

# **Third Enhanced Follow-up Report for the People's Democratic Republic of Algeria**

*Technical Compliance Re-rating*

**Anti-Money Laundering and  
Combating the Financing of Terrorism**

**May 2026**

**The People's Democratic Republic of Algeria**

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*This document contains the Third Enhanced Follow-up Report for the People's Democratic Republic of Algeria, encompassing a technical compliance re-rating for ten Recommendations (1, 2, 6, 7, 9, 12, 13, 19, 35, and 36). This report reflects the efforts undertaken by the People's Democratic Republic of Algeria since the adoption of its Mutual Evaluation Report by the MENAFATF in May 2023. In accordance with MENAFATF procedures for the second round of mutual evaluations and follow-up processes, the report was adopted through a written process prior to the 42<sup>nd</sup> MENAFATF Plenary in May 2026.*

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## Third Enhanced Follow-up Report for the People's Democratic Republic of Algeria with Technical Compliance Re-rating Request

### First: Introduction:

1. The People's Democratic Republic of Algeria was evaluated in the second round by the Middle East and North Africa Financial Action Task Force (MENAFATF) according to the forty Recommendations and the eleven Immediate Outcomes adopted by the Financial Action Task Force (FATF) in 2012. The Mutual Evaluation Report (MER) was prepared according to the Methodology adopted in 2013. The MER for the People's Democratic Republic of Algeria was approved at the MENAFATF 36<sup>th</sup> Plenary Meeting, which was held in May 2023 in the Kingdom of Bahrain. It was decided to place Algeria under enhanced follow-up, as per the mutual evaluation process procedures.
2. According to the MER, the People's Democratic Republic of Algeria was rated “Compliant” in (2) Recommendations, “Largely Compliant” in (9) Recommendations, “Partially Compliant” in (17) Recommendations, “Non-Compliant” in (11) Recommendations and “Not Applicable” in one Recommendation out of the forty Recommendations. The MER also showed that the country achieved a “Substantial level of effectiveness” in (2) Immediate Outcomes (IO), a “Moderate level of effectiveness” in (3) Immediate Outcomes and a “Low level of effectiveness” in (6) out of the eleven Immediate Outcomes.
3. Based on the technical compliance ratings of the 40 Recommendations and the level of effectiveness of the 11 Immediate Outcomes in the MER of the People's Democratic Republic of Algeria and according to the adopted procedures of the mutual evaluation process, the MENAFATF 36<sup>th</sup> Plenary Meeting held in May 2023 decided to place Algeria under enhanced follow-up.
4. The country submitted the 1<sup>st</sup> Enhanced Follow-up Report which was discussed at the MENAFATF 38<sup>th</sup> Plenary Meeting in May 2024 and which also included a request for re-rating technical compliance for (10) recommendations. The discussion of the EFUR resulted in upgrading the technical compliance ratings from “Partially Compliant” to “Largely Compliant” for Recommendations (14, 21, 26, 27, 28), upgrading the technical compliance rating from “Non-Compliant” to “Partially Compliant” for Recommendation (12) and maintaining the “Partially Compliant” rating for Recommendations (11, 18, 22, 23).
5. The country submitted the 2<sup>nd</sup> Enhanced Follow-up Report which was discussed at the MENAFATF 40<sup>th</sup> Plenary Meeting in May 2025 and which also included a request for re-rating technical compliance for (8) recommendations. The discussion of the EFUR resulted in upgrading the technical compliance rating from “**Non-Compliant**” to “**Largely Compliant**” for Recommendation (16) and upgrading the technical compliance rating from “**Partially Compliant**” to “**Largely Compliant**” for Recommendations (10, 11, 18). The technical compliance rating was upgraded from “**Non-Compliant**” to “**Partially Compliant**” for Recommendation (19), while maintaining the “**Partially Compliant**” rating for Recommendations (32, 34) and the “**Non-Compliant**” rating for Recommendation (13).
6. The following is a summary of the technical compliance and effectiveness ratings:

**Table no. (1): Technical Compliance Ratings (May 2025)**

<b>R.1</b>	<b>R.2</b>	<b>R.3</b>	<b>R.4</b>	<b>R.5</b>	<b>R.6</b>	<b>R.7</b>	<b>R.8</b>	<b>R.9</b>	<b>R.10</b>
NC	PC	LC	LC	C	PC	NC	NC	PC	LC
<b>R.11</b>	<b>R.12</b>	<b>R.13</b>	<b>R.14</b>	<b>R.15</b>	<b>R.16</b>	<b>R.17</b>	<b>R.18</b>	<b>R.19</b>	<b>R.20</b>
LC	PC	NC	LC	NC	LC	NA	LC	PC	LC
<b>R.21</b>	<b>R.22</b>	<b>R.23</b>	<b>R.24</b>	<b>R.25</b>	<b>R.26</b>	<b>R.27</b>	<b>R.28</b>	<b>R.29</b>	<b>R.30</b>
LC	PC	PC	NC	NC	LC	LC	LC	LC	LC
<b>R.31</b>	<b>R.32</b>	<b>R.33</b>	<b>R.34</b>	<b>R.35</b>	<b>R.36</b>	<b>R.37</b>	<b>R.38</b>	<b>R.39</b>	<b>R.40</b>
LC	PC	C	PC	PC	PC	LC	LC	LC	NC

Note: There are five possible technical compliance ratings: (compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC)).

Reference: [The Second Enhanced Follow-up Report for the People's Democratic Republic of Algeria](#)

**Table no. (2): Effectiveness Ratings**

<b>Immediate Outcomes</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>
<b>Rating:</b>	LE	ME	LE	LE	LE	ME	ME	SE	SE	LE	LE

Note: There are four possible ratings for effectiveness (High level of effectiveness (HE); Substantial level of effectiveness (SE); Moderate level of effectiveness (ME); and Low level of effectiveness (LE)).

Reference: [The Mutual Evaluation Report for the People's Democratic Republic of Algeria](#)

7. This report includes the third enhanced follow-up process for the People's Democratic Republic of Algeria, as Algeria requested a re-rating of technical compliance for (10) Recommendations: (1, 2, 6, 7, 9, 12, 13, 19, 35, 36)<sup>1</sup>. In coordination with the MENAFATF Secretariat, the information provided by the country was reviewed and the level of technical compliance with the Recommendations was analyzed by the follow-up experts: **Mrs. Huda Mehdi**, *Acting Manager Examination Department, Central Bank of Oman, the Sultanate of Oman*; **Mrs. Reem Alsaleh**, *Researcher at the National AML/CFT Committee, Central Bank of Qatar, the State of Qatar*; **Mr. Ahmad Alsalameen**, *Head of the Department for Receiving STRs and Information Collection, and Head of the National Risk Assessment Working Group at the Kuwaiti Financial Intelligence Unit, State of Kuwait*, supported by the following members of the MENAFATF Secretariat: **Mrs. Jehan Alansari**, *Senior Mutual Evaluation Officer* and **Ms. Rand Gharndoke**, *Mutual Evaluation Expert*.

#### **Priority Actions:**

8. The People's Democratic Republic of Algeria's MER included some deficiencies relating to technical compliance with the forty Recommendations and the Immediate Outcomes regarding the effectiveness of the Anti-Money Laundering and Combating Terrorist Financing

<sup>1</sup> This assessment was conducted in accordance with the FATF Methodology (2013). The country will be assessed in the next mutual evaluation/follow-up process in accordance with the FATF Methodology (2022), which incorporates the revised standards.

(AML/CFT) regime. Recommendations to take some corrective steps that should be prioritized by Algeria were also incorporated into the report, as follows:

- Algeria should complete the NRA process to produce clear results for the ML/TF risks and make the results of this assessment widely available to the public and private sectors to form a starting point for a common and comprehensive understanding of risks.
- Algeria should consider amending the mechanism for implementing UNSCRs relating to combating terrorism and its financing, to make them legally enforceable within the country promptly and without delay, and drop any procedures that would affect the effectiveness of the application of TFS. Also, consider making the necessary legislative amendments to bring into force the UNSCRs relating to CPF inside the country as soon as they are issued by the Security Council.
- CTRF should develop the procedures for handling STRs, take measures to address the delay in the analysis process and conduct an in depth review of how reporting is prepared at the level of subject entities to determine the reasons for low or no reports, and the poor reporting quality. As a basic initial step, set up a mechanism to provide useful feedback to the subject entities, in coordination with the supervisory authorities, to enhance awareness of the subject entities and enhance their compliance with AML/CFT requirements, especially in the detection and reporting of suspicious transactions.
- LEAs should systematically conduct parallel financial investigations while looking into the predicate offenses to identify the ML offense and enhance their awareness and training not to disregard financial evidence and ensure that a follow-the-money approach is pursued, especially for serious and cross-border crimes.
- The Algerian authorities, especially the investigative and judicial authorities, should consider resorting to formal international cooperation to trace, freeze, confiscate and recover the proceeds of crimes of transnational dimension from abroad (i.e., proceeds derived from drug trafficking). Also, resort more to formal and informal international cooperation for the exchange of information related to terrorism and TF offenses.
- Regulatory authorities should include in licensing and registration controls clear procedures to ensure that fit and proper tests are effectively applied to prevent criminals or their accomplices from owning controlling ownership shares in financial and non-financial institutions or holding a management function therein. The supervisory authorities should enhance their understanding of ML/TF risks, develop an effective supervisory RBA, and enforce administrative penalties in the event of non-compliance. Activate supervision of insurance companies and brokers and DNFBPs regarding AML/CFT requirements.
- Algeria should pursue its efforts by introducing amendments to the AML/CFT law (at the soonest)<sup>2</sup> and addressing deficiencies, particularly with respect to TFS-TF/PF, NPOs, preventive measures and supervision. Develop and implement continuous awareness and training programs for subject entities to raise their awareness of the risks they are exposed

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<sup>2</sup> During the on-site visit, the AT was briefed on the draft amendment to the AML/CFT Law No.(05-01)

to (particularly with regard to TF risks) and require them to conduct ongoing self-assessment of risks.

- Algeria should assess the risks of abusing legal persons for ML/TF to determine how legal persons are abused and identify the level of risks facing them, as well as the type of legal person and activity that is being misused or mostly misused for ML/TF.
- The Algerian authorities should conduct a comprehensive assessment and review of the NPO sector, to identify the subset of NPOs that are vulnerable to TF abuse and identify the nature of the threats posed by terrorist entities or groups to the sector and how terrorist groups abuse the sector. Measures should be taken to mitigate the TF risks in a way that legitimate charitable activities are not disrupted or discouraged and undertake educational programs to raise awareness among NPOs and donor groups about the threats that may be posed by terrorist entities to the sector and the measures that NPOs can take to protect themselves against such threats.

### Second: Overview of the progress made to implement the Recommendation for which a re-rating is requested.

9. This section presents the measures taken by the People's Democratic Republic of Algeria to comply with the Recommendations for which a re-rating is requested. Algeria addressed some technical compliance deficiencies identified in the MER and the first and second EFURs, in relation to the Recommendations under review, namely (1, 2, 6, 7, 9, 12, 13, 19, 35, 36). As a result, the technical compliance ratings for some Recommendations were reconsidered.

### **Recommendation 1 - Assessing Risks and Applying a Risk-Based Approach (Non-Compliant)**

**Criterion 1.1 (Met):** The MER stated that Algeria took initial steps aiming at identifying and assessing the national money laundering and terrorist financing (ML/TF) risks, while no national outcomes from the NRA process were available at that time. In order to address this deficiency, Algeria has conducted the NRA in 2024 under the supervision of the national risk assessment committee, by relying on the World Bank methodology, using quantitative and qualitative data from various sources covering the period of 2019-2023, with the participation of relevant stakeholders. The NRA in Algeria reflects a systematic approach based on multiple information sources and the participation of all national stakeholders, which supports a comprehensive understanding of money laundering and terrorist financing risks. The results appear largely consistent with the nature of the threats in the national context, which reinforces the logic of the conclusions. This assessment resulted in outcomes that were represented in the national risk assessment report which addressed the identification and assessment of threats and vulnerabilities at the national and sectoral levels, including TF risks, according to a nationally structured and coordinated methodology.

**Criterion 1.2 (Met):** The MER stated that the national risk assessment committee is competent to ensure coordination of the policies and to prepare the national strategy without being explicitly entrusted with the task of coordinating procedures for risk assessment, since the assessment process was conducted through sub-committees and technical working units. In

order to address this deficiency, the legislative framework was amended by virtue of law no. (25-10), as article (5) bis of law no. (05-01) as amended stipulated that the national committee takes appropriate measures to identify, assess, understand and continuously update the risks of money laundering, financing of terrorism and/or financing of proliferation of weapons of mass destruction Algeria is exposed to. article (5) bis (1) of the same law also added that in addition to the preparation of the national risk assessment report, the national committee is responsible for proposing elements of the National Strategy for Combating Money Laundering, Terrorist Financing and/or Proliferation Financing and monitoring its implementation following its ratification by the government. article (2) of executive decree no. (20-398) confirms the role of the national committee in studying and ratifying sectoral reports and studying the national report on risk assessment and presenting it to the Prime Minister for approval, thereby establishing its role as a central mechanism to coordinate actions for assessment at the national level.

**Criterion 1.3 (Met):** The MER stated that the NRA has not been completed at that time, despite a regulatory text providing for its update once every two years. In order to address this deficiency, the existing regulatory framework strengthened the principle of periodic updating, as article (16) of executive decree no. (20-398) stipulates that the national report on ML/TF/PF risk assessment is updated at least once every two years and whenever the circumstances require so. The amended legislative framework further supported this approach, as article (5) bis of law no. (05-01) as amended and supplemented by law no. (25-10) entrusted the national committee with the task of taking appropriate measures to identify, assess, understand and continuously update the risks of money laundering and/or financing of terrorism and/or financing of proliferation of weapons of mass destruction Algeria is exposed to, thereby demonstrating an explicit commitment to updating the risks continuously, not only periodically.

**Criterion 1.4 (Met):** The MER stated that there are no legal framework or enforceable mechanisms ensuring the provision of the results of the ML/TF risk assessment to competent authorities, SRBs, FIs and DNFBPs, enabling them to apply the risk-based approach. In order to address this deficiency, Algeria adopted article (5) bis of law no. (05-01) as amended and supplemented which required the national committee to put the results of the national and sectoral risk assessments at the disposal of competent authorities and subject entities through appropriate mechanisms, subject to the requirements for the protection of personal data. Algeria reported that in 2024, the national committee disseminated the most important results of the national ML/TF risk assessment to wide range of authorities, including competent authorities and subject entities, including FIs and DNFBPs, through official correspondence in which these entities were invited to use the assessment results in determining and implementing risk-based preventive measures. The dissemination included the following authorities:

The Ministry of National Defense, the Ministry of Foreign Affairs and the National Community Abroad, the Ministry of the Interior, Local Authorities and Urban Planning, the Ministry of Justice, the Ministry of Finance, the Ministry of Trade and Export Promotion, the Ministry of Housing, Urban Planning and the City, the Ministry of Industry and Pharmaceutical Production, the Ministry of Labor and Social Security, the Ministry of Youth and Sports, the

Ministry of Culture and Arts, the Ministry of Religious Affairs and Endowments, and the Ministry of Post and Telecommunications.

It also included the National Security, the National Gendarmerie, the General Directorate of Documentation and External Security, the General Directorate of Internal Security, the Central Office for Combating Corruption, the National Office for Combating Drugs and Addiction, the National Authority for the Prevention and Combating of Crimes Represented by Information and Communication Technologies, the FIU, the National Operational Coordination Committee, the National Committee for Coordinating the Lifting of FATF Reservations, the AML\CFT Sub-Committee, and the CPF-WMDs Sub-Committee.

It also included the Bank of Algeria, the Banking Commission, the General Directorate of Treasury and Accounting, the General Directorate of Taxes, Customs, the Commission for the Organization and Control of Stock Exchange Operations, the National Accounting Council, the High Commission for Digitalization, the National Center for the Commercial Register, the National Statistics Office, Algeria Post, the National Union of Lawyers' Organizations, the National Chamber of Notaries, the National Chamber of Judicial Officers, the National Chamber of Auditors, the Association of Banks and Financial Institutions, the Algerian Union of Insurance and Reinsurance Companies, the National Union of General Insurance Agents, and the fight against insurance fraud.

**Criterion 1.5 (Met):** The MER stated that at the time of assessment, Algeria had not completed the national ML/TF risk assessment, which hindered the effective implementation of the legal and regulatory framework in place at that time relating to the application of the risk-based approach to allocating resources and implementing preventive measures. Accordingly, there was no evidence demonstrating that competent authorities had set priorities for intervention or resource allocation on the basis of risk, nor were effective measures implemented to manage or mitigate risks. In order to address the deficiencies, Algeria enhanced the legal framework by incorporating article (5) bis (3) of law no. (05-01) as amended and supplemented which required control, oversight and/or supervisory authorities and subject entities to allocate resources, establish practical programs and measures based on the risk-based approach to AML/CFT/CPF and monitor the extent of compliance with their implementation. This article also explicitly provided for the application of enhanced measures in cases of higher risk and simplified measures in cases of lower risk, thereby reinforcing the principle of proportionality in the allocation of resources and the implementation of measures.

At the regulatory level, the provisions of executive decree no. (20-398), in particular articles (10) and (11), confirmed the role of the national committee and its subcommittees in proposing recommendations on the identification of high or low-risk sectors or areas, proposing the necessary legislative and regulatory measures, and ensuring the optimal allocation of resources dedicated to prevention and combating programs, thereby providing an institutional mechanism to link risk assessment outcomes with resource allocation decisions. Following the completion of the NRA, Algeria adopted sectoral roadmaps determining priorities and implementing measures across the supervised sectors, namely those classified as high or moderate-risk. These roadmaps clearly determine the measures to be taken, the entities responsible for their implementation, and the timelines, which demonstrates that supervisory and regulatory resources are being allocated towards higher-risk sectors and reflects the

strengthening of mitigating measures included in these roadmaps, while applying more simplified approaches in lower-risk sectors.

Some competent authorities, in particular sectoral monitoring, and supervisory authorities, including authorities supervising the financial sector and some categories of DNFBPs, have also taken practical measures to manage and mitigate risks in a number of priority sectors. These measures included updating customer due diligence (CDD) measures, conducting sectoral assessments, amending certain regulatory texts, and updating inspection and oversight manuals, demonstrating that risk assessment results are being used as a basis to allocate efforts and resources and adapt preventive measures.

**Criterion 1.6 (Not Applicable):** According to the MER, the requirements of C.1.6 are not applicable to Algeria, as the legal framework, including law no. (05-01) as amended and supplemented, does not provide for any exceptions or exemptions from the application of the FATF Recommendations.

**Criterion 1.7 (Met):** The MER stated that since Algeria had not completed the national ML/TF risk assessment at the time of assessment, higher risks were not identified at the national level, nor did it ensure that the AML/CFT regime addresses such risks through enhanced measures or incorporate them into risk assessments conducted by FIs and DNFBPs. In addition, the scope of certain measures in place, in particular those aimed at reducing cash dealings in the DNFBP sector, was limited, as they were not based on a comprehensive identification of high risks at the national level, nor did they cover all categories of high risks that should be addressed under the risk-based approach.

In order to address this deficiency, Algeria adopted law no. (25-10) amending and supplementing law no. (05-01). Article (5) bis (3) thereof stated that the control, oversight and/or supervisory authorities and all subject entities should identify, assess and understand the risks of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction, in conformity with the NRA and take enhanced measures to manage and mitigate the risks identified as high, while requiring subject entities to incorporate such risks into their risk assessments.

In practice and following the completion of the NRA, Algeria gave effect to this framework by requiring competent authorities and subject entities, namely in the sectors classified as high or moderate-risk, to implement enhanced measures to manage and mitigate risks and to incorporate the NRA results into the internal assessments of risks. Sectoral roadmaps were also adopted, together with subsequent coordination meetings, aimed at directing supervisory and regulatory actions towards higher risks and strengthening the practical implementation of the risk-based approach. Nevertheless, although there is a legal and regulatory basis that requires subject entities to apply enhanced measures when high risks are identified, the indicators relating to the consistent application of these measures, namely in terms of supervisory authorities verifying that the national high risks are incorporated into the institutional risk assessments, as well as the results of the risk-based inspections and the remedial actions taken, remain limited. The "high-risk" sectors included real estate agents and Algeria Post. Sectors with "high to medium risk" included banks and financial institutions, precious metals and

stones, notaries, and car dealers. Sectors with medium risk included bailiffs, lawyers, auditors, customs agents, certified accountants, and expert lawyers.

**Criterion 1.8 (Met):** The MER stated that at the time of assessment, Algeria had allowed some financial institutions and DNFBPs to take simplified due diligence measures; however, these measures were not based on the identification of lower risks at the national level and were not required to be consistent with the national ML/TF risk assessment results and their scope of application did not cover all FIs.

In order to address this deficiency, Algeria has strengthened the legislative framework by adopting law no. (25-10) amending and supplementing law no. (05-01), namely article (5) bis (3) which created an explicit legal obligation for competent authorities and all subject entities to implement the risk-based approach. This article provides for the identification, assessment and understanding of risks in consistency with the NRA and for the adoption of enhanced measures in cases of higher risk and simplified measures only when lower risks are identified. This creates a direct link between simplified measures being allowed to be taken and the risk assessment results, as such measures are limited to cases where lower risks are systematically identified, in a manner consistent with the national ML/TF risk assessment.

It is also evident from the legislative and regulatory framework that the application of simplified measures remains conditional upon the absence of suspicion, as the relevant texts require the full application of due diligence measures in cases of ML/TF suspicion, regardless of any regulatory exemptions or limits, thereby precluding the application of simplified measures in such cases.

**Criterion 1.9 (Mostly Met):** The MER stated that although FIs are subject to supervision for monitoring their compliance with the AML/CFT requirements, there is no indication that this supervision is based on the risk-based approach, nor did it appear that there is a supervisory authority for DNFBPs. Considering that the NRA process had not been completed and that no clear obligations had been imposed according to Recommendation 1 at the time of assessment, supervisors and SRBs were unable to verify that subject entities are actually implementing the risk-based approach. In order to address this deficiency, Algeria adopted law no. (25-10) amending and supplementing law no. (05-01), as article (10) bis explicitly entrusted the control, oversight and/or supervisory authorities with the responsibility for monitoring all subject entities, both financial and non-financial, to ensure that they are observing the obligations provided for in this law, implementing texts and relevant guidelines.

executive decree no. (23-430) was issued, setting out the conditions and modalities for these authorities to exercise their tasks, including, establishing supervisory procedures, ensuring that preventive measures are being applied, imposing on-going monitoring and verifying compliance with relevant legislations. This regulatory framework establishes a legal and institutional basis enabling supervisory authorities to verify FIs and DNFBPs for compliance with their obligations, including through the development of risk-based supervisory and oversight programs. Accordingly, Algeria established a legal and regulatory framework enabling oversight and supervisory authorities to verify FIs and DNFBPs for compliance with their AML/CFT obligations, including through the development of risk-based supervisory

programs. However, there are still some shortcomings mentioned in recommendations 26 and 28 related to the requirements of this criteria.

**Criterion 1.10 (Met):** The MER stated that, at the time of assessment, FIs and DNFBBs were not required to take appropriate steps to identify, assess, and understand their ML/TF risks, including risks related to customers, countries or geographic areas; and products, services, transactions and delivery channels. Nor were they required to document the risk assessments, consider all the relevant risk factors before determining what is the level of overall risk and the appropriate mitigation measures to be applied, keep these assessments up-to-date or provide risk assessment information to competent authorities and SRBs.

In order to address this deficiency, Algeria adopted law no. (25-10) amending and supplementing law no. (05-01). Article (5) bis (2) thereof stated that all subject entities are required to take proportionate measures to identify, assess and understand the risks of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction they are exposed to, including risks related to customers; countries or geographic areas; and products, services, transactions and distribution channels. This article also explicitly stipulated that the risk assessments should be documented and kept up-to-date, all the relevant risk factors should be considered before determining what is the level of overall risk and the appropriate mitigation measures to be applied, and these assessments should be put at the disposal of competent authorities through appropriate mechanisms.

**Criterion 1.11 (Met):** The MER stated that at the time of assessment, FIs and DNFBBs were not required to have policies, controls and procedures, which are approved by senior management, to manage and mitigate the ML/TF risks, to monitor the implementation of those controls and to enhance them if necessary or to take enhanced measures where higher risks are identified. In order to address this deficiency, Algeria adopted law no. (25-10) amending and supplementing law no. (05-01). In this context, article (5) bis (3) required control, oversight and/or supervisory authorities and all subject entities to establish programs, policies, controls and procedures based on the risk-based approach, aimed at managing and mitigating the identified risks and to take enhanced measures in cases of higher risks, while monitoring the implementation of these programs.

This framework was complemented by the issuance of executive decree no. (24-242) which sets out the conditions and modalities for subject entities to establish and implement internal audit programs in the AML/CFT/CPF field. This decree, particularly articles (4), (5), (9) and (14), stipulates that subject entities are required to establish written policies, controls and procedures appropriate to the nature, size and complexity of their activities which take into account the NRA results, cover the identification, assessment and understanding of risks, as well as monitoring the implementation of controls, reviewing them, and periodically updating them, with clear responsibilities entrusted to the senior management and the board of directors for approving these policies and overseeing their implementation.

The sectoral regulations issued by competent supervisory authorities further supported this framework. In particular, the Banking Committee regulation no. (24-03) on the prevention of money laundering, financing of terrorism and financing of proliferation required financial institutions, according to articles (3), (4) and (7), to establish written policies, controls and

procedures approved by senior management and to apply enhanced measures in cases of higher risk. Similarly, the Stock Exchange Regulatory Commission regulation no. (24-01) required subject entities, according to articles (5), (6) and (9), to adopt risk-based internal policies approved by senior management and to apply enhanced measures where higher risks are identified.

Regarding the insurance sector, the Insurance Supervisory Committee regulation no. (24-01) provides, according to articles (4), (6) and (10), for the adoption of internal risk management programs and the application of enhanced measures in cases of higher risks. In addition, the regulatory decisions issued by the Ministry of Housing, Urbanism and the City (real estate agents), the regulation issued by the National Chamber of Notaries, and the decision issued by the General Directorate of Taxes (dealers in precious metals) require reporting entities, according to their relevant articles, to establish written policies, controls and procedures approved by the responsible authority and to apply enhanced measures to manage higher risks, thereby strengthening consistency of implementation across various sectors.

**Criterion 1.12 (Mostly Met):** The MER stated that although there are some texts that permit the application of simplified due diligence measures in cases of lower risks, while requiring the application of enhanced measures whenever there are suspicions or doubts about the veracity of information, the application of preventive measures was not consistently based on risks, namely in terms of distinguishing between the cases that require enhanced or simplified measures. This has affected the achievement of the requirements of this Criterion at that time. In order to address this deficiency, Algeria indicated in its legal and regulatory framework that the application of simplified measures is limited to cases where lower risks are identified in a systematic manner and in consistency with the NRA results. It also asserted that such measures may not be applied in cases of ML/TF suspicion, or where higher risks are identified. Thus, the legal and regulatory framework now establishes clear limitations on the application of simplified due diligence measures, restricting them to cases where lower risks are identified according to the risk-based approach, while enhanced measures continue to apply in cases involving higher risks or suspicion. However, there are still some shortcoming related to and mentioned in the criteria 1.9.

**Conclusion:** The above analysis shows that the People's Democratic Republic of Algeria has made substantial progress in addressing the deficiencies previously identified in the Recommendation, particularly through the completion of the NRA, the strengthening of the legislative and regulatory framework governing the identification, assessment, understanding, and updating of risks, and the dissemination of its results to competent authorities and subject entities, and linking them to the implementation of the risk-based approach at both the national and sectoral levels. Algeria has also strengthened the requirements related to the application of enhanced and simplified measures, required subject entities to conduct risk assessments and to establish risk-based policies, controls, and procedures, while expanding the scope of supervision and oversight to cover the various subject sectors. However, some limited deficiencies still remain, particularly the shortcomings related to recommendations 26 and 28, which affect the scope of supervisory framework and the effectiveness of implementing the risk-based approach in certain sectors, impact the level of the technical compliance with this recommendation. **Accordingly, the technical compliance rating for Recommendation 1 is "Largely Compliant".**

## Recommendation 2 - National Cooperation and Cooperation (Partially Compliant)

**Criterion 2.1 (Met):** The MER stated that Algeria took initial steps aiming at identifying and assessing ML/TF risks, however, the assessment process had not been completed at that time and the national policies were not based on those risks. In order to address this deficiency, Algeria completed the national ML/TF/PF risk assessment during 2024, under the supervision of the national risk assessment committee, based on the World Bank methodology and with the participation of relevant stakeholders, according to article (2) of executive decree no. (20-398) which entrusted the national committee with the task of studying and ratifying sectoral reports and studying the national report on ML/TF/PF risk assessment and presenting it to the Prime Minister for approval.

Based on the NRA results, Algeria prepared the national strategy for combating money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction for 2024-2026, in implementation of the provisions of article (3) of executive decree no. (20-398) which stipulates that the national committee prepares the national strategy and presents it to the Prime Minister for approval and it also monitors its implementation. This strategy sets out the national policies in this area, outlines sectoral objectives and priorities based on the levels of risk, and provides a framework for coordination and monitoring at the national level.

The NRA and the national strategy were also disseminated to stakeholders through official communication, ensuring the adoption of risk-based national policies and guiding competent authorities in their implementation within their respective frameworks.

**Criterion 2.2 (Met):** Pursuant to executive decree no. (20-398) of 2020, a National AML/CFT/CPF Risk Assessment Committee was established, chaired by the Minister of Finance, and composed of senior representatives of the relevant national authorities listed below:

- The Secretary General of the Ministry of National Defense.
- The Secretary General of the Ministry of Foreign Affairs.
- The Secretary General of the Ministry of the Interior, Local Authorities, and Urban Planning.
- The Secretary General of the Ministry of Justice.
- The Secretary General of the Ministry of Telecommunications.
- The Secretary General of the Ministry of Trade.
- The Secretary General of the Bank of Algeria.
- The Director General of Internal Security.
- The Director General of Documentation and Internal Security.

- The Commander of the National Gendarmerie.
- The Director General of National Security.
- The Director General of Customs.
- The Director General of Taxes.
- The Director General of the National Authority for the Prevention and Combating of Corruption.
- The Director General of the Central Office for the Suppression of Corruption.
- The Director General of the National Authority for the Prevention and Combating of Crimes Related to Information and Communication Technologies.
- The Director General of the National Office for Combating Drugs and Addiction.
- The Head of the FIU.
- The National Committee may utilize or involve in its work any other body, institution, or qualified person.

The Committee is responsible, under the provisions of articles (2) and (3) of this Decree, for ensuring better coordination of AML\CFT policies, and for preparing the national AML\CFT\CPF strategy, with the aim of creating greater coherence in the work of the Country's interests and the supervisory authorities concerned with this fight.

**Criterion 2.3 (Met):** The MER stated that there is a legal and institutional framework that enables national cooperation and coordination between AML/CFT authorities, namely by virtue of law no. (05-01) and executive decree no. (20-398) on establishing the AML/CFT/CPF national committee and the sub-committees and technical work units emerging from it. Full achievement of the requirements of this criterion was affected at that time by the absence of risk-based national policies, as noted under C.2.1, which limited the effectiveness of national coordination in directing and implementing policies.

In order to address this deficiency, Algeria adopted the national strategy for combating money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction for 2024-2026, based on the NRA results, in implementation of the provisions of article (3) of executive decree no. (20-398). This strategy provided a consolidated, risk-driven policy framework, enabling the activation of cooperation and coordination mechanisms among competent authorities on clear and integrated basis. Algeria also enhanced coordination at the operational level by establishing an operational committee to coordinate AML/CFT policies and operations, pursuant to executive decree no. (23-50). According to article (2) thereof, the committee is entrusted with the task of ensuring coordination and the exchange of operational information among competent authorities, and it is chaired by the head of the CTRF, according to article (4), and it includes:

- Ministry of the Interior, Local Authorities, and Urban Planning
- Ministry of Justice
- National Gendarmerie Command
- Directorate General of National Security
- Bank of Algeria
- Directorate General of Customs
- Directorate General of Taxes
- Directorate General of National Property
- The Chairperson of the Coordination Committee may, on their own initiative or at the request of a member and in accordance with the meeting agenda, invite any body, institution, or qualified person to participate in the Committee's meetings

**Criterion 2.4 (Met):** The MER stated that the deficiency is represented in the absence of representation of the Customs Administration on the sub-committee for combating proliferation financing established according to article (7) of executive decree no. (20-398), in addition to the absence of risk-based national policies at that time. In order to address this deficiency, Algeria enhanced the institutional representation of the Customs Administration on the competent sub-committee, by virtue of a decision issued by the Minister of Finance on 30 October 2025. It also adopted the national strategy for combating money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction for 2024-2026, which is based on the NRA results.

Decision no. (354) dated 30 October 2025, regarding the inclusion of a representative of the Ministry of Finance in the Sub-Committee tasked with assessing the risks of financing the proliferation of weapons of mass destruction, stipulated in article (1) that the representative of the Ministry of Finance be appointed to the Sub-Committee, and article (2) stipulated that the representative of the Ministry of Finance be chosen from among the senior officials tasked with monitoring customs operations related to the movement of sensitive or dual-use goods, and article (3) stipulated that the representative of the General Directorate of Customs participate in all the work of the Sub-Committee.

**Criterion 2.5 (Met):** The MER stated that the deficiencies were related to unclear legal framework regulating information sharing and coordination between competent entities to ensure the compatibility of AML/CFT requirements with Data Protection and Privacy rules. To address this, the Algerian legal framework strengthened the legal basis for information sharing and lifted confidentiality impediments when exercising relevant tasks. Article (22) of law no. (05-01) stipulates that professional or banking secrecy may not be invoked against competent authority. Law no. (25-10) also strengthened the obligation to comply with monitoring and oversight requirements through financial penalties, namely in article (10) bis (16).

Regarding the protection of personal data, article (6) of law no. (18-07) excluded the processing of data collected for the purposes of protection against crimes, prosecution of perpetrators and suppression of these crimes, thereby ensuring that the privacy protection requirements do not conflict with the requirements for combating crime. On the other hand, pursuant to executive decree no. (20-398), the national committee was entrusted, under article (2), with the task of ensuring a better coordination of AML/CFT/CPF policies. An operational committee was also established by virtue of executive decree no. (23-50). It is entrusted with the task of ensuring coordination and sharing of operational information between competent authorities, according to article (2), while observing the obligations relating to the protection of personal data according to article (3). Accordingly, considering that there is a legal and institutional framework in place permitting cooperation and sharing of information between competent authorities, without unjustified obstacles, and a clear compatibility between AML/CFT requirements and Data Protection rules.

8. **Conclusion:** The above analysis shows that the People’s Democratic Republic of Algeria met the requirements of this Recommendation. **Accordingly, the technical compliance rating for Recommendation 2 is “Compliant”.**

### **Recommendation 6 – Targeted Financial Sanctions Related to Terrorism and Terrorist Financing (Partially Compliant)**

**Criterion 6.1 (Met):** According to the MER, Algeria did not identify a competent authority or a court as having responsibility for proposing names to the 1267/1989 Committee and the 1988 Committee for designation, nor did it establish mechanisms for identifying targets for designation, based on the UN designation criteria. It did not appear whether an evidentiary standard of proof of “sufficient grounds” or “reasonable basis” was adopted when deciding whether to make a designation and authorities were not obliged to follow the UN procedures or use standard forms for listing. In addition, there are no internal texts requiring the provision of as much information as possible supporting the designation, or indicating whether the status of the designating State may be made known in the UN lists. In order to address the deficiencies, Algeria took the measures indicated below:

**Sub-criterion (a):** Algeria established a committee to monitor targeted international sanctions, entrusted with following up on UNSCRs adopted under Chapter VII of the United Nations Charter, as the competent authority responsible for proposing persons or entities to the 1267/1989 Committee and to the 1988 Committee for designation. The tasks of this committee and the mechanism for conducting its work were determined under article (20) bis of law no. (05-01) of 2005, as amended and supplemented by law no. (23-01) of 2021, and under article (3) of executive decree no. (25-102).

**Sub-criterion (b):** Algeria established a mechanism for identifying targets for designation, based on criteria that are consistent with the designation criteria set out in the relevant UNSCRs. The targeted international sanctions monitoring committee proposes persons or entities for designation on the Security Council lists, at the request of the Ministry of National Defense, the Minister of Foreign Affairs, the Minister of Interior, and the Minister of Justice, Keeper of the Seals, or on its own motion and in coordination with the Ministry of Foreign Affairs, (according to articles (2), (4) and (5) of executive decree no. (25-102)).

**Sub-criterion (c):** Algeria makes proposals for designation based on reasonable grounds and logical basis. Proposals for designation are not conditional upon the existence of any criminal proceedings (therefore, the filing of criminal lawsuit is not required) against the person concerned (according to articles (4) and (5) of executive decree no. (25-102)).

**Sub-criterion (d):** Proposals for designation should be made according to the applicable procedures and standard forms as adopted by the relevant committee (according to articles (4) and (5) of executive decree no. (25-102)).

**Sub-criterion (e):** The targeted international sanctions monitoring committee provides as much relevant information as possible on the person, group or entity proposed for listing. It also provides a statement of case which contains as much detail as possible on the basis for the listing and clarifies the possibility of whether the name of the People's Democratic Republic of Algeria as the State that proposed the designation may be made known (according to articles (2), (4) and (5) of executive decree no. (25-102) and article (15) of the internal regulation of the targeted international sanctions monitoring committee.

**Criterion 6.2 (Met):** The MER stated that the criteria for designation on the national list do not cover all the criteria set out in UNSCR 1373, as they do not explicitly include the designation of anyone who initiates, participates in or facilitates terrorist acts, nor the designation of entities owned or controlled, (directly or indirectly), or acting for or at the direction of terrorist persons or entities. The requests submitted to the committee are also based on acts limited to those set out in article (87) bis and therefore do not fall within the scope of the criteria set out in UNSCR 1373, in addition to requiring the provision of proof of inquiries/prosecution/conviction. The standard of proof adopted for designation was not clear and it did not appear whether it is based on “reasonable grounds”. In addition, there are no obligations ensuring the provision of as much identifying information and supporting information, as possible when requesting another country to give effect to the actions. In order to address the deficiencies, Algeria took the measures indicated below:

**Sub-criterion (a):** The committee for the classification of terrorist persons and entities designates them on the national list (according to article (3) of executive decree no. (25-103)), either on its own motion or through proposals it receives from competent bodies (according to article (10) of executive decree no. (25-103)). Designation may also be made at the request of a foreign country, if the request meets specific conditions relating to designation and deadlines the national requests are subjected to (according to article (55) of executive decree no. (25-103)). In every process, the designation criteria specified (pursuant to article (8) of executive decree no. (103-25)) shall be followed.

**Sub-criterion (b):** Algeria established a mechanism for identifying targets for designation, based on the designation criteria set out in UNSCR 1373. The committee for the classification of terrorist persons and entities makes proposals for designation, either on its own motion or based on requests it receives from the Ministry of National Defense, the Ministry of Interior, the Ministry of Foreign Affairs and the Ministry of Justice (articles (8) and (10) of executive decree no. (25-103)). The mechanism also allows for designation at the request of another country, provided that specific conditions relating to designation and deadlines the national requests are subjected to are met (according to article (55) of executive decree no. (25-103)).

**Sub-criterion (c):** The Ministry of Foreign Affairs refers requests received from other countries to the committee for the classification of terrorist persons and entities (according to article (55) of executive decree no. (25-103)).

**Sub-criterion (d):** Designation is made based on reasonable basis and grounds. The designation of proposal is not conditional upon the existence of a criminal proceeding. (according to articles (2) & (9) of executive decree no. (25-103)).

**Sub-criterion (e):** The committee provides as much identifying information on the designated person or entity, and information supporting the designation, as possible, when requesting another country to give effect to the actions initiated under the freezing mechanisms.

**Criterion 6.3 (Met):** The MER stated that although it is possible to solicit additional information to support national designations, there is still no competent authority to propose names for designation to the 1267/1989 Committee and the 1988 Committee, thereby limiting the achievement of the requirements for identifying/proposing designations at the United Nations level. In order to address the deficiencies, Algeria took the measures indicated below:

**Sub-criterion (a):** Regarding the collection of information for the designation process pursuant to UNSCRs 1267/1989, the targeted international sanctions monitoring committee has powers to solicit the necessary information to perform its tasks, namely those related to identifying persons and entities that, based on strong and consistent evidence to suspect or believe, meet the criteria for designation; and to obtain this information from subject entities and the control, oversight and/or supervisory authorities, ministries, administrations, public institutions and legal persons of common or private law”, according to article (3) of executive decree no. (25-102). Regarding the collection of information for the designation process pursuant to UNSCR 1373, the committee for the classification of terrorist persons and entities has powers to solicit the necessary information to perform its tasks, namely those related to identifying persons and entities that, based on strong and consistent evidence to suspect or believe, meet the criteria for designation; and to obtain this information from subject entities and the control, oversight and/or supervisory authorities, ministries, administrations, public institutions and legal persons of common or private law” (according to article (4) of executive decree no. (25-103)).

**Sub-criterion (b):** The targeted international sanctions monitoring committee decides unilaterally and without prior notice to the person or entity involved on the requests it receives from the Ministry of National Defense, the Minister of Foreign Affairs, the Minister of Interior, and the Minister of Justice (according to article (10) of executive decree no. (25-102)). The committee for the classification of terrorist persons and entities is competent to identify persons and entities proposed for designation on the national list. It is thus operating ex-parte against the person or the entity (according to article (3) of executive decree no. (25-103)).

**Criterion 6.4 (Met):** The MER stated that the timeframe does not clearly define the meaning of the term “immediately” to implement the freezing measures. In addition, implementation of these measures depends on the subject entities reviewing the CTRF website or the official Gazette, with no mechanisms for direct reporting or procedures that ensure immediate knowledge of the updates to the lists. Accordingly, the freezing measures might not be applied

“without delay”, whenever the UN or national lists are updated. In order to address the deficiencies, Algeria took the following measures:

Regarding the UN lists, The CTRF shall update the unified sanctions list immediately upon the issuance of any decisions or updates from the United Nations Security Council and publish it to the public on its official website (pursuant to article (3) of executive decree no. (101-25)). Once the consolidated sanctions list or any updates made to it, is published on the official website of the CTRF, the entities in charge of the implementation (including any natural or legal person present on the national territory who may be in possession of funds or provide financial or other related services associated with persons and/or entities designated on the consolidated sanctions list) are required to freeze and/or seize, immediately, without delay (within 24 hours at the latest from the issuance of the UNSCRs) and without prior notice, the funds or other assets of persons and entities whose names are included on this list. The obligation to implement Security Council resolutions arises directly by force of law from the issuance of the listing resolution by the Security Council, and that publishing the list on the CTRF’s website is considered a regulatory communication method to ensure the dissemination of updates (according to articles (2) & (4) of executive decree no. (25-101)).

Regarding the national list, those in charge of the implementation (including any natural or legal person within the territory of the State who may be in possession of funds or provides financial or other related services associated with persons and/or entities whose names are included on the designated sanctions list) are required to take measures to freeze the funds or other assets of designated persons or entities immediately and without delay (within 24 hours from the issuance of the decision), and without prior notice, once the national list or any updates made to it is published (according to article (32) of executive decree no. (25-103)). Subject entities, as well as control, oversight and supervisory authorities, receive notifications via email regarding designations on the list or any updates made to it (according to article (34) of Decree no. (25-103)).

**Criterion 6.5 (Met):** The MER stated that the term “immediately” was not defined to ensure that freezing is implemented without delay. The freezing obligations pursuant to UNSCR 1267, under decree no. (15-113), only apply to “subject entities” and do not extend to cover all natural and legal persons. The freezing scope does not explicitly cover funds/assets which are “jointly” owned, except in guidelines that apply to FIs only. The prohibition to make funds and services available does not explicitly cover “the economic resources”, nor does it clearly cover nationals of Algeria or persons/entities within its jurisdiction, and it is unclear whether there are penalties for violating the prohibition. In addition, the mechanism for communicating the lists is weak and relies on self-review of the website/official Gazette, with an absence of direct means of communication and absence of any measures that prevent from making funds available during holidays or due to the time difference. In order to address the deficiencies, Algeria took the following measures:

**Sub-criterion (a):** Regarding the UN lists, the CTRF shall update the unified sanctions list immediately upon the issuance of any decisions or updates from the United Nations Security Council and publish it to the public on its official website (pursuant to article (3) of executive decree no. (101-25)). Once the unified sanctions list is published or updated on the official website of the Financial Intelligence all natural and legal persons are required to freeze the

funds or other assets of designated persons and entities, immediately, without delay (within 24 hours at the latest from the issuance of the UNSCRs) and without prior notice, once the consolidated sanctions list or any updates made to it is published on the official website of the CTRF (according to articles (2) & (4) of executive decree no. (25-101)). Regarding the national list, Algeria requires all natural and legal persons to freeze the funds or other assets of designated persons and entities without delay (within 24 hours from the issuance of the decision) and without prior notice. The obligation to implement Security Council resolutions arises directly by force of law from the issuance of the listing resolution by the Security Council, and that publishing the list on the CTRF's website is considered a regulatory communication method to ensure the dissemination of updates (according to article (32) of executive decree no. (25-103)).

**Sub-criterion (b):** The freezing scope extends to cover all funds and other assets owned or controlled by designated persons or entities, directly or indirectly, wholly or partially, and not just those that are tied to a particular terrorist act or threat. It also covers funds and other assets derived or generated from such funds, as well as the funds and assets of persons or entities acting on behalf of or at the direction of designated persons or entities (according to article (2) of executive decrees no. (25-101) and no. (25-103), article (8) of executive decree no. (25-101) and article (42) of executive decree no. (25-103)).

**Sub-criterion (c):** The country prohibits its nationals and any persons or entities within its jurisdiction, from making any funds or other assets, economic resources, or financial or other related services, available, directly or indirectly, wholly or jointly, for the benefit of designated persons and entities; entities owned or controlled by designated persons or entities; or persons or entities acting on behalf of, or at the direction of, designated persons or entities, unless licensed or authorized in accordance with the relevant UNSCRs (according to article (8) of executive decree no. (25-101) and article (42) of executive decree no. (25-103)).

**Sub-criterion (d):** As regards the UN lists, the country established mechanisms for communicating designations to the financial sector and the DNFBPs once such action is taken, through the immediate publication of the consolidated sanctions list and its updates on the official website of the specialized body and their dissemination in every means it deems appropriate and by considering this publication a notification to those in charge of the implementation (including FIs and DNFBPs). Those in charge of the implementation are also required to review the list permanently and continuously (according to article (3) of executive decree no. (25-101)).

As regards the national list, the country established mechanisms for communicating designations to the financial sector and the DNFBPs once such action is taken, through the immediate publication of the national list on the official website of the committee and the specialized body. It is also published in the People's Democratic Republic of Algeria's official Gazette and this publication is considered a notification to those in charge of the implementation. Those in charge of the implementation are also required to review the list permanently and continuously (article (23) of executive decree no. (25-103)). Guidance is provided to FIs and DNFBPs on their obligations in taking action under freezing mechanisms.

**Sub-criterion (e):** As regards the UN lists, the country requires FIs and DNFBPs to report to competent authorities any funds or assets frozen or seized (articles (8) and (9) of executive decree no. (25-101)) and any actions taken in compliance with the prohibition requirements, including attempted transactions and related actions taken (according to articles (8) and (9) of executive decree no. (25-101)). As regards the national list, the country requires FIs and DNFBPs to report to competent authorities any funds or assets frozen or seized and any actions taken in compliance with the prohibition requirements, including prohibiting the dealing or refraining from conducting the transactions, in addition to reporting any attempted transactions for the benefit of designated persons or entities and related actions taken (according to article (40) of executive decree no. (25-103)).

**Sub-criterion (f):** The country has measures which protect the rights of bona fide third parties acting in good faith when implementing the obligations under Recommendation 6, according to articles (31), (39) and (42) of executive decree no. (25-103) and articles (6) and (8) of executive decree no. (25-101).

**Criterion 6.6 (Mostly Met):** The MER stated that it does not appear that there are publicly known procedures, to process cases where the CTRF is unable to communicate to the designated persons/entities concerned the procedures that they may take to submit requests of de-listing from the UN lists. The mechanism for communicating the de-listing and unfreezing decisions to the financial sector and DNFBPS is not clear, as the decisions issued by the CTRF are not considered binding upon the entities which are supervised by the Bank of Algeria. In addition, the mechanism for communicating the decisions or the necessary instructions to ensure that a de-listing or unfreezing action is consistently applied remain unclear. In order to address the deficiencies, Algeria took the following measures:

**Sub-criterion (a):** Algeria has publicly known procedures for Algerian persons and entities to submit requests to have their names removed from the Security Council lists when the reasonable grounds or logical basis for their designation do not or no longer exist. These procedures that explain the methods and steps to submit the request of delisting are published on the specialized unit website (according to article (11) of executive decree no. (25-102)). However, the procedures in place for non-Algerian persons and entities based in Algeria are not clear. Besides, there are no restrictions on such persons and entities in following the procedures set out in the relevant international resolutions in this regard, including resorting directly to the Office of the Ombudsperson and the focal point.

**Sub-criterion (b):** The committee for the classification of terrorist persons and entities receives requests for de-listing from the national list from several sources, including persons or entities designated on the national list or it submits a proposal for de-listing on its own motion (according to articles (10) and (25) of executive decree no. (25-103)). The committee reviews the national list periodically and examines whether the reasons for designation are still justified. It de-lists the persons deceased or whose de-listing has been accepted (according to article (11) of executive decree no. (25-103)). Freezing and/or seizure of funds is automatically removed once the decision to de-list the person or the entity involved is published (according to article (42) of executive decree no. (25-103)).

**Sub-criterion (c):** Algeria has procedures for persons and entities designated pursuant to UNSCR 1373 to have the designation decision reviewed, by enabling them to file an administrative grievance and to challenge the designation decision before the administrative courts (article (23) of executive decree no. (25-103)).

**Sub-criterion (d):** article (11) of executive decree no. (25-102) provides for procedures allowing Algerian persons and entities designated on the 1988 sanctions list to submit de-listing requests directly to the focal point, in addition to referring these requests to the specialized body, so that it forwards them immediately to the targeted international sanctions monitoring committee which in turn refers them to the focal point, in coordination with the Ministry of Foreign Affairs, along with the committee's opinion on the eligibility of the request. In addition, the CTRF published procedures in this regard on its official website.

**Sub-criterion (e):** Article (11) of executive decree no. (25-102) stipulates that it is possible to submit de-listing requests directly to the Office of the Ombudsperson by email. It also enables to submit the request through the specialized body so that the latter forwards it immediately to the targeted international sanctions monitoring committee which in turn refers it to the Office of the Ombudsperson. article (2) of executive decree no. (25-102) clarifies the definition of the Office of the Ombudsperson. In addition, the CTRF published procedures in this regard on its official website.

**Sub-criterion (f):** Algeria has publicly known procedures to unfreeze the funds or other assets of persons or entities with the same or similar name as designated persons or entities, who are inadvertently affected by a freezing mechanism due to similarity of names, upon verification that the person or entity involved is not a designated person or entity (according to articles (27) and (30) of executive decree no. (25-103) and article (12) of executive decree no. (25-102)).

**Sub-criterion (g):** Algeria has mechanisms for communicating de-listings from both the UN and the national lists and unfreezing of funds or other assets to the financial sector and the DNFBPs immediately, through immediate publication on the official websites of competent bodies. This publication is considered a notification binding upon those in charge of the implementation which are also required to review the list permanently and continuously and to take the necessary actions without delay, including removing the freezing and/or seizure once the de-listing or unfreezing decision is issued (according to articles (23), (32), (52) and (53) of executive decree no. (25-103) and articles (3), (4) and (8) of executive decree no. (25-101)).

**Criterion 6.7 (Met):** Access to frozen funds or other assets is authorized to cover necessary or extraordinary expenses, in accordance with the specified procedures, as articles (2) and (47) of executive decree no. (25-103) and articles (2), (13) and (19) of executive decree no. (25-101) set out the cases where access to such funds is authorized.

**Conclusion:** The People's Democratic Republic of Algeria has met most of the requirements of this Recommendation; however, there remain minor shortcoming related to the lack of clarity in the published procedures for the de-listing of non-Algerian persons and entities present in Algeria. **Accordingly, the technical compliance rating for Recommendation 6 is "Largely Compliant".**

## Recommendation 7 - Targeted Financial Sanctions Related to Proliferation (Non-Compliant)

**Criterion 7.1 (Met):** According to the MER, Algeria has no integrated legal framework enabling immediate and full implementation of the UNSCRs relating to the prevention and suppression of proliferation of weapons of mass destruction and its financing, and the implementation of some relevant UNSCRs was partial and delayed. In order to address the deficiencies, the targeted international sanctions monitoring committee is entrusted with following up on the United Nations Security Council resolutions adopted under Chapter VII of the United Nations Charter and the lists resulting from their implementation (according to article (20) bis of law no. (25-10) amending and supplementing law no. (05-01)). The CTRF is committed to updating the unified sanctions list immediately upon the issuance of any decisions or updates from the United Nations Security Council and publishing it to the public on its official website (pursuant to article (3) of executive decree no. (101-25)). Once the consolidated sanctions list or any updates made to it, through addition, deletion or amendment, is published on the official website of the specialized body, those in charge of the implementation are required to freeze and/or seize, immediately, (within 24 hours at the latest from the issuance of the UNSCR) and without prior notice, the funds of persons, groups and entities whose names are included on this list. FIs, designated non-financial institutions and professions, associations and the control, oversight and supervisory authorities receive notifications by email regarding the listing and the updates made to the list. The obligation to implement Security Council resolutions arises directly by force of law from the issuance of the listing resolution by the Security Council, and that publishing the list on the CTRF's website is considered a regulatory communication method to ensure the dissemination of updates (articles (2) and (4) of executive decree no. (25-101)).

**Criterion 7.2 (Met):** The MER stated that there are no legal obligations requiring natural or legal persons to freeze, without delay and without prior notice, the funds or other assets of designated persons and entities and the freezing does not cover the funds or assets owned or controlled by those persons or entities, whether directly or indirectly. Nationals of, or, residents in Algeria are not prohibited from making funds or assets available for the benefit of designated persons or entities. In addition, there are no mechanisms in place for communicating designations to the financial sector and DNFBPs immediately, nor is there clear guidance issued on the obligations that should be followed. Subject entities do not report assets frozen or attempts to conduct prohibited transactions, nor are there any measures to protect the rights of bona fide third parties. In order to address the deficiencies, Algeria took the following measures:

**Sub-criterion (a):** Once the consolidated sanctions list or any updates made to it, through addition, deletion or amendment, is published on the official website of the specialized body (the CTRF), all natural and legal persons are required to freeze and/or seize, immediately, without delay (within 24 hours at the latest from the issuance of the UNSCR) and without prior notice, the funds of persons, groups and entities whose names are included on this list. FIs, designated non-financial institutions and professions, associations and the control, oversight and supervisory authorities receive notifications by email regarding the listing and the updates made to the list (articles (2) and (4) of executive decree no. (25-101)).

**Sub-criterion (b):** The freezing scope extends to cover all funds and other assets owned or controlled by designated persons or entities, directly or indirectly, wholly or partially, and not just those that are tied to a particular terrorist act or threat. It also covers funds and other assets derived or generated from such funds, as well as the funds and assets of persons or entities acting on behalf of or at the direction of designated persons or entities (according to articles (2) and (8) of executive decree no. (25-101)).

**Sub-criterion (c):** The country prohibits its nationals and any persons or entities within its jurisdiction, from making any funds or other assets, economic resources, or financial or other related services, available, directly or indirectly, wholly or jointly, for the benefit of designated persons and entities; entities owned or controlled by designated persons or entities; or persons or entities acting on behalf of, or at the direction of, designated persons or entities, unless licensed, authorized in accordance with the relevant UNSCRs (according to article (8) of executive decree no. (25-101)).

**Sub-criterion (d):** The country established mechanisms for communicating designations to the financial sector and the DNFBPs once such action is taken, through the immediate publication of the consolidated sanctions list and its updates on the official website of the specialized body and their dissemination in every means it deems appropriate and by considering this publication a notification to those in charge of the implementation (including FIs and DNFBPs). Those in charge of the implementation are also required to review the list permanently and continuously (according to article (3) of executive decree no. (25-101)). Guidance is provided to FIs and DNFBPs on their obligations in taking action under freezing mechanisms.

**Sub-criterion (e):** The country requires FIs and DNFBPs to report to competent authorities any funds or assets frozen or seized (articles (8) and (9) of executive decree (25-101)) and any actions taken in compliance with the prohibition requirements, including attempted transactions and related actions taken (according to articles (8) and (9) of executive decree (25-101)).

**Sub-criterion (f):** The country has measures which protect the rights of bona fide third parties acting in good faith when implementing their obligations under Recommendation 7, according to articles (31), (39) and (42) of executive decree no. (25-103) and articles (6) and (8) of executive decree no. (25-101).

**Criterion 7.3 (Largely Met):** The MER indicates that there are no supervisory measures or mechanisms for competent authorities to monitor and ensure compliance by financial institutions and DNFBPs with the obligations under Recommendation 7, due to the lack of a regulated and enforceable legal framework. In order to address the deficiencies, Algeria adopted supervisory and monitoring mechanisms to monitor compliance by financial institutions and DNFBPs with the obligations under Recommendation 7. The control, oversight and/or supervisory authorities are required to submit periodic reports stating the results of supervision, oversight and monitoring concerning the extent of compliance by subject entities with the implementation of freezing measures and prohibition requirements, and reports on the results of off-site and on-site inspection and the administrative sanctions applied for the violation of the provisions of executive decree no. (25-101) on the measures for freezing and/or

seizure of funds within the framework of prevention and fight against terrorist financing and financing of proliferation of weapons of mass destruction (according to article (10) of executive decree no. (25-101)).

Failure to comply with the freezing measures and the prohibition from making funds or other assets available is subject to dissuasive criminal sanctions, including imprisonment and fines, in case of deliberate violation of the provisions of the legislation and regulation relating to targeted financial sanctions, whether concerning the UN lists or the national list (according to article (32) bis (3) of the amending and supplementing law no. (25-10)).

However, there remain minor shortcomings related to recommendations 22 and 28, impact the level of the technical compliance for this criterion.

**Criterion 7.4 (Met):** The MER indicates that there are no publicly known procedures to submit requests to de-list the names from the UN lists or to inform designated persons and entities of their right to have recourse to the internationally adopted de-listing mechanisms. Nor are there measures to address cases of false positives (similar names) or to remove the freezing once it has been verified that the name does not match. In addition, there are no mechanisms authorizing access to funds or assets, in the cases of exemption set out in the UNSCRs, nor are there mechanisms or guidance for communicating de-listing and unfreezing decisions to the financial sector and DNFBPs. In order to address the deficiencies, Algeria took the following measures:

**Sub-criterion (a):** Article (11) of executive decree no. (25-102) addressed the shortcomings identified in the mutual evaluation report as it provides for procedures allowing Algerian persons and entities designated on the UN lists to submit de-listing requests directly to the focal point, or to refer these requests to the specialized body, so that it forwards them immediately to the targeted international sanctions monitoring committee, which in turn refers them to the focal point, in coordination with the Ministry of Foreign Affairs, along with the committee's opinion on the eligibility of the request and the CTRF has published procedures in this regard on its official website.

In implementation of the provisions of article (11) of executive decree no. (25-102), the methods and procedures for submitting delisting requests have been published on the official website of the specialized authority, and they can be accessed through the following link: [Procedures related to delisting from targeted financial sanctions lists – UN Security Council lists – and submitting related requests.docx]

**Sub-criterion (b):** Algeria has publicly known procedures to unfreeze the funds or other assets of persons or entities with the same or similar name as designated persons or entities, who are inadvertently affected by a freezing mechanism due to similarity of names, upon verification that the person or entity involved is not a designated person or entity (according to article (12) of executive decree no. (25-102)).

**Sub-criterion (c):** As regards UNSCR 1718, access to frozen funds or assets is authorized, where the cases meet the relevant exemption conditions set out in the sanctions regime established pursuant to UNSCR 1718 (2006). This is implemented through a regulatory

framework that allows the authorization to access a part of the funds to cover basic expenses and extraordinary expenses, as well as to make payments due under contracts or obligations that arose prior to the date of designation. In addition, access to funds or assets that are under a lien or a judicial, administrative, or arbitration judgment issued before the date of designation is also authorized, in compliance with the relevant procedures (according to articles (13), (16) and (19) of executive decree no. (25-101)).

As regards UNSCR 2231 (2015), there is a regulatory framework in place that authorizes access to a part of the frozen funds or assets to cover basic and extraordinary expenses, as well as to make payments due under contracts, agreements or obligations that arose prior to the date on which those accounts became subject to targeted financial sanctions, provided that this is subject to the relevant prescribed procedures (according to articles (13), (14) and (19) of executive decree no. (25-101)).

**Sub-criterion (c):** As regards UNSCR 1718, access to frozen funds or assets is authorized, where the cases meet the relevant exemption conditions set out in the sanctions regime established pursuant to UNSCR 1718 (2006). This is implemented through a regulatory framework that allows the authorization to access a part of the funds to cover basic expenses and extraordinary expenses, as well as to make payments due under contracts or obligations that arose prior to the date of designation. In addition, access to funds or assets that are under a lien or a judicial, administrative, or arbitration judgment issued before the date of designation is also authorized, in compliance with the relevant procedures (according to articles (13), (16) and (19) of executive decree no. (25-101)). As regards UNSCR 2231 (2015), there is a regulatory framework in place that authorizes access to a part of the frozen funds or assets to cover basic and extraordinary expenses, as well as to make payments due under contracts, agreements or obligations that arose prior to the date on which those accounts became subject to targeted financial sanctions, provided that this is subject to the relevant prescribed procedures (according to articles (13), (14) and (19) of executive decree no. (25-101)).

**Sub-criterion (d):** Algeria has mechanisms for communicating de-listings and unfreezing of funds or other assets to the financial sector and the DNFBPs immediately, through immediate publication on the official websites of competent bodies. This publication is considered a notification binding upon those in charge of the implementation which are also required to review the list permanently and continuously and to take the necessary actions without delay, including removing the freezing or seizure once the de-listing or unfreezing decision is issued (according to articles (3), (4) and (8) of executive decree no. (25-101)).

**Criterion 7.5 (Met):** The MER stated that there is no information or legal provisions indicating whether it is permitted to add to the accounts frozen pursuant to the relevant UNSCRs interests or earnings or payments due on those accounts, nor are there any clear texts indicating that designated persons or entities continue to be entitled to the payments arising from contracts that were concluded prior to the date of their designation on the lists. In order to address the deficiencies, Algeria took the following measures:

**Sub-criterion (a):** It is permitted to add to the accounts frozen, as regards persons and entities designated on the consolidated sanctions list, interests, profits or other earnings due on those accounts, provided that those accounts continue to be frozen and subject to the same freezing

conditions applied to the original accounts (according to article (8) of executive decree no. (25-101)). It is also permitted to add payments due under contracts, agreements or obligations that arose prior to the date on which the person or the entity was designated on the consolidated sanctions list, as regards the persons and entities designated pursuant to UNSCR 1718 (2006) and UNSCR 2231 (2015) (according to article (14) of executive decree no. (25-101) and article (2) of the same decree), provided that the Security Council competent bodies are notified at least ten (10) days prior to the date of authorization (according to article (14) of executive decree no. (25-101)). It is also ensured that the due interests, earnings, or payments which were added to the frozen accounts continue to be subject to the freezing conditions and do not entail permission to access or dispose of those frozen accounts (according to article (8) of executive decree no. (25-101)).

**Sub-criterion (b):** According to article (13) of executive decree no. (25-101), the Minister of Finance permits those in charge of the implementation who froze and/or seized funds in application of the sanctions imposed on the names designated on the consolidated list, to make payments due under contracts concluded prior to the date on which the person, group, undertaking or entity was designated on the list, subject to the required conditions indicated in article (15) of executive decree no. (25-101). The conditions are as follows:

a. To determine that those contracts are not related to any of the prohibited clauses, materials, equipment, goods, technologies, assistance, training, financial aid, investments, brokerage services, or services referred to in United Nations Security Council Resolution 2231 (2015) and any subsequent resolutions.

b. To prevent the delivery of the amount, directly or indirectly, to any person, group, or entity subject to the measures set out in paragraph (2) of Annex B of United Nations Security Council Resolution 2231 (2015).

c. To provide, in coordination with the ministry responsible for foreign affairs, prior notification to the competent bodies of the United Nations Security Council of its intention to allow or authorize the payment of due amounts, or to authorize, when necessary, the lifting of the freeze and/or seizure of funds for the same purposes, at least 10 working days before the date of authorization.

**Conclusion:** The People's Democratic Republic of Algeria has met most of the requirements of this Recommendation; however, there remain minor shortcoming related to recommendations 22 and 28, impact the level of the technical compliance for this recommendation. **Accordingly, the technical compliance rating for Recommendation 7 is "Largely Compliant".**

## **Recommendation 9 – Financial Institution Secrecy Laws (Partially Compliant)**

**Criterion 9.1 (Met):** According to the MER, the legal framework regulating professional and banking secrecy does not sufficiently ensure access by all competent authorities to information held by FIs and DNFBPs. The lifting of professional and banking secrecy is directly restricted to the CTRF, while such secrecy can be lifted for the benefit of other competent authorities only within the framework of criminal proceedings with respect to judicial authorities. There

is no explicit text authorizing competent supervisory or administrative authorities to do so, namely with respect to insurance companies. The exchange of information at the national level is primarily based on agreement protocols between the CTRF and competent authorities, without an explicit, direct, and enforceable legal basis ensuring such exchange of information regularly. At the international level, the exchange of information by the CTRF with foreign counterparts is subject to legal restrictions, as this exchange of information is prohibited, if criminal proceedings have been initiated in Algeria based on the same facts, in addition to additional large-scale restrictions related to the protection of national sovereignty and security, the public order and the main interests of the country, which would limit the scope and effectiveness of international cooperation in the AML/CFT field. In addition, the legal framework does not include explicit texts asserting that secrecy rules do not hinder the exchange of information between financial institutions, whenever required, namely in implementation of R.13 and R.16 on correspondent banking and wire transfers. This would result in the absence of clear legal texts and practical hesitation among financial institutions in this regard.

In order to address the deficiencies, Algeria made several legislative amendments. On this note, article (22) of law no. (05-01) of 2005, as amended and supplemented by law no. (23-01) of 2023, and law no. (25-10) of 2025, amending and supplementing law no. (05-01) of 2005 stated that subject entities (FIs, designated non-financial institutions and professions which are required to apply preventive measures, including reporting suspicion, as stipulated by this law, the regulations, implementing instructions, and guidance issued by the control, oversight and/or supervisory authorities) may not invoke professional or banking secrecy against the specialized body (the CTRF) and the competent authorities (administrative authorities, law enforcement authorities, and AML/CFT/CPF authorities, including the control, oversight and/or supervisory authorities), as well as supervisory and oversight entities (the specified competent authorities responsible for ensuring compliance by financial institutions and designated non-financial institutions and professions with AML/CFT/CPF requirements). It also required them to provide the specialized body, the competent authorities, and the supervisory and oversight entities, within the deadlines it determines, with all documents and information necessary to exercise their functions as provided for under the law.

article (15) bis of Order no. (12-2) of 2012, supplementing law no. (05-01) of 2005 enabled the CTRF to request any additional information it deems necessary to exercise its functions from the competent authorities or the subject entities. The competent body reports the financial information to security and judicial authorities when there are grounds to suspect ML/TF operations, according to article (15) bis of law no. (15-02) of 2012.

As regards the exchange of information, articles (25) and (26) of law no. (05-01) of 2005 provided for international cooperation between the CTRF and foreign entities that exercise similar functions, where the CTRF shares the information it holds on ML/TF operations with the foreign entities, subject to the principle of reciprocity, provided that these entities are subject to the same professional secrecy obligations of the CTRF. article (27) of the same law in the context of combating money laundering and terrorist financing stipulates that the Bank of Algeria and the Banking Committee can report information to the supervisors of banks and FIs in other countries, taking into account the principle of reciprocity. article (12) of law no. (25-10) of 2025 amending and supplementing article (27) of law no. (05-01) of 2005 stated

that competent authorities should provide cooperation and exchange of information with foreign counterparts, automatically or upon request and promptly, according to bilateral and multilateral agreements and international obligations, provided that these counterparts are bound to the professional secrecy and subject to the principle of reciprocity and basic principles of the legal system in Algeria. The Lawmaker canceled article (28) of law no. (05-01) of 2005, pursuant to article (17) of law no. (25-10) of 2025 which limited the reporting of information if criminal proceedings have been initiated in Algeria based on the same facts, or if this reporting might compromise the national sovereignty and security or the public order and the main interests of Algeria.

With regard to the banking sector, article (133) of the Monetary and Banking Law no. (23-09) of 2023 stipulated that professional secrecy may not be invoked against public authorities authorized to appoint persons responsible for managing banks and financial institutions, judicial authorities which operate in the context of criminal proceedings, or public authorities required to report information to qualified international institutions, particularly with respect to combating bribery, money laundering, and terrorist financing, as well as against the Bank of Algeria and the Banking Committee which can report information to authorities entrusted with overseeing banks and FIs in other countries, subject to reciprocity, and provided that these authorities are bound to the professional secrecy under the same guarantees prescribed in Algeria. The subject liquidator may also receive the information deemed necessary for his activity.

On capital markets, the country reported that law no. (03-04) of 2003 on the stock market requires brokers and operators of the stock market to observe the professional secrecy. However, transactions related to AML/CFT are excluded from this obligation. The requirements of this Recommendation are covered through the provisions of law no. (05-01), as amended and supplemented by law no. (10-25), article (22) thereof, as this law is considered the general reference framework for combating money laundering and terrorist financing.

As to the insurance sector, the legislation governing this sector does not contain an explicit text on lifting the professional secrecy. However, the requirements are covered through the provisions of law no.05-01, as amended and supplemented by law no. (10-25), article (22) thereof, as this law is considered the general reference framework for combating money laundering and terrorist financing. As regards the exchange of information between financial institutions, whenever required, in implementation of Recommendation 13 and Recommendation 16. The Lawmaker specified in article (10) bis (5) of law no. (25-10) of 2025 that in the context of cross-border correspondent banking or other similar relationships, correspondent financial institutions should take several measures regarding the respondent institutions, including identifying and verifying the identity of institutions they establish correspondent banking relationships with and gathering sufficient information about such correspondent institutions to understand fully the nature of their business; using publicly available information to determine the reputation of the institution and the quality of supervision it is subject to, and verifying whether it has been subject to a ML/TF/PF investigation or regulatory action; in addition to assessing the respondent institution's AML/CFT/CPF controls; obtaining approval from the decision-making entity of the legal person before establishing foreign correspondent relationships; determining, in writing, the respective obligations of the correspondent financial institution and the respondent institution; as well as clearly

understanding the respective AML/CFT/CPF responsibilities and role of both the correspondent institution and the respondent institution.

Financial institutions that permit the use of payable-through accounts should verify that the respondent bank has performed its CDD obligations on customers that have direct access to the accounts of the correspondent bank and that it is able to provide relevant CDD information upon request of the correspondent bank. Financial institutions are prohibited from entering into, or continuing, correspondent banking relationships with shell banks. They should verify that respondent financial institutions do not permit their accounts to be used by shell banks. Bank of Algeria instruction no. (04-2024) of 2024 on electronic transfers does not impose any secrecy obligations that could hinder the exchange of information between financial institutions, in implementation of Recommendation 16.

**Conclusion:** The above analysis shows that the People's Democratic Republic of Algeria met all the requirements of this Recommendation. **Accordingly, the technical compliance rating for Recommendation 9 is "Compliant".**

### **Recommendation 12 - Politically Exposed Persons (Partially Compliant)**

**Criterion 12.1 (Met):** The MER and the EFUR mentioned a deficiency in the definition of Politically Exposed Persons, as it did not cover all categories in accordance with the requirements of the criterion, particularly important officials of political parties and persons entrusted with prominent functions by international organizations. They also noted the absence of an explicit text requiring financial institutions to obtain senior management approval before establishing or continuing a business relationship with PEPs, as well as an ambiguity regarding the requirements for identifying the source of wealth. Furthermore, the application of enhanced measures was found inconsistent across all financial sectors, particularly in the stock exchange and insurance sectors.

In order to address the deficiencies, Algeria undertook the following:

**Sub-criterion (a):** Article (7) bis (1) of law no. (25-10) of 2025 amending and supplementing law no. (05-01) of 2005 required subject entities, including FIs, to establish an appropriate risk management system according to the risk-based approach that enables to determine whether a potential or existing customer or the beneficial owner, any of his family members or close associates is a Politically Exposed Person. It also required that reasonable measures be taken to establish the source of funds and the source of wealth and to ensure enhanced and ongoing monitoring on the business relationship, with the condition to obtain an authorization from the decision-making entity of the legal person before establishing or continuing the business relationship. This legal framework has been further strengthened through sectoral regulations and guidelines issued by the Bank of Algeria, namely regulation no. (24-03) of 2024 and guidelines no. (04) of 2025, the Stock Exchange Regulatory Commission, namely regulation no. (24-01) of 2024 and guidelines no. (05-2025) of 2025, and the Insurance Supervisory Committee, namely regulation no. (2024/01) of 2024 and guidelines no. (05) of 2025. These regulations and guidelines are considered enforceable according to article (10) bis of law no. (25-10).

**Sub-criterion (b):** Article (7) bis (1) of law no. (25-10) of 2025 explicitly stipulated that subject entities are required to obtain senior management approval before establishing or continuing a business relationship with PEPs. This obligation was also consistently enshrined in the sectoral regulations and guidelines issued by the Bank of Algeria, the Stock Exchange Regulatory Commission, and the Insurance Supervisory Committee.

**Sub-Criteria (c) and (d):** Article (7) bis (1) of law no. (25-10) of 2025 stipulated that financial institutions should take reasonable measures that enable to establish the source of funds and the source of wealth of customers and beneficial owners identified as PEPs. The same article required financial institutions to conduct enhanced ongoing monitoring on the business relationship with PEPs, ensuring effective and ongoing management of risks associated with this category.

**Criterion 12.2 (Met):** The MER and the EFUR mentioned a deficiency represented in the failure to require financial institutions to determine whether a customer or beneficial owner is a domestic PEP or a person who has been entrusted with a prominent function by an international organization, in addition to the resulted failure to apply the enhanced measures set out in Criterion 12.1 (b–c–d), when there is a high-risk business relationship with such categories. In order to address the deficiencies, law no. (25-10) of 2025 broadened the definition of PEPs to cover Algerians and foreigners, as well as persons entrusted with prominent functions in an international organization. Article (07) bis (1) required subject entities to establish an appropriate risk management system (according to the risk-based approach) to determine whether a potential or existing customer or the beneficial owner is a Politically Exposed Person, which enables to apply the relevant enhanced due diligence measures when there is a higher level of risk.

**Criterion 12.3 (Met):** The MER and EFUR mentioned a deficiency represented in the failure to require FIs to apply the requirements of Criteria 12.1 and 12.2 to family members and close associates of PEPs, due to shortcomings in the definition of PEPs and its failure to cover these categories, resulting in the absence of explicit obligations in this regard. In order to address these deficiencies, article (7) bis (1) of law no. (05-01), as amended and supplemented by law no. (25-10) of 2025, required subject entities, including FIs, to adopt a risk-based approach to determine whether a customer or the beneficial owner, any of his family members or close associates, is a PEP. It also required them to take reasonable measures to establish the source of funds and the source of wealth, to ensure enhanced ongoing monitoring on the business relationship, and to obtain an approval from the decision-making entity before establishing or continuing the business relationship. Algeria also indicated that these obligations were disseminated to all financial sectors through binding sectoral regulations and guidelines, ensuring a consistent application of enhanced due diligence measures.

**Criterion 12.4 (Met):** The MER and the EFUR mentioned that there is no obligation for FIs in relation to life insurance policies and to take reasonable measures to determine whether the beneficiary of the insurance policy or the beneficial owner is a PEP, nor are FIs required, where higher risks are identified, to inform senior management before the payout of the policy proceeds, to conduct enhanced scrutiny on the whole business relationship with the policyholder, or to consider making a suspicious transaction report. In order to address these deficiencies, guidelines no. (05) of 2025 were issued by the Insurance Supervisory Committee

and are considered binding, according to article (10) bis of law no. (25-10) of 2025. Such guidelines required insurance and reinsurance companies and insurance brokers to take specific measures to determine whether the beneficiary of the life insurance contract or the beneficial owner is a PEP, at the latest, at the time of the payout or where higher risks are identified, to verify the identity of the beneficiaries, to inform senior management prior to the payout, to conduct enhanced scrutiny on the whole business relationship, and to consider making a suspicious transaction report.

**Conclusion:** The above analysis shows that the People’s Democratic Republic of Algeria met the requirements of this Recommendation. **Accordingly, the technical compliance rating for Recommendation 12 is “Compliant”.**

### **Recommendation 13 - Correspondent Banking (Non-Compliant)**

**Criterion 13.1 (Met):** The MER and the 2<sup>nd</sup> EFUR mentioned deficiencies mainly relating to an unclear scope of obligations imposed on Algerian financial institutions, particularly as to whether they are addressed as correspondent institutions or responding institutions. Furthermore, there is no indication as to whether FIs are required to gather sufficient and comprehensive information about respondent institutions, in addition to the failure to explicitly provide for understanding and documenting the responsibilities of both parties in the field of combating money laundering and terrorist financing, as well as the failure to clearly cover similar relationships in some requirements at the legislative level. In this context, Algeria introduced legislative and regulatory amendments through law no. (25-10) of 2025, amending and supplementing law no. (05-01) of 2005, in addition to amending regulation no. (24-03) issued by the Bank of Algeria under regulation no. (25-14) of 2025. These amendments were adopted in order to eliminate conceptual ambiguity, address the identified deficiencies, and align the legal and regulatory framework with the requirements of the Criterion.

**Sub-criterion (a):** Article (10) bis (5) of Law no. (25-10) stipulates that financial institutions are obligated to conduct enhanced due diligence procedures when establishing correspondent banking relationships or relationships of a similar nature, including verifying the identity of the dealing institutions, collecting sufficient information to understand the nature of their activities, assessing their reputation and the level of supervision they are subject to, and verifying that they are subject to any investigations or supervisory procedures related to money laundering, terrorist financing, or financing the proliferation of weapons of mass destruction. . However, although article (10) bis (5) refers to “foreign correspondent banking or other similar relationships”, the paragraph on the obligation to gather sufficient information and verify the identity is drafted in a manner that explicitly focuses on correspondent banking relationships, without explicitly extending this obligation to cover similar relationships.

In contrast, regulation no. (25-14) of 2025, amending and supplementing regulation no. (24-03), namely article (4) amending article (22), came to emphasize and clarify the scope of this obligation, it explicitly stipulates the inclusion of correspondence and similar relationships, reflecting the intended legislative interpretation of the legal text and ensuring its comprehensive practical application. However, the incorporation of this obligation into the regulation does not replace the need for its incorporation into the law, since a regulation does not establish new legal rules not provided for in the law, but rather serves to interpret the

provisions set out therein. Therefore, the existing legal and regulatory framework, when read in an integrated\holistic manner, provides sufficient and comprehensive coverage of enhanced due diligence requirements on correspondent and similar relationships, in line with the requirements of the recommendation. Besides, the country indicated that “establishing cross-border correspondent banking relationships” is a function legally reserved for banks and financial institutions that hold the status of “authorized intermediary” granted by the Bank of Algeria. Since these relationships are primarily intended to facilitate international financial transfers and the settlement of foreign trade transactions, they fall under the direct supervisory authority of the Bank of Algeria and regulation no. (24-03), as amended and supplemented.

**Sub-criterion (b):** Article (10) bis (5) of law no. (25-10) of 2025 stipulated that it is necessary to evaluate the effectiveness of control measures applied by the respondent institution in the field of combating money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction, either in the cross-border correspondent banking or other similar relationships. article (4) of regulation no. (25-14) of 2025, amending and supplementing regulation no. (24-03) of 2024 clearly affirmed this obligation, by requiring subject institutions to evaluate the effectiveness of the control measures that the foreign respondent institutions apply when Algerian institutions act as correspondent institutions.

**Sub-criterion (c):** Article (10) bis (5) of law no. (25-10) of 2025 required that an approval from the decision-making entity of the legal person should be obtained before establishing a correspondent banking relationship with a foreign institution. article (4) of regulation no. (25-14) of 2025 amending and supplementing regulation no. (24-03) stipulated that the approval of the general directorate or the board of directors should be obtained before establishing any new correspondent relationship with a foreign respondent institution.

**Sub-criterion (d):** Article (10) bis (5) of law no. (25-10) of 2025 explicitly stipulated that the obligations of both parties should be outlined in writing and the responsibilities and role of each of the correspondent institution and the respondent institution in the field of combating money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction should be clearly understood. Article (4) of regulation no. (25-14) of 2025 has further strengthened this obligation by stipulating that the responsibilities should be clearly outlined in writing, including the mechanisms for the exchange of information and the ways used to monitor compliance with the agreement.

**Criterion 13.2 (Met):** The MER and the EFUR mentioned deficiencies relating to an unclear scope of the obligations imposed on Algerian financial institutions, with respect to the cross-border correspondent banking relationships, particularly as to whether they are addressed as correspondent institutions or responding institutions. Furthermore, there is no indication as to whether FIs are required to satisfy themselves about the respondent institutions’ compliance with the application of CDD measures on customers that have direct access to the accounts of the correspondent bank or about their ability to provide relevant CDD information upon request to the correspondent institution.

In order to address the deficiencies, the country made legislative and regulatory amendments. Article (10) bis (5) of law no. (25-10) of 2025 required FIs that permit payable-through accounts to be used, within the framework of cross-border correspondent banking or other

similar relationships, to satisfy themselves that the respondent institution has performed CDD measures on its customers that have direct access to the accounts of the correspondent bank and to verify that the respondent institution is able to provide relevant CDD information about the customers upon request to the correspondent institution. Article (4) of Bank of Algeria regulation no. (25-14) of 2025, amending and supplementing article (22) of regulation no. (24-03) of 2024 affirmed that in relation to payable-through accounts, subject institutions should satisfy themselves that the foreign respondent institution has performed CDD measures on the customers that have direct access to the accounts of the correspondent bank and that it is able to provide relevant CDD information upon request to the correspondent institution.

**Criterion 13.3 (Met):** The MER and the EFUR indicated that there is a deficiency in meeting the requirements of the criterion. It is represented in the legal and regulatory framework that was previously limited to the prohibition from entering into, or continuing, correspondent banking relationships with shell banks, without requiring financial institutions to satisfy themselves that respondent financial institutions do not permit their accounts to be used, directly or indirectly, by shell banks. In order to address this deficiency, article (10) bis (5) of law no. (25-10) of 2025 stipulated that financial institutions are prohibited from entering into, or continuing, a correspondent banking relationship with shell banks, and explicitly required them to verify that the respondent financial institution does not permit its accounts to be used by shell banks. Article (5) of Bank of Algeria regulation no. (25-14) of 2025, amending and supplementing article (23) of regulation no. (24-03) of 2024 affirmed that when subject institutions act as correspondent institutions, they are prohibited from establishing or continuing any correspondent banking relationship with foreign shell banks, while requiring them to satisfy themselves that respondent institutions do not permit their accounts to be used, directly or indirectly, by shell banks.

**Conclusion:** The above analysis shows that the People's Democratic Republic of Algeria met the requirements of this Recommendation. **Accordingly, the technical compliance rating for this Recommendation is “Compliant”.**

### **Recommendation 19 - Higher-Risk Countries (Partially Compliant)**

**Criterion 19.1 (Met):** The MER and the 2<sup>nd</sup> EFUR identified several deficiencies, the most important of which were represented in the fact that the instructions and regulations issued concerning high-risk countries and the enhanced due diligence measures largely focused on countries identified by the CTRF, according to the standards set by the FATF or based on an independent assessment by the CTRF, without expressly and mandatorily providing for the application of enhanced due diligence measures to business relationships and transactions with natural and legal persons (including financial institutions) from countries for which this is called for by the FATF, in accordance with the requirements of the Criterion. Furthermore, some regulations and instructions issued by the supervisory authorities at the time did not include clear texts requiring that the enhanced due diligence measures imposed should be proportionate to the level of risk, nor did the regulatory framework provide a comprehensive and binding legal mechanism ensuring the regular dissemination of the lists and the relevant requirements to all financial institutions. In addition, it was noted that certain categories of financial institutions covered by law no. (05-01) of 2005, as amended and supplemented by law no. (23-01) of 2023, namely exchange offices and factoring institutions, were not subject

to some of the regulations and instructions issued by the competent supervisory authorities, even if the practical impact of this deficiency was limited given that these entities were not actually carrying out their activities during the assessment period.

In order to address the identified deficiencies, Algeria issued law no. (25-10) of 2025, amending and supplementing law no. (05-01) of 2005, by introducing articles (10) bis (9), (10) bis (10), and (10) bis (11). These articles required financial institutions to apply enhanced due diligence measures to business relationships and transactions with natural and legal persons, including financial institutions, from countries for which enhanced or countermeasures are called for by the FATF, while asserting that such measures are proportionate to the level of risk and enforceable through circulars issued by the competent authorities. The amended legal framework also stipulated that the specialized bodies issue circulars about weaknesses in the AML/CFT/CPF systems of other countries, along with establishing a legal mechanism for the dissemination and regular updating of this information through the specialized body (the CTRF). As regards the scope of subject entities, the amendment broadened the definition of financial institutions to cover all categories, including exchange offices and agents, and factoring institutions, according to the amendment of article (10) bis (3) of law no. (05-01), which explicitly stipulated that exchange offices and factoring institutions shall be considered among the financial institutions under the supervision of the Banking Committee. The Bank of Algeria regulation no. (25-14) of 2025, amending and supplementing regulation no. (24-03) of 2024, also addressed this deficiency by including exchange offices within its scope. The factoring activity is now considered a banking operation pursuant to article (70) of law no. (23-09) of 2023 on Monetary and Banking Law.

article (10) bis (9) of law no. (25-10) of 2025, amending and supplementing law no. (05-01) of 2005, stipulated that specific enhanced due diligence measures, proportionate to the level of risk, should be applied to business relationships and transactions with natural or legal persons or legal arrangements, including financial institutions, in countries identified and disseminated by the competent body. This identification may be based either on what the international competent body identifies or on what the competent body identifies independently at the national level. Article (2) of the law defined “the international competent body” as the Financial Action Task Force, which explicitly covers the cases for which the FATF calls for enhanced measures to be applied to certain countries.

At the regulatory level, the Bank of Algeria issued regulation no. (24-03) of 2024, as article (33) thereof stipulated that subject institutions should apply enhanced due diligence measures, proportionate to the level of risk, to business relationships and transactions with natural or legal persons from countries for which this is called for by the FATF or which are identified by the competent authority, along with the application of the countermeasures determined by the regulation.

The Bank of Algeria instruction no. (03-24) of 2024, namely article (24) thereof, further strengthened this obligation by requiring subject institutions to apply enhanced due diligence measures to countries identified by the CTRF as high risk, either according to the FATF standards or based on an independent assessment by the CTRF. In order to clarify the mechanism for the practical implementation of these provisions, the Banking Committee issued guidelines no. (04-2025) for 2025 on high-risk countries.

As regards the institutions under the supervision of the Stock Exchange Regulatory Commission, regulation no. (24-01) of 2024 was issued, and article (33) thereof provided for the application of enhanced vigilance (due diligence) measures or any other measures deemed appropriate with respect to high-risk countries. Instruction no. (25-06) of 2025, amending instruction no. (24-07), namely article (03) thereof, further asserted the obligation to apply enhanced due diligence measures proportionate to the level of risk when establishing business relationships or conducting financial transactions with natural or legal persons, including financial institutions, in countries identified by the FATF or by the CTRF based on its independent assessment of high risks. The Commission also issued guidelines no. (05/2025) on high-risk countries, in implementation of the provisions of articles (10) bis (9), (10) bis (10), and (10) bis (11) of law no. (05-01), as amended and supplemented by law no. (25-10), as well as regulation no. (24-01) and instruction no. (24-07).

As to the institutions under the supervision of the Insurance Supervisory Committee, regulation no. (25-03) of 2025, amending and supplementing regulation no. (24-01) of 2024, was issued. Article (5) thereof stipulated that enhanced due diligence measures proportionate to the level of risk should be applied in respect of countries for which countermeasures are called for by the FATF, or which are classified as high-risk countries by the CTRF.

**Criterion 19.2 (Met):** According to the MER and the EFUR, the deficiency is represented in the absence of an explicit legal and regulatory framework authorizing a competent body in Algeria to take and apply countermeasures proportionate to the level of risk, either in response to a call by the FATF or following an independent national initiative. In addition, it did not appear that there is a clear institutional mechanism to respond to the FATF calls to apply countermeasures, including the designation of an entity responsible for receiving these calls, issuing the relevant decisions, and disseminating the lists of countries and countermeasures to all FIs in a binding and regular manner. Although the authorities issued a number of regulations and instructions, during the enhanced follow-up phase, requiring FIs to apply countermeasures with respect to high-risk countries, the scope of this obligation remained limited to countries identified by the CTRF according to the FATF standards or based on its independent assessment, without explicitly providing for the application of countermeasures to countries for which this is called for by the FATF. In addition, such regulations and instructions did not include clear texts requiring that the countermeasures should be proportionate to the level of risk.

In order to address the deficiencies, article (10) bis (10) of law no. (25-10) of 2025, amending and supplementing law no. (05-01) of 2005, stipulated that enhanced due diligence measures should be applied in a way that includes countermeasures proportionate to the level of risk, as set out in the circulars issued by the control, oversight and/or supervisory authorities, based on data held by the international competent body or based on the measures independently determined by the competent body. This text provides an explicit legal basis to adopt and apply countermeasures, either in response to a call by the FATF or following an independent national initiative, thereby fulfilling the condition of proportionality with the level of risk.

Although article (10) bis (10) of Law no. (25-10) of 2025 does not explicitly distinguish between enhanced due diligence measures and countermeasures, which might be interpreted as limiting their application to the framework of enhanced due diligence, the existing legal and

regulatory framework, when read holistically, demonstrates the availability of an independent authority to adopt and implement countermeasures. The regulatory guidelines and instructions issued by the Bank of Algeria, the Banking Commission, and other competent authorities have emphasized the necessity of establishing countermeasures commensurate with the degree of risk posed by high-risk countries. In this context, the Bank of Algeria issued regulation no. (24-03) of 2024, as article (33) thereof stipulated that subject institutions should apply countermeasures determined through the regulation. The Bank of Algeria instruction no. (24-03) of 2024, namely article (24) thereof, further strengthened this obligation by requiring subject institutions to apply the countermeasures related to high-risk countries, as declared by the CTRF. In addition, the guidelines on high-risk countries issued by the Banking Committee on 26 October 2025 affirmed the requirement that countermeasures should be proportionate to the level of risk, by classifying the countries according to the level of risk and determining the nature of the appropriate measure for each category, including prohibition, restriction, enhanced monitoring, or immediate notification. This reflects the adoption of a risk-based approach in applying countermeasures.

As regards the institutions under the supervision of the Stock Exchange Regulatory Commission, article (33) of regulation no. (24-01) of 2024 stipulated that subject entities are required to review the list of high-risk countries published by competent authorities and apply enhanced due diligence or any other appropriate measures. The Commission also issued instruction no. (25-06) of 2025, as article (3) thereof stipulated that countermeasures should be applied to high-risk countries classified by the FATF or identified by the CTRF based on its independent assessment of risks. Guidelines no. (05/2025) on high-risk countries indicated that countermeasures should range from enhanced measures to restrictive measures or complete prohibition, depending on the level of risk. They further required that such countermeasures should be applied either upon a call by the FATF or following an independent national initiative, and that subject entities should document the justifications for the level of the measure adopted within their internal compliance files. These guidelines are considered legally binding, according to article (10) bis (15) of law no. (25-10).

As regards the institutions under the supervision of the Insurance Supervisory Committee, regulation no. (25-03) of 2025, amending and supplementing regulation no. (24-01) of 2024, was issued. Article (5) thereof provided for the obligation to establish and apply countermeasures proportionate to the level of risk with respect to high-risk countries. Furthermore, article (25) of instruction no. (25-02), amending and supplementing instruction no. (24-01) dated 21 November 2024, confirms the obligation of subject entities to apply countermeasures related to high-risk countries as declared by the CTRF or as called upon by the FATF, provided that such countermeasures are proportionate to the level of identified risks. This framework is further complemented by the institutional mechanism set out in article (10) bis (11) of law no. (25-10), which requires the competent body to issue and disseminate decisions and circulars relating to countermeasures adopted by the FATF or taken at the national level. It also requires to inform the competent supervisory authorities which in turn disseminate such countermeasures in a binding manner to all subject institutions. This ensures a prompt and uniform response to the FATF calls, in line with the requirements of Criterion 19.2.

**Criterion 19.3 (Met):** The MER and the EFUR mentioned a lack of measures ensuring that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries. In addition, the guidelines issued at the time were not considered enforceable means, in accordance with the Assessment Methodology. In order to address the deficiencies, a legal and institutional mechanism was established. It requires that those concerns be disseminated, updated and advised to financial institutions; article (10) bis (11) of law no. (25-10) of 2025, amending and supplementing law no. (05-01) of 2005 stipulated that the specialized body issues circulars related to weaknesses in the anti-money laundering, counter-terrorist financing, and counter-proliferation financing systems of other countries, communicates them to the competent authorities, and publishes them on its website. The control, oversight and/or supervisory authorities disseminate them to their subject entities in a binding manner”. The regulatory texts further strengthened this practical approach, as certain sectoral instructions explicitly referred to concerns about weaknesses in the preventive frameworks of other countries, based on reliable sources such as mutual evaluation reports. This further enhances the subject entities’ knowledge of these concerns when conducting cross-border transactions.

**Conclusion:** The above analysis shows that the People’s Democratic Republic of Algeria met the requirements of this Recommendation. **Accordingly, the technical compliance rating for Recommendation 19 is “Compliant”.**

### Recommendation 35 – Sanctions (Partially Compliant)

**Criterion 35.1 (Met):** According to the MER, the legal framework does not contain an explicit and clear text that allows for imposing effective sanctions against natural and legal persons who fail to comply with the requirements of Recommendation 6 on targeted financial sanctions, and the application of the sanctions available is conditional upon the existence of repetition, which prevents imposing such sanctions when committing the first violation. Sanctions may not be imposed on banks, financial institutions, financial agencies of Algeria Post and exchange offices due to the absence of guidelines issued by the Bank of Algeria Governor regarding the implementation of targeted financial sanctions. As to Non-Profit Organizations (NPOs), the financial fines provided for in the associations law are low and not dissuasive. As to the preventive measures (Recommendations 9–23), the sanctions do not cover all natural persons, particularly managers and employees of DNFBPs, and some sanctions are not proportionate to the severity of the violations. In addition, the administrative penal framework applicable to DNFBPs is not clear, nor are the competent supervisory authorities responsible for overseeing them. In order to address the deficiencies, Algeria took the following measures:

Recommendation 6: A range of dissuasive, proportionate, and applicable sanctions were imposed on all natural and legal persons and all subject sectors. It is also noticed that the repetition of the violation is not required as a condition to apply this sanction (according to article (10) bis 15, article (10) bis 16, article (32) bis (3) and article 34 bis 4 of law no. (25-10) of 2025, amending and supplementing law no. (05-01)).

Recommendation 8: The deficiencies identified in the 2023 Mutual Evaluation Report with respect to Recommendation 8 were addressed by holding the chairmen and members of the

executive bodies of NPOs directly liable when violating the measures for prevention against the financing of terrorism and the financing of the proliferation of weapons of mass destruction. This includes the possibility of imposing custodial sanctions and enhancing the financial fines, thereby increasing dissuasiveness and proportionality (according to article (33) and article (10) bis (16) of law no. (25-10) of 2025, amending and supplementing law no. (05-01)).

Preventive measures (Recommendations 9-23): The deficiencies identified in the previous MER regarding the sanctions applied for failure to comply with preventive measures were addressed, by providing a comprehensive scope of criminal, administrative, and financial sanctions, applicable to various categories and covering the preventive obligations set out in Recommendations 9 to 23. In addition, the restrictions that previously limited the effectiveness of the sanctions, namely the condition of repetition, were removed and the level of dissuasiveness and proportionality was enhanced (according to articles (32), (33), (34), (31) bis, and (10) bis (16) of law no. (25-10) amending and supplementing law no. (05-01)).

**Criterion 35.2 (Met):** The MER stated that some texts do not allow for imposing direct sanctions on directors and senior management for violation of the suspicious transaction reporting duty, as in some cases the application of sanctions is limited to the legal person only. Moreover, the prescribed sanctions do not cover managers and employees of DNFBPs, and there are no texts granting the competent oversight authorities in charge of these categories clear powers to impose sanctions on senior management. In addition, some provisions require the repetition of the violation as a condition before sanctions can be applied, which limits their effectiveness and dissuasiveness. In order to address the deficiencies, Algeria addressed the previously identified deficiencies regarding the scope of application of sanctions to directors and members of senior management, as the scope of sanctions now covers natural persons responsible for management and administration across all categories of subject entities (according to articles (32), (33), (34), (10) bis (16), and (10) bis (3) of law no. (05-01), as amended and supplemented by law no. (25-10)).

**Conclusion:** The above analysis shows that the People’s Democratic Republic of Algeria met all the requirements of this Recommendation. **Accordingly, the technical compliance rating for Recommendation 35 is “Compliant”.**

### Recommendation 36 - International Instruments - (Partially Compliant)

**Criterion 36.1 (Met):** Algeria ratified the relevant agreements as follows:

International Instruments	Date of Signing	Date of Ratification
Vienna Convention	20 December 1988	9 May 1995
Palermo Convention	12 December 2000	7 October 2022
Merida Convention	9 December 2003	24 August 2004
Suppression of TF Convention	18 January 2000	8 November 2001

This criterion is met according to the MER for the People's Democratic Republic of Algeria and was not affected by the amendments made to the legislative or regulatory framework.

**Criterion 36.2 (Met):** The MER stated that the national legislation does not fully include all the substantial provisions set out in the Vienna, Palermo, Merida and TF Conventions, as certain relevant articles are still not implemented at the legislative level. This includes deficiencies relating to expediting extradition procedures, disposal of confiscated proceeds of crime and property, the establishment of joint investigation teams, enhancing mechanisms for detecting the proceeds of crime, allocation and sharing of confiscated funds, in addition to failure to complete some obligations relating to the criminalization of terrorist financing according to the requirements of the relevant international conventions.

In order to address the deficiencies, Algeria provided correlation tables linking the provisions of the Vienna Convention, the Palermo Convention, the Merida Convention, and the International Convention for the Suppression of the Financing of Terrorism with the relevant national legal provisions.

**Conclusion:** The above analysis shows that the People’s Democratic Republic of Algeria met all the requirements of this Recommendation.

**Accordingly, the technical compliance rating for Recommendation 36 is “Compliant”.**

### Third: Conclusion

9. Following the follow-up experts’ analysis of the supporting information and documents submitted by the authorities in the People's Democratic Republic of Algeria, attached to their request for re-rating some Recommendations (1, 2, 6, 7, 9, 12, 13, 19, 35, 36), the team concluded the following:
  - Upgrade the rating of Recommendation (1) from “**Non-Compliant**” to “**Largely Compliant**”.
  - Upgrade the rating of Recommendations (2, 9, 12, 19, 35) from “**Partially Compliant**” to “**Compliant**”.
  - Upgrade the rating of Recommendation (6) from “**Partially Compliant**” to “**Compliant**”.
  - Upgrade the rating of Recommendation (7) from “**Non-Compliant**” to “**Largely Compliant**”.
  - Upgrade the rating of Recommendation (13) from “**Non-Compliant**” to “**Compliant**”.
  - Upgrade the rating of Recommendation (36) from “**Partially Compliant**” to “**Compliant**”.
10. The technical compliance ratings following the re-rating may be summarized in the following table:

**Table no. (3): Technical Compliance Ratings, May 2026**

<b>R.1</b>	<b>R.2</b>	<b>R.3</b>	<b>R.4</b>	<b>R.5</b>	<b>R.6</b>	<b>R.7</b>	<b>R.8</b>	<b>R.9</b>	<b>R.10</b>
<u>LC</u>	<u>C</u>	LC	LC	C	<u>LC</u>	<u>LC</u>	NC	<u>C</u>	LC
<b>R.11</b>	<b>R.12</b>	<b>R.13</b>	<b>R.14</b>	<b>R.15</b>	<b>R.16</b>	<b>R.17</b>	<b>R.18</b>	<b>R.19</b>	<b>R.20</b>
LC	<u>C</u>	<u>C</u>	LC	NC	LC	NA	LC	<u>C</u>	LC
<b>R.21</b>	<b>R.22</b>	<b>R.23</b>	<b>R.24</b>	<b>R.25</b>	<b>R.26</b>	<b>R.27</b>	<b>R.28</b>	<b>R.29</b>	<b>R.30</b>
LC	PC	PC	NC	NC	LC	LC	LC	LC	LC
<b>R.31</b>	<b>R.32</b>	<b>R.33</b>	<b>R.34</b>	<b>R.35</b>	<b>R.36</b>	<b>R.37</b>	<b>R.38</b>	<b>R.39</b>	<b>R.40</b>
LC	PC	C	PC	<u>C</u>	<u>C</u>	LC	LC	LC	NC

Note: There are five possible technical compliance ratings: (compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC)).

- Based on the foregoing, the People's Democratic Republic of Algeria was rated “Compliant” in (9) Recommendations, “Largely Compliant” in (21) Recommendations, “Partially Compliant” in (4) Recommendations, “Non-Compliant” in (5) Recommendations and “Not Applicable” in one Recommendation out of the forty Recommendations, as a result of the analysis of the technical compliance re-rating request in the 3<sup>rd</sup> EFUR. Accordingly, and as per the procedures in force at the MENAFATF, the People's Democratic Republic of Algeria will remain in enhanced follow-up, provided that it submits the 4<sup>th</sup> EFUR to the 44<sup>th</sup> Plenary Meeting in May 2027.