needs. Accelerated enterprises, however, require substantially larger funding to support their growth strategies and research and development efforts, and consequently often seek external investment from venture capitalists or angel investors[21].

B- Distinction between Accelerated Enterprises and Startups

Although an accelerated enterprise represents an extension of a startup, with both labels granted by the same National Committee, they differ in the following respects:

- Regarding development: a startup is a newly established enterprise, typically formed as a simplified joint stock company[22], based on an innovative idea and aimed at developing a product, service, or scalable business model. However, it remains small in size and experiences slow growth in its initial stages. By

21 https://moukawil.dz/knowledgebase/difference-entre-startup-et-micro-entreprise/, accessed on 12 March 2026 at 13:00.

22 Law No. 22-09, dated 05 May 2022, amending and supplementing Order No. 75-59 dated 26 September 1975 containing the Commercial Code, Official Journal of the People's Democratic Republic of Algeria, No. 32, issued on 14 May 2022.

contrast, an accelerated enterprise constitutes an extension of a startup that has achieved annual growth of no less than 20 percent over the previous three years and has demonstrated the viability of its economic model, thereby transitioning from the launch phase to a phase of rapid and sustainable growth at the local or international level[23].

– Regarding advantages: pursuant to Executive Decree No. 20-254, startups benefit from initial funding during their establishment phase and from tax and fiscal exemptions for four years from the date of obtaining the "Startup" label, with the possibility of renewing the label once and benefiting from the same exemptions for an additional two years depending on their progress[24]. They also receive guidance, supervision, and support from incubators and accelerators, in addition to administrative facilitation in establishment and financing.

Accelerated enterprises, by contrast, benefit from greater financial support than startups, as well as assistance with exporting their products, expanding internationally, opening branches abroad, and concluding international agreements to market their products. They also benefit from specific incentives related to export and innovation in accordance with the Finance Law for 2026.

They are further distinguished by the possibility of renewing their label an unlimited number of times, unlike startups, for which renewal is limited to a single occasion, provided that the criteria of efficiency and continuity set forth in Article 31 bis 05 of Executive Decree No. 20-254 are satisfied[25].

C- Distinction between Accelerated Enterprises and Business Accelerators

Business accelerators established pursuant to Executive Decree No. 20-356 resemble[26] accelerated enterprises in terminology, yet the two concepts differ entirely in meaning. Business accelerators are legal entities that support startups which have already exited the incubation stage and possess a product or service ready for marketing. They aim to accelerate the growth of these startups and expand their activities through forward-looking strategic plans enabling them to

23 https://bigmedia.bpifrance.fr/news/cest-quoi-une-scale, accessed on 12 March 2026 at 16:00.

24 Article 100, Law No. 25-17, dated 14 December 2026, containing the Finance Law for 2026, Official Journal of the People's Democratic Republic of Algeria, No. 88, issued on 31 December 2025.

25 Supplemented by Article 07, Executive Decree No. 25-311, op. cit.

26 Executive Decree No. 20-356, dated 30 November 2020, establishing an institution for the promotion and management of startup support structures and determining its missions, organization and functioning, Official Journal of the People's Democratic Republic of Algeria, No. 73, issued on 06 December 2020, as a public industrial and commercial institution called “Algeria Venture” according to Article 01 of the aforementioned Executive Decree.

achieve rapid growth and overcome the administrative and financial challenges they may face, through intensive programmes lasting from three to six months, during which guidance and mentoring are provided by experts in the field.

Accelerators also give companies access to innovation leaders and specialists within some of the world's most influential firms, allowing them to benefit from their expertise and practical experience. They further provide opportunities to conclude commercial agreements or obtain investment in exchange for equity shares[27].

Accelerated enterprises, by contrast, represent an extension of startups that have moved beyond the establishment stage and demonstrated the success of their product or service in the market. They seek to strengthen their position and expand both internationally and locally, and may, as emerging enterprises, benefit from the services of accelerators and incubators[28].

Section II: Legal Controls for Granting the "Scale up Enterprise" Label

The National Committee for Startups is responsible for granting the "Scale-up Enterprise" label to every enterprise applying for this designation, in addition to granting the "Startup," "Innovative Project," and "Business Incubator" labels once the required conditions are met. However, in order to obtain this label and benefit from it, as well as from all the support and assistance mechanisms provided by the State, a set of conditions or criteria must be satisfied. Compliance with the legal procedures established under Executive Decree No. 25-311 is likewise required.

27 KHALLAF Fatah: "The Impact of Business Accelerators on Startups: Algeria Venture as a Model – Analytical Reading of Executive Decree No. 20-356," *Journal of Research in Contracts and Business Law*, Faculty of Law, Frères Mentouri University, Constantine 1, Vol. 06, No. 04, 2021, pp. 158–162.

28 Despite the significant similarity between accelerators and incubators, they differ in that the latter is considered a space that provides services, expertise, and equipment to individuals wishing to establish small projects, under technical and administrative supervision by experienced and specialized professionals, with the aim of enabling these projects to acquire the necessary capabilities and expertise to ensure their continuity and success in the markets. Thus, incubators primarily focus on supporting enterprises during the incubation stage by providing accommodation, training, consultancy, and financing, unlike accelerators, which intervene after this stage to accelerate growth and market expansion over a period usually ranging between two and three years, through assistance in financing and achieving practical development. For further details, see: KHALLAF Fatah, op. cit., pp. 160–162.

Subsection 1: Criteria for Granting the "Scaleup Enterprise" Label

The Algerian legislator did not define the scale-up enterprise within the framework of Executive Decree No. 25-311. However, an examination of its provisions suggests that this enterprise does not possess an independent legal form, but rather constitutes an extension of the startup that is, a startup in an advanced stage of growth and development. The legislator requires that the following criteria be met in order for this label to be granted:

- The enterprise must be subject to Algerian law.
- Innovative foundation: The enterprise must base its business model on innovative products, services, or business models. This distinguishes it from the startup, which is based on innovation of the idea rather than replication of the model and scalability, as is the case for the scaleup enterprise[29].
- Turnover growth: to obtain the scale-up enterprise label, the enterprise must record turnover growth of not less than 20 percent over the preceding three years. In other words, the Algerian legislator requires that, for an enterprise to be classified as a scale-up, its growth rate remain stable at no less than 20 percent and continuous throughout that three-year period[30]. The enterprise must accordingly demonstrate effectiveness, achieving over this period rapid growth in turnover, expansion into new markets, and job creation. This distinguishes it from the startup, which is also characterised by rapid growth, but at a lower rate and with a higher level of risk, given that it remains in its early stages and is primarily focused on bringing its products to market and securing financing for its projects in order to achieve rapid growth.
- Investment in research and development: This is achieved by allocating at least 3 percent of the enterprise's revenues or capital to investment in research and development. This reflects the state's orientation toward encouraging enterprises to direct part of their resources toward modernization and continuous innovation.

In light of the foregoing, the scale-up enterprise may be described as a label granted to innovative enterprises, or to enterprises whose business model is based on innovative products or services, with the aim of supporting their expansion at both the local and international levels, provided that they have moved beyond the startup stage, achieved rapid growth in turnover, and invested in research and development.

29 See paragraphs 1 and 2 of Article 31 bis 02, Executive Decree No. 20-254, amended and supplemented by Executive Decree No. 25-311.
30 See paragraph 3 of Article 31 bis 02, Ibid.

Subsection 2: Procedures for Obtaining the "Accelerated Enterprise" Label

An enterprise applying for the "Accelerated Enterprise" label must submit its application to the National Committee for Startups through the electronic portal dedicated to startups, accompanied by a file comprising the following documents:

- A copy of the commercial register and the tax identification card.
- A copy of its articles of association.
- A detailed presentation of the product or service and its innovative aspects.
- The curricula vitae of its founders.
- A video presentation not exceeding three minutes, justifying the enterprise's growth trajectory.
- Intellectual property certificates, any awards or prizes obtained, and evidence of international expansion, particularly export operations or the establishment of branches abroad where applicable, in support of the policy of promoting exports outside the hydrocarbons sector[31].

The National Committee examines the application and is required to rule on it within thirty days of submission. Where missing documents are identified, this period is suspended and the applicant is notified, in order to complete the file within a maximum of fifteen days from the date of notification, failing which the application is rejected, in accordance with Article 31 bis 04 of Executive Decree No. 20-254.

The National Committee grants the "Accelerated Enterprise" label for a period of four years, renewable[32], to any applicant enterprise that satisfies the required legal conditions and whose supporting documents are verified as valid and sufficient. The Committee is required to publish the decision granting the label on the national electronic portal for startups, in accordance with Article 31 bis 06 of Executive Decree No. 20-254.

It should be noted that the Algerian legislator did not restrict renewal to a single instance, as is the case for startups. This indicates that the legislator left the possibility of renewal open for accelerated enterprises, meaning that renewal may occur whenever the required conditions are met, upon submission of an application through the national electronic portal for startups. The response is issued by the National Committee under the same conditions and procedures set

31 Article 31 bis 03, Executive Decree No. 20-254, supplemented by Article 07, Executive Decree No. 25-311, op. cit.

32 Article 31 bis 05, Executive Decree No. 20-254, supplemented by Article 07, Executive Decree No. 25-311, op. cit.

out in Article 31 bis 07 of Executive Decree No. 20-254, as supplemented by Article 07 of Executive Decree No. 25-311. The enterprise concerned may submit a reasoned request to the same Committee for reconsideration of its decision, within a period not exceeding thirty days from the date of submission of that request[33].

It may be affirmed that this newly introduced label constitutes an extension of the startup label and represents an important step toward strengthening the innovation ecosystem and supporting projects that have demonstrated genuine growth capacity, enabling them to benefit from greater support and broader opportunities for expansion at both the local and international levels. The new framework also draws on international standards to ensure continued development and sustainability, reflecting the State's commitment to strengthening support for innovative entrepreneurs in order to foster an economy founded on innovation and knowledge.

Conclusion

In the context of developing and diversifying the national economy, Algeria seeks to support entrepreneurship and business creation, given their close connection to the capacity to increase the number of newly established enterprises. This is clearly reflected in the introduction by the Algerian legislator of the "Startup" label pursuant to Executive Decree No. 20-254, aimed at encouraging innovative ideas and transforming them from mere concepts into concrete projects. In order to support and accompany these enterprises, the legislator also introduced the "Business Incubator" label. To further strengthen the position of startups and provide them with additional support, the legislator intervened once again through Executive Decree No. 25-311, establishing the criteria and procedures for renewing these labels. This means that such enterprises may renew their label whenever the required legal conditions are satisfied. This clearly demonstrates the legislator's commitment to encouraging startups to continue their activities, achieve development and rapid growth, and benefit from the support and guidance provided by business incubators.

The legislator's intention to support entrepreneurship and encourage entrepreneurs is also evident in the introduction, within the same executive decree, of what is termed the "Accelerated Enterprise," applicable to any small enterprise that has demonstrated rapid growth and development in the fields of research and technology over the preceding three years of activity, provided that it meets the legally required criteria and follows the procedures necessary to obtain this label, with the possibility of renewal where desired.

33 Paragraphs 2 and 3, Article 30, Executive Decree No. 20-254, supplemented by Article 07, Executive Decree No. 25-311, op. cit.

Although Algeria has intensified its efforts to create an environment conducive to the success of these enterprises, and thereby to diversify and develop the national economy, certain gaps remain that warrant attention, as reflected in the following points.

First, it may be observed that the Algerian legislator has not provided a clear legal definition of accelerated enterprises, instead treating them as a natural extension of startups. This gives rise to confusion between the two categories, particularly with regard to the nature of the support directed to each, which undermines the effectiveness of public policies aimed at supporting innovation and economic growth.

Furthermore, while the legislator has established a set of tax and fiscal incentives in favour of accelerated enterprises, treating them as an extension of startups, no distinction has been drawn between the two categories. This is despite the fact that accelerated enterprises represent an advanced stage in the life cycle of a startup, characterised by a faster growth rate and a greater capacity for expansion. It would therefore have been more appropriate to adopt a dedicated legal framework for accelerated enterprises, linking tax and fiscal benefits to objective indicators of actual performance such as growth rate, turnover, and market expansion rather than relying solely on indicators relating to the establishment phase.

There is also a need to introduce dedicated financing mechanisms for accelerated enterprises, through the creation of investment funds specifically designed for them, with a view to enhancing their capacity for expansion at both the national and international levels. In this regard, inspiration could usefully be drawn from the experience of the European Union, which has established a dedicated fund for scaling companies, thereby supporting their competitiveness and facilitating their access to markets.