

How to Cite:

Rezgat, B., Zergoune, M., & Bouakaz, Y. (2025). The reality of digital transformation in the tax sector in Algeria (Strategy and Challenges). *International Journal of Economic Perspectives*, 19(5), 1972–1985. Retrieved from <https://ijeponline.org/index.php/journal/article/view/1022>

The reality of digital transformation in the tax sector in Algeria (Strategy and Challenges)

Boubaker REZIGAT

University Mohamed Boudiaf of M'sila, Algeria

Email: boubaker.rezigat@univ-msila.dz

Mohamed ZERGOUNE

University of Kasdi Merbah, Ouargla, Algeria

Email: zergoune.me@univ-ouargla.dz

Youcef BOUAKAZ

University of Kasdi Merbah, Ouargla, Algeria

Email: bouakaz.youcef@univ-ouargla.dz

Abstract---This study aimed to provide a comprehensive analysis of the reality of digital transformation in Algeria by examining the strategy adopted by the Algerian legislator for the digital transformation of the tax sector, in addition to addressing the most important challenges facing the modernization of the tax sector in Algeria. The study concluded that the most important strategies for digital transformation in Algeria are (the need to create a favorable environment for digital transformation, developing e-governance, Accelerate the process of digitizing the administration, creating a favorable environment for the development of the digital economy and promoting digital citizenship.) Digital transformation in the tax sector also faces challenges, the most important of which are (technical and infrastructural challenges, Legal and organizational challenges, Cultural and societal challenges, Tax administration challenges related to the digital economy and taxpayer challenges).

Keywords---Digital Transformation, Strategy, Tax Sector, Challenges.

Introduction

Digital transformation has become an important and common topic among governments and commercial companies in the world, as a result of rapid technological developments and the advancement of communications and

information technology (ICT). This technological development led to the need to shift from traditional methods of doing business to electronic methods, which led to the emergence of the so-called digital transformation, which has become an inevitable necessity in various sectors and fields and in all countries of the world to coexist with the new digital life due to its advantages in improving business performance.

Algeria has sought to keep pace with these developments, which have become an urgent and inescapable need in all its vital sectors. Among the important sectors affected by the digital transformation in Algeria is the tax sector, where the Algerian tax system is one of the most important systems on which the state relies in financing its economy because of its great role in providing significant financial revenues to the public treasury to cover many expenditures, as the tax system is considered a tool of economic and financial policy on which the state depends to achieve its set goals.

Research Problem

Through the above, the main question of this paper can be posed as follows:

What is Algeria's strategy towards the digital transformation of the tax sector and what are the main challenges facing the modernization of this sector?

To answer this question, we have divided this paper into three main themes:

- **The first axis deals with:** Digital transformation strategy and its indicators in Algeria
- **The second axis deals with:** Digitization of the tax administration in Algeria
- **The third axis deals with:** Challenges facing the tax system towards digital transformation in Algeria

Objectives of the Study

- Provide a comprehensive analysis of the reality of digital transformation in Algeria.
- Examine the strategy adopted by the Algerian legislator for the digitalization of the tax sector.
- Highlight the main challenges facing the modernization of the tax sector in Algeria.
- Identify the key areas of digital transformation in the tax sector, such as infrastructure, legislation, and societal aspects.
- Present a vision for the requirements needed to create a favorable environment for digital transformation and the digital economy in Algeria.

Importance of the Research

1. It sheds light on the current state of digital transformation in Algeria, especially in the vital tax sector.
2. It clarifies the role of the Algerian legislator in promoting digitalization, helping policymakers assess and improve current strategies.

3. It highlights the challenges hindering digital transformation, whether technical, legal, or societal, offering a basis for realistic solutions.
4. It provides an academic and practical reference for researchers and professionals in tax administration and digital transformation.
5. It contributes to supporting efforts toward developing e-governance and enhancing the digital economy in Algeria.

Methodology

The study relied on the descriptive and analytical methodology; the descriptive approach was used to present the current state of digital transformation in Algeria, with a focus on the strategy adopted by the Algerian legislator for digitizing the tax sector. The analytical approach was employed to examine the challenges and obstacles facing this transformation and to derive appropriate conclusions and recommendations.

1. Digital Transformation Strategy and Indicators in Algeria

The functions of accounting are no longer limited to the incoming and outgoing accounts of a company or its profit and loss statement, and it is no longer a “bookkeeping” process, but its tasks and functions have multiplied, as there is environmental cost accounting, social responsibility, sustainability accounting and others (Al-Armouti, 2013)..

1.1- Conceptual and Reference Framework for Digital Transformation

The conceptual framework of digital transformation will address (concept, characteristics, and objectives):

1.1.1-The Concept of Digital Transformation

- It is the change associated with the application of digital technology to bring about a radical change in the way of work, and to serve beneficiaries faster and better, and it is an integrated organizational transformation, with the purpose of facilitating administrative procedures and processes and raising their quality, to reach the stage of digital maturity. (Samia, 2021)
- Wade Michael defined digital transformation as ‘bringing about organizational change through the use of digital technologies and business models to improve performance.’ (Abdulrahman, 2019)
- It is also defined as a comprehensive transformation process resulting from a combination of three phenomena: Automation, dematerialization and reorganization of intermediation patterns, affecting all internal business, activities and processes of the organization’ (Varenne, 2020, p. 45).
- It is also defined as the process of companies moving to a business model that relies on digital technologies to innovate products and services, providing new channels of revenue and opportunities that increase the value of their product. (Abdulrahman and Al-Ghubairi, 2020).
- Defining digital transformation from the perspective of tax systems: It is the transformation of the tax administration from the traditional paper-based model to an integrated electronic system based on electronic payment platforms.

Through the previous definitions, we conclude that digital transformation is the process of integrating digital technologies in all aspects of an organization or society, which leads to a radical change in the way of working, providing services

and interacting with beneficiaries, not just the adoption of digital tools but a strategic transformation that includes organizational structure, culture, processes, and business models.

1.1.2-Digital Transformation Objectives :

Digital transformation has become an inevitable necessity due to its effects on reducing the burden on human beings through digital transformation has become an inevitable necessity due to its effects on reducing the burden on human beings by reducing effort, costs and time, and among these objectives we mention: (raziqa & Lahlali, 2022, p. 15)

- ✓ Providing a huge amount of information on digital media.
- ✓ Saving the original source of information from damage.
- ✓ Facilitate the process of searching digital collections and retrieving information by many means and methods.
- ✓ Reducing the cost of traditional methods.
- ✓ Providing information services with new technologies, such as digital reference services and machine translation.
- ✓ Making information available to the largest number of beneficiaries and customers through digital platforms and archiving them as digital resources that can be accessed remotely and remotely.
- ✓ Reducing the time, it takes information to travel from its original source to the recipient and users.
- ✓ Continuous updating of digital information and the availability of digitized original information.
- ✓ Improving the level of scientific research through advanced information

1.1.3-Stages of Digitization:

The digitization process goes through three stages, which we summaries as follows :(Badreddine & Khedir , 2023, pp. 5-6)

1.1.3.1-Digitisation (modelling)

Digitization (modelling) represents the first stage, which refers to the encoding of analogue information into a digital format (i.e. into zeros) so that computers can store, process and transmit this information. Digitization refers to the change in analogue tasks to digital tasks or conceptualized as the integration of information technology from existing tasks and, more broadly, as the development or enabling of cost-effective resource configurations using information technology, based on the above; digitization is defined to describe the procedure for converting analogue information into digital information.

1.1.3.2-Digitization (Visualization)

The second phase of digital transformation refers to the digitization (visualization) phase, which reflects how IT or digital technologies are used to change existing business processes such as creating new online or mobile communication channels that allow all customers to easily connect with companies and that change traditional interactions between the company and customers, often involving the organization of new technological social structures with digital artefacts, which would not have been possible without digital technologies.IT acts as a key enabler to leverage new business possibilities by changing existing

business processes, such as communication, distribution, or relationship management. Through digitization, companies apply digital technologies to improve existing business processes by allowing more effective coordination between processes or by creating additional value for customers by enhancing customer experiences. Digitisation therefore does not focus on cost savings.

1.1.3.3-Digital Transformation:

The most widespread phase that describes company-wide change that leads to the development of new business models, which may be new for leading companies or the industry in general. Companies compete with each other to achieve competitive advantage through their business models, as well as through how the organization creates and delivers value to customers, and then converts the revenues received from the use of digital processes into profits. digital transformation introduces a new business model by applying a new business logic to create and sustain value.

1.2- Digital Transformation Strategy in Algeria

The implementation of a national strategy for digital transformation covering the period (2024-2028) has been initiated. The elements of this strategy were defined in consultation with institutions, administrations, training institutions, research centers, experts, various economic operators, digital actors and start-ups, with the aim of improving public governance through the digitization of the public service and strengthening the ecosystem to promote the digital economy and citizenship, while adopting a comprehensive, collective and unified endeavor: (Hamza & Belkhir, 2025, p. 11)

- ✓ The need to create a favorable environment for digital transformation.
- ✓ Developpement e-gouvernance.
- ✓ Accelerating the digitization of the administration.
- ✓ Create a favorable ecosystem to develop the digital economy and promote digital citizenship

1.2.1-Indicators of Digital Transformation in Algeria

To judge the progress made in the field of digital transformation, there are several international composite indicators, including the Digital Readiness Index, the ICT Development Index, the Network Readiness Index, the Digital Governance Index, and the E-Government Development Index:

1.2.1.1-Digital Readiness Index

The Digital Readiness Index relies on a periodic review of data to estimate the development of digital transformation across countries, and through the reports, Algeria recorded a decline from 100th place in 2022 to 103rd place out of 134 countries in 2023, as its index decreased from 39.48 to 37,52.

As for the sub-dimensions of the Digital Readiness Index, Algeria performed well in the Individuals, Economy, and Future Technology sub-dimensions with a ranking of 62, 90 and 91 and Content and Government with a ranking of 92.

1.2.1.2-Network Readiness Index

The Networked Readiness Index. This general index, called the networked readiness index (abbreviated as NRI), is designed to measure the readiness of

countries to use ICTs effectively, and is measured by four indicators (technology, impact, governance, and people). (Badesi, 2023)
The following figure shows Algeria's ranking in the networked readiness index.

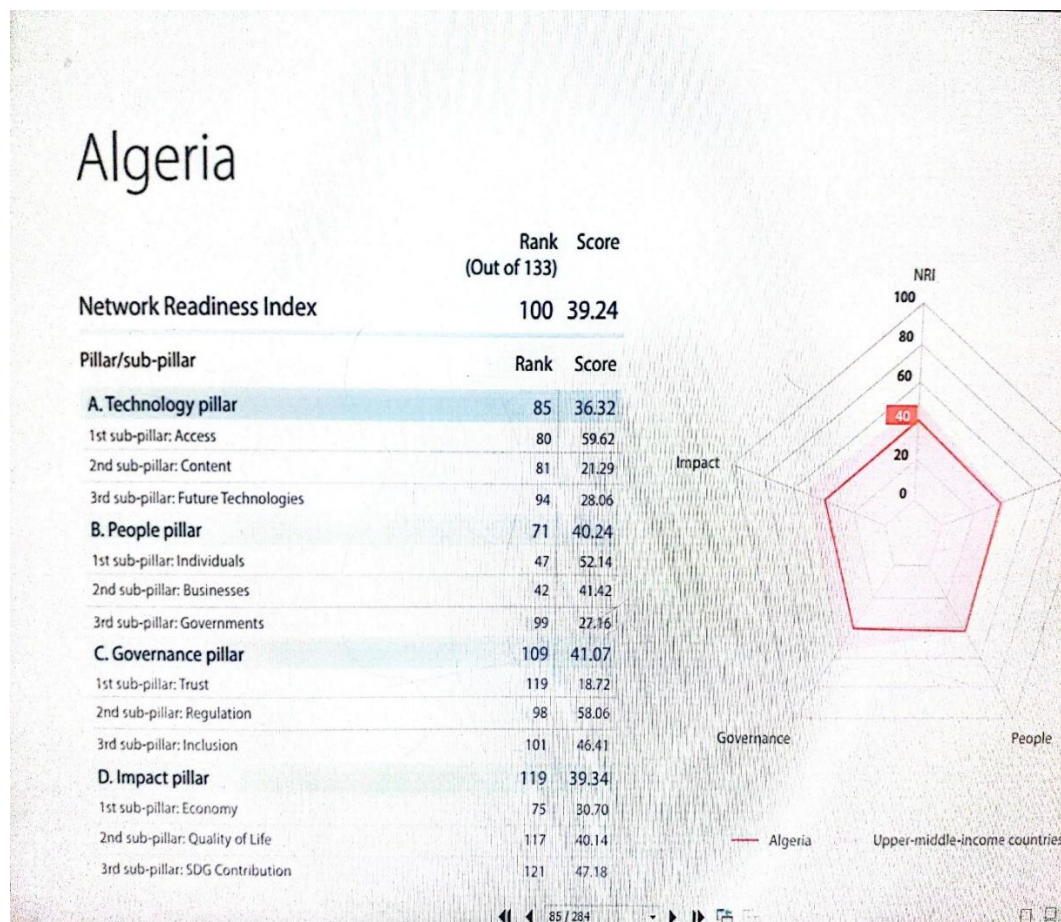


Figure (1) Algeria's ranking in the Network Readiness Index
Source: Network Readiness Index Report 2024, p. 85

Through the above figure, we can see Algeria's ranking in the 2024 Network Readiness Index, where it ranked 100th with 39.24, and if we take the ranking of the four main indicators, we find that the people index came first with 40.24, which improved Algeria's international ranking in this index, ranking 71st, while the Use of Technology index came second with 36.32, ranking Algeria 85th internationally, while the Governance and Impact indexes scored 41.07 and 39.34, ranking Algeria 109th and 119th, respectively.

2. Digitization of the tax administration in Algeria

In this section, the concept of the tax system, the historical development of the Algerian tax system, as well as the characteristics of the Algerian tax system will be discussed:

2.1-Conceptual and reference framework of the Algerian tax system

According to the broad concept, the tax system is the set of ideological, economic and technical elements that lead to a specific tax entity, which represents the physical interface of the system and whose features necessarily differ in an economically developed society from its image in an underdeveloped society, while the narrow concept means the set of legal and technical rules that enable tax deduction in its successive stages from legislation to linkage and collection. (Amir and Achouri, 2018).

2.1.1- Historical Development of the Algerian Tax System

The Algerian tax system has undergone many changes in line with the political, economic and social conditions of the country, and the stages it went through can be divided into two phases as follows:

2.1.1.1- The Algerian tax System before the Reforms

Before the reforms, the Algerian tax system went through many stages, which can be summarized as follows (Bassachi and Saffah, 2020, page 108) :

- First Phase (1830-1918) : In this phase, Islamic taxation remained, but more attention was paid to techniques than religious principles, as taxation became non-religious, as some Islamic taxes that were in force were abolished, while tithes and zakat remained.
- Second Phase (1918-1948) : In this phase, on 03/11/1948, tithing was completely abolished and zakat was abolished in the south.
- Third Phase (1948-1962): In this phase, the Algerian tax system gained slight autonomy compared to the French tax system, and from 1962, the Algerian tax system consisted of direct and indirect taxes.
- Forth Phase (1962-1975): The pre-1962 tax system remained in place even after independence, thanks to Law No. 62-155 of 31 December 1962, which issued the first tax measure extending the laws in force for the collection of direct taxes and similar fees prior to independence. Between 1962 and 1973, some reforms were introduced to facilitate the calculation of tax revenues, but Algeria continued to apply the tax law in force during the colonial period until the publication of an order dated 5 July 1975, which led to the need to create new laws.

2.1.1.2- The Algerian tax system after the 1992 reforms

Due to the economic, social and political situation in Algeria, the transformations that the Algerian economy was going through, the transition to a market economy, the partnership contract with the European Union, and the quest to join the World Trade Organization, this made it necessary to reform the previous tax system, which was no longer in line with modern developments, as it played a traditional role of financing with tax revenues, without playing a stimulating role, as the state budget still depends to this day on petroleum levies and there was double dealing with institutions active within the national economy, after the reform of the Law on Direct Taxes and Similar Fees 1992 the structure of the Algerian tax system consists of several laws, which we summarise as follows : (Glady and Taleb, 2020)

- ✓ Direct Taxes and Similar Fees Act.
- ✓ Business Nimber Fees Law.
- ✓ Stamp Act.

- ✓ Direct Taxes Act.
- ✓ Customs Code.
- ✓ Tax Procedure Act.

2.1.2-Characteristics of the Algerian tax System

The Algerian tax system is characterized by characteristics that effectively accompany the transition of the Algerian economy from a command economy to a market economy (Bouakaz, 2015):

2.1.2.1-Dialogue between the taxpayer and the tax administration:

Through the declarations made by the taxpayer and the proposals imposed by the tax administration, as well as the submission of appeals, which allows for the correction of the taxpayer's illegal situation, as well as the right to respond and change the declarations, and this dialogue is the most important link to address and resolve tax issues.

2.1.2.2-The taxpayer's declaration of his/her own turnover:

The Algerian legislator granted the taxpayer the right to declare his/her business number himself/herself by simply obtaining the declaration forms from the tax administration, filling them out and returning them to the administration, but these declarations may be unrealistic, which requires the tax administration to examine them to ensure their authenticity.

2.1.2.3-The right of the tax administration to control :

The tax administration monitors and follows up on all declarations submitted by taxpayers in order to avoid all types of fraud and evasion, but the law prohibits accessing or monitoring amended declarations without informing the taxpayer or other departments of the professional secret.

2.2-Implications of digital transformation on the tax system

The digital transformation entails a number of changes that positively affect the development of the Algerian tax system:(Ikram, 2024)

2.2.1-Optimising tax collection

Digital transformation affects the optimization of tax collection through the following

- Broadening the tax base and maximising tax revenues: The digitization of tax collection contributes to obtaining additional information, which enables the creation of an additional database that allows assessing the level of tax compliance, as well as electronic monitoring of tax compliance, thus ensuring the flow of tax revenues, and an increase in tax collection levels.
- Improving the efficiency of tax collection methods: The digitization of tax collection procedures and the transition from the traditional form to the electronic form allows reducing time and effort, as well as simplifying and streamlining these procedures to reduce tax disputes.
- Increase tax compliance and reduce tax evasion: digitization allows for greater transparency and access to additional information to expand the tax base, thus combating tax evasion, contributing to the voluntary compliance of taxpayers, as well as following up and monitoring non-compliant taxpayers and taking legal action against them.
- Integrating the informal sector into the formal economy: Through the registration of businesses or individuals belonging to the informal sector in the tax system in implementation of tax legislation, in addition to digital collection

through their bank accounts and bank cards. As for businesses or individuals who are not subject to taxation, such as importers or businesses that are not registered with the state, the digital collection of the tax due to them leads to their integration into the formal economy of the state.

2.2.2-Electronic Tax Declaration

The digital transformation has allowed tax declarations to be submitted electronically, which has had a positive impact on both the tax administration and the taxpayer through the advantages offered by the electronic tax declaration, which are as follows:

- Increases the flow of quality information to the tax administration, enabling it to fulfil its tasks faster and more accurately.
- Reduces the rate of errors made by the taxpayer when preparing the manual report, which avoids many penalties and sanctions.
- Achieves solvency and certainty, as it provides the taxpayer with the opportunity to submit it at the time that suits him, and the certainty that it reaches the administration through the receipt of the confirmation letter from it to him at the lowest cost.
- Provides an opportunity for the tax administration to finalise the examination of this return in a shorter time, and to inform the taxpayer early on the extent of the tax administration's acceptance of this return.
- It can be filed at any time and from anywhere via the internet.

2.2.3-Activating tax control

The digital transformation affects the activation of tax control through the following:(Amara & Ramadna, 2023)

- Speed and timeliness: It allows the tax administration to receive timely information from various organizations and taxpayers who are required to submit their declarations in accordance with Article 45 of the Code of Tax Procedure.
- Rapid communication: It enables the tax administration to obtain the updates made by organizations, whether in terms of capital or profit distribution.
- Expanding control: Digitalization helps to expand the control to include the largest number of files subject to tax control.
- Remote work: Minimizing the movement of tax officers to the taxpayer's place, i.e. the possibility of obtaining information without field intervention.
- Elimination of formal control: By minimizing the use of administrative documents and relying on information systems.
- Minimizing information conflicts: Electronic tax control allows minimizing conflicts of interest by preventing the double use of the information received.

2.2.4-Fighting tax fraud (inflated invoices)

The digitization of the customs sector will contribute to the elimination of inflated invoices, which will bring transparency and realism to transactions related to the declaration by the manufacturer or importer of the nature of the imported goods and the amount for which they will be sold. Digitization is also necessary to instil confidence in investors and economic operators and an important step to transform the investment climate in Algeria into one that is attractive and far from administrative manipulations, so the necessary ground must be provided to move towards digitizing all economic sectors.

2.2.5-Eliminating tax evasion

Digital transformation allows for increased efficiency and clarity of the tax system, which helps the government to collect tax revenues at the lowest cost and reduce tax evasion. It also contributes to improving the business environment and further simplifying and improving tax services, and allows for clarity, transparency and simplification of the tax system, as complex systems are a major cause of tax evasion.(Ahmed, 2022)

2.3-Procedures for the digital transformation of the tax administration in Algeria

The most important measures taken by the Algerian legislator to digitize the taxation sector are as follows:

2.3.1-Creation of a website for the tax administration

With the increased use of communication and digitization, the website of the General Directorate of Taxation, (www.mfdgi.gov.dz) has been created to allow taxpayers to access the various tax laws and legislation in force, and to learn about the various taxes and fees, their rates and payment methods, through a digital space where all announcements and communiqués related to taxation are published, as well as to download and copy various legislative texts such as tax laws, finance laws, tax regulatory texts, circulars and instructions, tax guides and manuals and all documents for monthly and annual declarations, making it easier for taxpayers to obtain them.(Kamache & Boukhedoun, 2022)

2.3.2-Tax Documentation Window

Within the framework of supporting the reform and modernization efforts of the tax administration in simplifying tax procedures and improving the tax administration's relationship with the taxpayer, a website or online window for tax authentication of the taxpayer's tax identification number has been created. This website allows verification of the authenticity of the identification number provided by the taxpayer to entities, institutions and all customers, which contributes to transparency and credibility in daily transactions.(Ahmed W. , 2017)

2.3.3-Tax Identification Number (NIF)

As part of the simplification of administrative procedures and the facilities granted to economic operators with the tax administration, the General Directorate of Taxation has placed at their disposal a remote tax numbering mechanism as of 08 May 2016. This mechanism allows taxpayers who are already registered at the level of the administering departments, to request the granting of a tax identification number remotely on the website (<https://nifenlignemfdgi.gov.dz>) dedicated to this process.(Bouchamleh & Sliman, 2023)

2.3.4-Service Reference System

This system was established on 07/06/2004 in accordance with General Instruction No. 01 by the Director General of Taxation as a means of improving the quality of services provided and promoting the culture of reception. It includes a set of internal and external standards that must be respected by tax administration agents in the various new structures. This system seeks to

improve the existing relationship between taxpayers and the tax administration by focusing on the quality of service and providing quality reception in its various forms, etc.(Slimani, 2023)

2.3.5-Electronic Payment of Taxes

This means that the taxpayer pays his financial obligations to the Tax Authority using special forms saved on the website of the General Directorate of Taxation, specifically those related to the collection department, so that the taxpayer can pay his tax liabilities through the electronic communication process. Electronic payment methods include electronic commercial papers, electronic money, credit cards, or any other electronic means that are fulfilled via the Internet.(Chaouadi, 2023)

2.3.6-Gbaytec information system

The establishment of the information system of the General Directorate of Taxation (DGT) 'Gbaytec is an important step for the tax administration, which was achieved by strengthening the technological base, promoting remote services, improving the conditions of institutions and promoting tax urbanization. This system is based on automation and digitization of administrative procedures by providing remote services for declaration and payment of taxes and fees.

The Gbaytec system seeks to achieve a set of objectives, namely:(Celini & Anoun, 2021)

- Better control of the category of taxpayers with regard to the activities and property owned by them; -The use of modern procedures for the computerized processing of all data related to the taxation of taxpayers.(Bouziiane & Mohieddine, 2021)
- The use of modern procedures for the computerized processing of all data related to the taxation of taxpayers and the collection of various types of taxes and fees.
- Taking care of the interrelated operations related to tax control, endeavoring to deal with dispute cases and providing summarized statistical tables.

2.3.7-SAP Tax Information System

It is a system consisting of several integrated modules that in most cases respond to the requirements of the professional tasks of the tax administration, adjusting and defining the information solution and taking care of the information developments related to the needs of the professional tasks of the General Directorate of Taxation, and is programmed with its own computerised information systems.(Kawadri, 2022)

The objectives of implementing the SAP tax information system are as follows:(Bouziiane & Mohieddine, 2021)

- Contribute to reducing the amount of tax receivables owed to the tax administration by the taxpayer that are difficult to collect.
- Reducing the lack of tax literacy suffered by the tax administration.
- Comprehensive knowledge of taxpayers according to their specific situation or peculiarities.
- Strengthening the tax culture among taxpayers through the adoption of electronic collection technology.

- Rapidly addressing the concerns of the tax community through good reception and improving the quality of public service at the level of the tax administration.
- Rapid and efficient processing of the large number of taxpayers' tax declarations at the same time.
- Easy and quick identification and detection of taxpayers who are found to be committing fraud and tax evasion and who are in breach of their tax obligations.

3-Challenges facing the tax system towards digital transformation

The Algerian tax system faces several challenges to digital transformation, the most important of which are as follows:

3.1-Technical and Infrastructure Challenges

Algeria suffers from a clear lack of infrastructure to support digital transformation. This is manifested in poor internet connectivity and high data costs, which hinders universal access to digital services. In addition, the difficulty of integrating systems and linking systems to each other (old and new), as well as the increased risk of hacking and manipulation of sensitive tax data (cybersecurity).(Bank, 2019)

3.2-Legal and Regulatory Challenges

Legislation is not keeping pace with digital development, with traditional tax laws that are not compatible with the requirements of digital transformation, and the absence of a legal framework for electronic transactions, i.e. the difficulty of recognizing digital documents in tax evidence.

2.3.3-Cultural and Societal Challenges

Resistance to change by employees and the lack of acceptance by some employees in the tax administration of the shift from manual to digital systems with a lack of digital competence and the need for specialised training in the field of digital transformation and tax analysis using artificial intelligence.(IMF, 2019)

2.3.4-Tax administration challenges related to the digital economy

The digital economy has created challenges for tax administration:(Saleh, 2022)

- The inability to determine the nature of e-businesses and identify customers, in terms of the nature of e-businesses, the tax administration may face difficulty in identifying the various types of activities covered by the digital economy and then controlling, classifying and subjecting them to national tax rules, as well as the difficulty of identifying customers, as the activities of the digital economy cross spatial boundaries, making it difficult to identify all contracting parties and participants in the transactions concluded by digital enterprises.
- Difficulty related to collecting information, as this depends on knowing the permanent residence of the entity located at the borders of the state and the extent to which the tax authorities in the state in which it operates keep records on information related to its activity and the possibility of accessing it within the framework of the exchange of tax information between countries.
- The difficulty of tracking and accounting for financial transactions and transfers, identifying the actual beneficiary and thus calculating the taxable

value, especially if the transactions were settled through electronic payment methods outside the national borders.

2.3.5 -Taxpayer Challenges

The lack of digital literacy among some taxpayers and their difficulty in dealing with electronic platforms, in addition to the lack of trust in digital systems, as taxpayers fear violation of privacy or discrimination in treatment.(UN, 2022)

Conclusion

Through our study of the topic of digital transformation, we noticed that it has become an inevitable necessity for countries to keep pace with the tremendous global technological development, and where digital transformation in Algeria represents a strategic step aimed at building a strong and sustainable economy, and among the important sectors in Algeria that receive the attention of the state, we find the tax sector, as the Algerian tax system is one of the most important systems on which the state relies in financing its economy due to its significant role in providing significant financial revenues to the public treasury that enable it to cover many expenses, as the tax system is one of the tools of economic and financial policy on which the state relies.

Algeria has endeavored to develop its tax system by moving from a traditional tax system to an electronic tax system characterized by efficiency and transparency and relying on technological means in various tax procedures such as collecting taxes, submitting tax declarations for taxpayers, and combating all types of fraud and tax evasion, but the digital transformation of taxation in Algeria faces some challenges, the most important of which are (Technical and Infrastructure Challenges .Legal and Regulatory Challenges, Cultural and Societal Challenges, Tax administration challenges related to the digital economy, Taxpayer Challenges)

References

1. Ahmed, H. (2022). Implications of the implementation of e-governance on the performance of the tax administration in Algeria. *Journal of Tax Studies*.
2. Ahmed, W. (2017). Requirements for adapting the Algerian tax system in light of the challenges of e-commerce (Doctoral dissertation). Algeria: University of Chlef.
3. Amara, M., & Ramadna, H. S. (2023). The reality of tax control in light of the digital transformation in Algeria. *Journal of Humanities*.
4. Badesi, O. B. (2023). The reality of digital transformation in Algeria in light of the Network Readiness Index. *The social context and its relationship to digital transformation in Algeria* . Tiaret, Algeria : Faculty of Social Sciences and Humanities .
5. Badreddine, A., & Khedir , N. (2023). Digital Transformation in Algeria: Realities and Challenges. *International Scientific Meeting: The digital revolution: Any opportunities for growth?* (pp. 5-6). Algeria: Higher School of Management and Digital Economy.
6. Bank, W. (2019). *Digital transformation in tax administration*.

7. Bouchamleh, Z., & Sliman, S. (2023). Digitalisation of the tax administration as a strategy to improve the level of taxpayers' tax awareness - a field study of a sample of taxpayers in Setif. *Journal of Economic Studies*, p. 202.
8. Bouziane, F., & Mohieddine, M. O. (2021). Modernisation of the tax administration as a mechanism to enhance trust and improve services to taxpayers. *Journal of Economic Studies*.
9. Celini, J., & Anoun, F. (2021). Algeria is moving towards e-government as a mechanism to activate tax control and reduce the cost of collection. *Journal of Real Estate Law*.
10. Chaouadi, S. (2023). Tax reforms as a mechanism to modernise the tax administration and digitise and simplify tax declaration procedures 'Case study of the digital portal for declaration and payment of taxes remotely, your contribution'. *Forum for Economic Studies and Research*.
11. Hamza, L., & Belkhir, Z. (2025). start-ups as a bet to achieve economic take-off and meet the challenges of digital transformation in Algeria. *The Algerian economy between questions of development and attempts to take off A reading in the renaissance thought of Malik Ben Nabi*, (p. 11).
12. Ikram, S. (2024). The impact of digitalisation on the development of the Algerian tax system. Algeria: University of Msila.
13. IMF. (2019). *digitalization and taxation challenges and opportunities*.
14. Kamache, H., & Boukhedoun, L. (2022). Digitisation of the tax administration as an approach to improve services under the tax reforms in Algeria 1992-2022 Status of the online portals 'Gebaytik' and 'Masnaktik'. *Journal of the Forum for Economic Studies and Research*.
15. Kawadri, M. (2022). The digitisation of the tax system and its role in supporting tax control in Algeria. *Forum Journal of Economic Studies and Research*.
16. Raziqa, B., & Lahlali, A. (2022). The effects of digital transformation on increasing tax revenues A study of the opinions of a sample of employees of the tax authority in Al-Msila.
17. Saleh, T. (2022). Tax challenges arising from the digital economy and efforts to address them. *Journal of Tax Studies*, 11(1).
18. Slimani, S. (2023). The contribution of the digital transformation of the tax administration in improving the quality of tax services - a field study of a sample of employees of the Regional Directorate of Taxation in Constantine. *Journal of Economic and Administrative Research*.
19. UN. (2022). *E. Government survey 2022 digital transformation for sustainable development*.