

Financing companies through listing on the stock exchange, a case study of the Algerian Stock Exchange

Saidi fatima zohra ^{1*}

¹ Medea University

Medea university (Algeria), saidi.fatimazohra08@gmail.com

Received: 20/01/2022

Accepted: 13/12/2022

Published: 28/12/2022

Abstract:

This research aims to study the possibility of financing companies through the listing process in the stock exchange, because of the beneficial role that the stock exchange plays in mobilizing financial resources and savings; and preparing them for investment.

Through this study, we will approach the objectives and advantages of listing, and the various conditions set by the Organizing Committee of the Algiers Stock Exchange for listing in the debt securities market and the stock market. We will talk also about the various companies that have been listed on the Algiers Stock Exchange and offering shares.

The study concluded that listing is an urgent necessity for companies that are looking for sources of funding other than traditional sources, and there is a set of advantages that listing in the stock market achieves for those companies. however, they must also abide by many legislations and comply with general follow-ups. As for the Algerian Stock Exchange, it is still suffering from a minimal number of companies listed on it, which do not exceed four companies offering shares, namely, Alliance, Sidal, El-Aurassi, and Biopharm.

Keywords: corporate finance, listing, Algeria Stock Exchange.

Résumé :

Ce mémoire de recherche vise à étudier la possibilité de financer des entreprises par la bourse à travers le processus de cotation, grâce au rôle que joue la bourse dans la mobilisation des ressources financières et de l'épargne ainsi que dans leur préparation à l'investissement.

A travers cette étude, on abordera les objectifs et les avantages de la cotation, et les différentes conditions fixées par le Comité d'Organisation de la Bourse des Valeurs Mobilières d'Alger pour une cotation sur le marché des titres et celui des obligations, en faisant référence aux diverses sociétés qui ont été cotées à la Bourse d'Algérie et qui offrent des actions à acheter.

L'étude a conclu que la cotation est une nécessité urgente pour les entreprises qui recherchent des sources de financement autres que les sources traditionnelles, elle procure un ensemble d'avantages aux entreprises. Par contre, ces dernières doivent respecter de nombreuses législations et un suivi perpétuel. Quant à la Bourse d'Algérie, Elle souffre toujours d'un nombre minime des sociétés cotées sociétés offrant des actions, qui ne dépassent pas quatre, à savoir Alliance Company, Sidal, El-Eurassi Company et Biopharm.

Mots-clés : finance d'entreprise, cotation, Bourse d'Algérie.

1. INTRODUCTION: The main goal of any institution, regardless of the type of sector in which it is active, is to develop its wealth, especially in light of the increase of competition, in order to acquire new shares in the markets. Listing on the stock exchange is among the mechanisms that achieve many advantages for companies that the owners of these companies as well as their shareholders do not really comprehend. In this case, the banking sector is considered as the best means of financing and that the process of listing in the stock exchange is a complex and costly process for the institution and does not achieve any advantages in terms of both financial and practical terms.

Accordingly, the essence of the research problem is to try to answer the following main question.

Why do companies submit an application for listing in the stock exchange? What are the mechanisms of listing in Algiers Stock Exchange?

Sub-questions:

- 1- What are the reasons that make companies prefer to list in the stock exchange?
- 2- Are there conditions and costs for listing?
- 3- How is the listing process on Algiers Stock Exchange?

Study hypotheses:

Most companies prefer listing because it allows institutions to fund as much as they want and when they want.

- Each listing process has conditions and costs that differ from one stock exchange to another.
- The process of listing on the “Algiers Stock Exchange” goes through stages and according to conditions specific to each market.

Objectives of the study:

- Familiarity with the listing process in the stock exchange.
- Disclosure of the benefits of listing companies on the stock exchange.
- Trying to know the conditions and how to list in Algiers Stock Exchange.
- Attempting to know the listed companies offering shares in Algiers Stock Exchange.

Research Methodology

In order to be able to answer and be familiar with this subject and test the approved hypotheses, we followed both descriptive and analytical approaches, by collecting, analyzing and organizing data. We also used historical method as a study of the historical background regarding listing companies on "Algiers Stock Exchange", for the sake of reaching the desired goals and complete our study to meet the academic needs.

In order for a joint-stock company to obtain financing from the financial markets by issuing shares and bonds, and trading these securities used in financing in the stock market, it must be listed, or what we call pricing of these companies securities on the stock exchange.

1. General concepts about listings:

1. 1. Definition of listing:

- It is the acceptance of the security by « the Securities Regulatory

Authority”, and its registration in the stock exchange so that it becomes tradable.

- Or it can be defined as allowing the company's shares to be traded in the market and to carry out settlement operations of buying and selling transactions of shares or other securities and transfer their ownership through the deposit and transfer center in the market (Najeeb, 2008).

1.2. Objectives of listing on the stock exchange: There is a set of objectives for the listing process, which can be summarized as follows. (exchange, 2013)

- **Mobilizing Financial Resources:**This factor is considered as the most important driver of the listing process in the stock exchange, which makes the stock exchange an alternative source of financing. Recourse to the financial market to mobilize financial resources constitutes an answer to one of the following two hypotheses:

- **The need for financial resources to implement a development strategy.**

- **Reducing the company’s debt.**

- **Enjoying differential tax privileges** (cairo and alexandria stock exchanges, 2008):The company's listing on the stock exchange enables it to enjoy a special and differential regime.

In addition to the previous objectives for listing, the following can be mentioned:

- **The possibility of increasing the capital:**Companies listed on the stock exchange can finance expansion projects through various sources of financing, whereby listed companies can increase their capital by expanding the ownership base and offering their shares to the public at the local level, as well as at the international level through the issuance of international deposit certificates that are traded in Global stock exchanges or by borrowing from the public by offering local bonds that are traded locally or dollar bonds that trade on some of the global stock exchanges.

- **Announcing more audiences in the company:** Various media agencies such as newspapers, news programs and analysts follow the news of the

most traded (active) companies on the stock exchange. This media coverage is beneficial for the companies as it increases the shareholders and investors' awareness of the company's name and activity.

1.3. Advantages of listing on the stock exchange :The listing of companies on the stock exchange leads to a set of advantages , nevertheless in the absence of efficiency of the stock exchange in which the listing took place, these advantages will not really be achieved. We mention some advantages as follows: (Najeeb, 2008)

- Provide an opportunity for the founders to recover part of their money invested in the company and possibly achieving a return from that.
- Allowing companies to diversify the sources of funding available to them to finance the company's activities and investments by increasing its capital in a flexible and inexpensive manner by issuing new shares or bonds and not limiting funding to the banking sector; this process reduces the cost of capital.
- The listing gives companies more credibility, as they work under a supervisory and control cover that ensures disclosure and transparency for investors.

The listing contributes to the fair pricing of the shares of these companies through the interaction of the forces of supply and demand, and their market prices are linked to developments in their performance level.

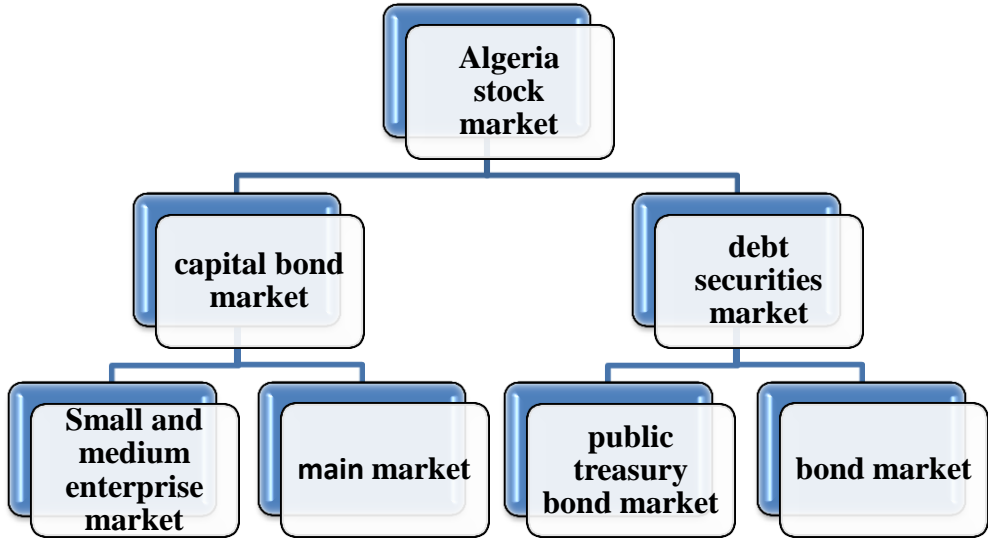
- Helping the company to appear, spread and strengthen its position in front of customers, suppliers, lenders, and investors, where the increase in advertising opportunities for the company and its activities, as well as its name, share prices, trading movement, news, activities and financial statements are included in many advertising media such as bulletins and publications, whether they are private or public, locally or internationally issued.
- Expanding the base of investors in the company through the trading of its shares, where the ease of the trading process allows the entry of new shareholders.
- Achieving the liquidity of the company's share holders, since it is difficult to imagine the existence of liquidity in the state of non-listing.

1.4 Insertion defects : Despite the advantages mentioned above, there are some drawbacks that cause fear in some companies' administration, such as:

- Fear of losing control over the company's management when its shares are traded in the market.
- Some companies do not want to reveal information that interests investors and the public and that affects the price of the security.
- lack of knowing all the details regarding the market's working mechanism and trading of shares makes some departments hesitate to take the decision to list going in line with the law and therefore; going through new experience, especially those who hold prior opinions about trading.

2. Listing on Algerian Stock Exchange:

2.1. Conditions for listing on Algiers Stock Exchange (pre-listing conditions): Institutions wishing to join Algerian Stock Exchange must adhere to some conditions and procedures when registering in the stock exchange, which were specified by the "*Stock Exchange Regulatory and Control Committee*" through Articles 30 to 46 of its regulation No. 97-03 issued on 11/18/1997 related to the general system of the Stock Exchange (Hussein, 2004) . Transferred values, just as pricing a company's shares or bonds on the stock exchange requires their acceptance by the Stock Exchange's "*Regulatory and Control Committee*". For its acceptance, conditions related to the company wishing to join and conditions related to the values subject to acceptance must be met, and this is after forming a file that includes documents related to the company (documents related to the capital of the company, legal documents, and general documents about the company) which in its entirety constitute the material record, the choice of the accompanying broker. It can be noted that Algerian Stock Exchange is divided into two markets and each market is divided into two, which appear through the following figure.: (Radhia, 2007)

Figure No.: Algeria Stock Exchange Markets

Source: Algiers Stock Exchange, stock exchange management company, page11, 07/02/2020: www.sgbv.dz

It becomes clear to us from the previous figure that Algerian Stock Exchange is divided into a market for debt bonds, which in its entirety is divided into the treasury bond market, in which public treasury bonds are listed for trading, but without listing conditions (accepted by force of law), and the bond market, which includes related debt securities. In companies, which are according to conditions, as for the other section, which is the market for shares (the capital bond market), it includes shares of companies and shares of small and medium enterprises according to the conditions of listing, which are as follows: (Exchange, 2019). Regarding the conditions for listing foreign direct investment companies, there is no legal text issued by the Stock Exchange Operations Regulation and Control Committee that shows how to finance foreign direct investment companies through the stock exchange.

- Conditions related to the official market:

- The company must be legally organized in the form of a "Shares Company" (SPA);
- To have a paid-up capital with a minimum value of five million dinars (5,000,000 Algerian dinars);

- To have published the approved financial statements for the three fiscal years preceding the year in which the application for admission was submitted;
- To submit an evaluation report for its assets prepared by a member of the “*National Commission of Accounting Experts*”, not from the company's account keeper, or any other expert so that the committee recognizes his evaluation report.
- That it has made profits during the year preceding the application for admission, unless the committee exempts it from this condition;
- The company must inform the Committee of all transfers or sales that occurred on the assets before the listing process;
- Proving the existence of an internal auditing body that is appreciated by the account governor in his report on the company's internal control. If this is not found, the company must take the initiative to set up such a body during the fiscal year following the acceptance of its bonds in the stock exchange;
- Ensure the security of bond transfers;
- Settlement of major disputes between shareholders and the Corporation;
- Work to comply with the terms of information disclosure.
- Offering for public subscription capital bonds representing at least 20% of the company's capital, no later than the day of listing.
- The capital bonds offered for public subscription should be distributed to one hundred and fifty (150) shareholders as a minimum, no later than the date of listing.

- Conditions related to the bond market:

These are conditions related to maturity bonds, bonds convertible into capital bonds, joint-stock bonds, or any other receipt, in which the price of the debt bonds for which admission to trading in the stock exchange was requested, must be equal to at least five hundred million dinars (500,000,000 DZD) on the day of listing.

- Conditions related to small and medium-sized companies:

The conditions for listing in the main market are rather strict. Usually,

small and medium-sized enterprises do not have the necessary conditions to meet them. For this reason, some regulatory amendments were included during **2012** on those conditions, which were distinguished by their easing. Small and medium enterprises became obligated to:

- Be in the form of a company with shares, and it shall appoint, for a period of five (05) years, an accompanying advisor called “stock exchange promoter”;
- It opens its capital at a minimum rate of 10% on the day of listing in the stock exchange.
- The capital bonds affiliated to it shall be offered for public subscription, to be distributed to no less than fifty (50) shareholders or three (03) institutional investors on the day of listing.
- It publishes its certified financial statements for the past two years, unless the “*Stock Exchange Operations Regulatory and Control Committee*” exempts it from this requirement. As for the conditions of profits and minimum capital, they are not imposed on the company requesting to be listed in the small and medium enterprises market, without prejudice to the provisions of the Commercial Law relating to companies with shares that publicly resort to saving.

Moreover, these terms do not apply to a company that is under construction through the process of public recourse to savings.

It can be noted that a company listed in the SME market can be converted to the main market, which depends on:

- Presence for one year in the market.
- Obtaining the approval of the Stock Exchange Operations Regulation and Control Committee.
- Meet the admission requirements in the main market.

2.2. The stages of listing on Algiers Stock Exchange:The process of listing companies on Algiers Stock Exchange includes three stages, which are the pre-listing stage, the listing stage and the post-listing stage (Exchange, 2019)

2.2.1. Pre-listing stage :It is the stage that precedes the listing process on the stock exchange and the first step that the issuer must follow, regardless of its form, before the listing process, and it includes the

following stages:

- **The decision to perform the operation** :The company's extraordinary general assembly is the only body authorized to issue a decision to carry out a public resort to savings operations, and it can delegate to the board of directors or the collective board of directors only the powers that enable them to activate this process.

- **Legal preparation of the company and shares** :The listing of any company on the stock exchange requires examination at the legal level, because the company is often obligated to make changes in the statute, legal form and capital structure to meet the requirements of acceptance in the pricing.

- **Company evaluation** :The company must seek to evaluate its assets through a member of the National Commission for Accounting Experts, who is not the company's account keeper, or any other expert whose evaluation is recognized by the committee, but he is not a member of the latter.

This evaluation is used to determine the selling or issuance prices of shares for the listed company.

- **Choosing the broker in the stock exchange's operations accompanying or promoting the stock exchange for small and medium enterprises** :The company should choose a broker in the exchange operations as a team leader, whose duties are to assist, accompany and advise them through all stages of the entry process.

The Broker in Exchange Operations Team Leader cooperates with other Brokers in Exchange Operations in order to improve the opportunities for bond recruitment, and together they form the Recruitment Syndicate which allows a wider spread of the Bonds by utilizing a network of banking agencies.

As for small and medium-sized enterprises, they should appoint an accompanying advisor called Stock Exchange Promoter, for a period of five (05) years, who is tasked with assisting them in issuing their bonds, preparing for the acceptance process and ensuring that they always fulfill their legal and regulatory obligations with regard to information

disclosure.

- **Preparing the draft information note** :The company must submit a draft “information memorandum” to COSOB, which includes all relevant details of the company's activities, financial position, strategy and characteristics of the bonds issued (number, price, legal form ...).

- **Submitting the admission application file**:The file of the application for admission, as specified in the Instruction of the Commission for the Regulation and Control of Stock Exchange Operations No. 98/01 of April 30, 1998 relating to the acceptance of transferred values for trading in the stock exchange, must contain:

Application for admission; Minutes of the authorized body that decided or authorized the issuance; Draft information note; Draft guide; General information about the issuer; Information on financing; Economic and financial information; Legal documents; An evaluation report for the stock issuance process.

- **The Committee to Regulate and Monitor Stock Exchange Operations** :The Stock Exchange Operations Regulatory and Control Committee has a deadline of two (02) months to study the file, and accordingly grant or refuse to give a visa to the company.

- **Joining the Central Trustee** :Before the listing process takes place in the stock exchange, the company has to join the central trustee in order to register its entire capital in case of shares issue or loan amount in case of bond issue.

- **Marketing Campaign** :In order to make the bond recruitment process successful, the issuer launches a marketing campaign through the various media (radio, television, newspapers...) and distributes guides and media notes across the entire network of the Employment Syndicate.

- **Selling securities in the primary market** :Sales are generally made through the banking network. Investors place their purchase orders directly with the banks, members of the employment syndicate, by depositing an amount representing the value of the number of shares requested.

- **Results disclosure**: If the conditions for inclusion in the price are met, the offer is declared positive and the results of the process are published

to the public. If the opposite occurs, the bond will be refused to be included in the quote.

- **Process settlement** :The central custodian of the bonds shall settle the transaction, within three (3) working days starting from the date of revealing the results.

2.2.2. Stage of insertion :This is the stage at which the bond's listing begins in the price, after the company obtains permission (acceptance decision) from the Stock Exchange Operations Regulatory and Monitoring Committee to carry out its actual entry into the stock exchange.

2.2.3. Post-insertion: This is the step that comes directly after the first price share of the bond in the stock market and its changes in the market.

- **Liquidity Contract:** Companies, in order to adjust stock prices, are allowed to buy their own shares under a liquidity contract. The contract is signed between the company and the broker in stock exchange operations; Its purpose is to define the conditions under which the broker acts on behalf of the issuer in the market in order to enhance the liquidity of the bonds, and the regularity of their pricing.

- **Dissemination of information:** Once the bond is priced on the stock exchange, the issuer is obligated to inform the public of any significant change or event that, if known, would significantly affect the price of the bond. It must also inform the public of management reports and annual and quarterly financial statements, as well as deposit them with the Committee for the Regulation and Control of Stock Exchange Operations and Control, the management company of the Stock Exchange and the central custodian of bonds.

2.3. Listing costs on the Algiers Stock Exchange: The Stock Exchange may place and impose fees on member and listed companies for the use of their equipment and services, including registration fees, membership fees, trading fees and listing fees after the approval of the Authority. The costs of listing companies in the financial market are divided into two types, the first of which is actual direct costs. The second is the costs of complying with companies' compliance with market-imposed

transparency requirements that are larger than the first type in many cases, so that the company incurs several costs for listing its shares in the market, in addition to the costs of guarantors, shareholders, accountants, lawyers, and market costs itself.

It can be noted that the process of listing in Algiers Stock Exchange involves expenses whose amount changes with the change in the size of the process, the method of listing, the chosen market, and the amount of effort expended in financial communications, and they includehttps: (Exchange, 2019):

Table No. (01): Listing costs on Algiers Stock Exchange

| Fees paid to the central custodian of the bonds | Fees paid to the Committee for the Regulation and Control of Stock Exchange Operations | Fees paid to the management company of the stock exchange |
|---|--|---|
| The percentage of expenses is estimated at 0.01 % of the social capital, the minimum amount of money collected is 20,000 Algerian dinars, and the maximum is 200,000 Algerian dinars. | 0.075 % of the amount of the issue or public offer and does not exceed 5 million Algerian dinars | 0.05 % of the amount of the issue or public offer and does not exceed 2,500,000 million Algerian dinars |

Through the table, we note that every company wishing to list its securities must pay the listing costs to the Committee for the Regulation and Control of Stock Exchange Operations, the central trustee and the broker. With the payment of expenses to the management company of the Stock Exchange, which is the maximum limit of **200,000 DZD**, which includes the costs of registering the bond in the price, which are:

The initial registration estimated at **400,000 DZD**, the additional registration estimated at **100,000 DZD**, the replacement and modification estimated at 100,000 DZD, as well as the payment of expenses for staying in the price, estimated at **200,000 DZD** for shares and **30000 DZD** for bonds.

It can be indicated that the management company of the stock

exchange receives expenses as a result of organizing the public offer of purchase in the market, which is specified in the fixed part at **1000000 DZD** and the variable part at **100000 DZD** for each share consisting of **1000** orders that are processed.

2.4. Post-listing conditions: After the process of listing companies on the stock exchange, and in order for them to continue, each company that has been accepted into the market must abide by conditions set by the Stock Exchange Committee (<https://www.dfm.ae/ar/issuers/listing-requirements/>)

- The company must comply with all the laws and regulations of the Securities and Commodities Authority.
- The company is obligated to provide the stock exchange with the audited annual financial statements within 90 days from the end of the fiscal year, and it must also be published, and it must also provide the market with the quarterly and semi-annual financial statements and make them available to the public within 45 days from the end of the period. All of the above should be attached to management report on business activities for the period covered by these reports.
- The company must immediately disclose and report any material information to the market, including the information provided in the listing application form, in the event that this information is likely to affect the price of the securities and the decisions of investors.
- A company that does not comply with the laws and regulations of the Securities and Commodities Authority and/or the laws and regulations of the stock exchange may be suspended or written off after taking the necessary legal measures.

2.5. Companies offering shares and listed on Algiers Stock Exchange:

- **SAIDAL Complex** :The decision to enter the complex on the stock exchange was taken by the National Committee for State Contributions on June 18, 1998 within the framework of the privatization process of public institutions, through which the capital of Saidal was opened through a public offer for sale, which was set at **20** percent of the social capital, which is equivalent to **1600** million DZD distributed On **2,000,000** shares with a

nominal value of **800** DZD per share, as for the rest of the pool's capital, which represents 80%, it remains owned by the General Holding Company for Chemistry and Pharmaceuticals. an average of **33** percent. (zohra & thesis, 2005)

- Al-Riyadh Company - Setif:

Riad Setif was established in **1983** after restructuring the public corporation for semolina, mills, food pastries and couscous known as (SN-SEMPAC), then it was transformed in April 1990 into a company with shares whose capital amounted to **100** million DZD. Among the most important activities practiced by the corporation is the production and marketing of semolina. As well as making pasta food.

In the year **1997**, Riad Setif was transferred to the main public agricultural food holding company, and it was decided to list Riad Setif company on the stock exchange in accordance with the privatization program and in accordance with the public resort to saving, and the company obtained visa No **01/98**. It was estimated at **1,000,000** shares, while the subscription price was set at 2,300 DZD. (setif, 1999)

The following table shows the results of publicly resorting to savings for Riad Sétif:

Table No(02): The results of publicly resorting to savings for Riad Sétif

| underwriters | Number of subscribers | Number of Shares |
|-----------------------------------|------------------------------|-------------------------|
| Moral and personal persons | 68 | 63082 |
| normal persons | 5106 | 395844 |
| Banks | 6 | 541074 |
| Total | 5180 | 1000000 |

It should be noted that Riyadh - Setif was withdrawn from the stock exchange on December 06, 2006, and the withdrawal was made at the request of the issuer (Riyadh - Setif Company), which presented a file of public offer to withdraw in accordance with the legislation in force. This request came following the decision of the State Contributions Council to withdraw the company from the stock exchange in order to relinquish it to the private sector . (COSOB, report, & 2006.)

Table No (03).: Delisting mechanism for Riyadh-Setif company

| The company that was written off | Public offer period for withdrawal | Subscription price upon listing | The return price of the share by the company | The value of the dividends distributed from the day of listing to withdrawal |
|----------------------------------|--|---------------------------------|--|--|
| Riyadh - Setif | From September 18 to October 31 , 2006 | 2300 DZD | 1500 DZD | 193.5DZD |

Source: Prepared by the researcher and based on the 2006 annual report of the Stock Exchange Regulatory and Monitoring Committee.

- **El-Aurassi Foundation** :It is a public institution active in the field of services, which was given the character of a company with shares in 1995, as it was listed on the stock exchange within the framework of the privatization process for public institutions, and with the approval of the Extraordinary General Assembly of the institution, which was held on June 21, 1998, it was decided to enter 20% of the company’s capital by way of presentation public for sale.

El-Aurassi Foundation obtained a visa to enter the stock exchange on May 24, 1999, and a value of 300 million Algerian dinars, equivalent to 1,200,000 shares, was offered with a nominal value of 250 dinars and a market value estimated at 497.24 dinars. The offer period was set from June 15, 1999 until July 15, 1999 The demand for shares exceeded the offer value by 139.2%. (zohra & thesis, 2005)

-“ **N.C.A-Rouiba**”:It is a company with shares, with a capital of 849,195,000 Algerian dinars, and its main activity is the production and distribution of drinks and fruit juices. It was established in 1966 in the form of a company with limited liability (receivables) under the name "The New Algerian Canning Company". The company was specialized in the production of tomato paste, “harissa” and jams under the "Rouiba" brand.

In the year 2008, the previous name of the company was changed from “The New Company for Algerian Cannery” to “N.C.A Rouiba LLC” and the company’s capital was raised from 792,195,000 Algerian dinars to 849,195,000 Algerian dinars, and a decision of the Board of Directors was

issued on May 27, 2011 to list the company in the stock exchange and approved by the Assembly. The public offer for sale was made to shareholders on January 31, 2012. In 2013, it began selling its shares through a public offer for sale. The amount of the offer was 25% of the capital, which is equivalent to 849,195,200 Algerian dinars, distributed over 2,122,988 shares, and the offer or subscription period was set from April 7 to May 9, 2013. The broker in the accompanying stock exchange operations is BNP Paribas Algeria.

In 2013, after the share met the acceptance conditions stipulated in the stock exchange's regulations, it was listed in the official pricing schedule on June 03, 2013. The listing amount was estimated at 400 dinars.

But due to the financial crisis that afflicted this institution active in the field of food industries, it decided to withdraw on 04/22/2020 at the request of the foreign investor, who acquired more than 58% of the company's shares.

-“Alliance Insurance” Company: It is a company with shares with an initial capital of 500 million dinars, which was established in July 2005, from a group of national investors. Its capital was raised to 800 million in 2009 and to 2.2 billion dinars in 2010 through a public offer to subscribe to 31% of the capital. The Social Fund is divided into 1804511 shares, with a nominal value of 380 DA and an issue price of 830 DA. (Exchange, 2019)

-“ AOM-invest” company :Six years after the establishment of the small and medium enterprises market, the first company was listed on 12/12/2018, represented by **AOM-invest**, a company specialized in the study, development and exploitation of tourism projects in mineral water stations. Its capital at that time was 115,930000 DA. 10% of the capital was opened The company has issued 30,000 ordinary shares through direct registration, with a nominal value of 100 dinars. (sabrina Bukhari & 120.)

- “Biopharm Company” :It is an industrial and commercial group, specialized in the pharmaceutical sector, and works on the production of medicines, wholesale distribution of pharmaceutical products, distribution to pharmacies, and providing logistics services related to the pharmaceutical industry.

After the process of public offer to sell the shares of the

pharmaceutical complex "Biopharm", which extended from March 13 to April 07, 2016, the company was officially joined today, Wednesday, April 20, 2016, in its first pricing session on the official list of the Algiers Stock Exchange.

3- Pricing methods for securities listed on the Algerian Stock Exchange:in order to determine the price of a security, the general regulation of the Algerian Stock Exchange presents two pricing methods: the fixing price and the continuous pricing. However, since the stock exchange started its actual activity, it has used only the fixing method.

The process of pricing by fixing is to apply one price to all transactions made on the same bond during the trading session, and this price allows:

- Increasing the volume of exchanged securities.
- Reducing the imbalance between supply and demand.
- Reducing price fluctuations compared to the closing price of the last stock exchange session (Stock).

4- The contribution of Islamic financial instruments to the revitalization of the Algeria Stock Exchange:Islamic financial instruments are considered one of the new tools in the Islamic financial economy and one of the innovations of Islamic financial engineering. They are financial instruments of equal value and fixed term, representing common shares in the ownership of actually existing assets. They are issued according to a legitimate contract after collecting their value and starting to use them for what they were issued for. Its owner gets profits and losses in proportion to his ownership (Saleh, 2016).

Issuing Islamic investment instruments of all kinds to Islamic companies, banks and government leads to the revitalization of the Algeria Stock Exchange through: (Mariam, 2021)

- They contribute to expanding the variety of Islamic financial instruments in the market.
- The issuance of Islamic instruments in the stock exchange leads to the expansion of the base of institutions participating in the market, which are institutions that deal in Islamic instruments issuance and trading, and include Islamic and conventional banks, institutional

investment companies, the government, the private sector, and intermediary financial institutions.

- They increase market liquidity.

- Legal and regulatory challenges for issuing instruments in Algeria:

The Islamic financial industry in Algeria recorded a great delay compared to neighboring countries such as Tunisia and Morocco, due to the failure to transform the political will into an applied project and the lack of awareness of this type of industry. Despite the fact that, in the regulation 03-20 issued on 15 / 03/2020 of the Bank of Algeria in Article 09, the term "Instruments" has been mentioned and it stated also that the bonuses derived from the Islamic banking nets can only be employed by relying on bonds or issued or guaranteed by the state and responds to the principles of Sharia. But dealing with this security on the Algiers Stock Exchange is still under study between the Algerian Stock Exchange and the Ministry of Finance in order to prepare a draft text on instruments. The Stock Exchange Operations Regulation and Control Committee has a role in preparing this memorandum as stipulated in Article 34 of Executive Decree No. 93/10 of the possibility of proposing a draft project of a system for instruments that facilitates trading them in the Stock Exchange (Bada, 2021).

5. CONCLUSION :Financing through financial markets has been of great importance, and the process of corporate financing has become easier compared to financing through the banking system, which requires a guarantee for the financing process and takes longer time and limited financing, which has become seen as the market that reflects the state of the economy of any country, but despite the fact of its importance; Algiers Stock Exchange is still suffering from limited demand for securities and the lack of listed companies.

Results: The study reached a set of results that can be summarized as follows:

- Listing is to allow the trading of a company's shares and bonds on the stock exchange, and it is an urgent necessity for companies looking for sources of funding other than traditional sources.
- There is a set of advantages achieved by listing on the stock exchange for companies, but there are also many legislations and general follow-ups that must be adhered to and be in line with.

- The listing of companies on the Algerian Stock Exchange requires the approval of the Stock Exchange Operations Regulation and Control Committee, and for their acceptance, conditions related to the company wishing to join and conditions related to the values must be met.
- The process of listing companies on the Algerian Stock Exchange includes three stages: the pre-listing stage, the listing stage, and the post-listing stage.
- The Algiers Stock Exchange is considered the weakest Arab stock exchange, due to the small number of companies listed in it, which currently does not exceed four companies offering shares. These are Alliance, Sidal, El-Aurassi and Biopharm.

Recommendations: Based on the previous results, we recommend the following:

- Enacting investment-stimulating laws in order to revive Algiers Stock Exchange
- The need to work on spreading the stock culture to members of society, which in turn increases the demand for securities and the listing of companies.
- Opening the listing of foreign companies on Algiers Stock Exchange, while allowing foreign investors to invest in these companies.
- Availability of a technological trading platform that works according to the highest international standards applied in the financial markets.
- Reviving the spirit in this institution by inserting Islamic securities in the Algiers Stock Exchange, especially after the decision of the Algerian government to list Islamic instruments in the stock market to be an important source for the economy.
- Working on transforming family businesses in Algeria into joint stock companies because of its positive effects on the company represented in the company's continuity by protecting it from collapse after the absence of the first founders, as well as expanding investment areas and getting rid of weaknesses that appear in the management of family businesses.

6. NOTES AND REFERENCES :

- Gharba Muhammad Najeeb Abu Amr, Evaluation of Battle's Dual Listing Experience and its Impact on the Palestine Stock Exchange ,Master's Thesis, Islamic University, Gaza, 2008, p. 39
- Guide to listing companies in Tunis Stock Exchange, Tunis Stock Exchange, October 2012, pp. 02-04, uploading date 12/02/2013: www.bvmt.com.tn
- Brief on companies' listing on Egyptian Stock Exchange, Cairo and Alexandria Stock Exchanges, pp. 10, 11, upload date 02/02/2008: www.egyptse.com
- Gharba Muhammad Najib Abu Amr, previous reference, p. 43, 44
- Mabrouk Hussein, The Algerian Monetary and Financial Blog, Houma Publishing House, Algeria, 2004, p.: 210
- Nabid Radhia, Mirawi Linda, The Role of the Financial Market in Revitalizing the National Economy, a case study of Algiers Stock Exchange, a memorandum for obtaining a Bachelor's degree in Management Sciences, Chlef University, 2007, pp66-67
- Algiers Stock Exchange Listing Conditions, retrieved from:
✓ [149/ http://www.sgbv.dz/ar/?page=rubrique&mod=](http://www.sgbv.dz/ar/?page=rubrique&mod=149)
- Saidi Fatima al-Zahra, Mechanisms for developing the financial market to contribute to privatization, the case of Algeria 2000-2004, a master's thesis in economic sciences, University of Blida, 2004-2005, pp. 196, 197.
- Notice d'information, ERIAD SETIF, 1999, page 4-5.
- p. 22 annual report of cosob2006.
- Saidi Fatima Al-Zahra, previous reference, p. 198, 199
- : https://www.sgbv.dz/en/?page=details_societe&id_soc=23
- Sabrina Bukhari, Attempt to Investigate, pp. 120, 121.
- Faisal Bin Saleh Al-Shammari, Doctrinal Issues in instruments Presentation and Evaluation, Research Chairs Program, Saudi Arabia, 2016, p. 11.
- Mariam, The Role of the Instrument's Mechanism in the revitalization of the Islamic Stock Market, an intervention in a collective book entitled Islamic Instruments and its Role in Economic Development, Alfa Documentation House, Constantine, Algeria, 2020, p. 43.

- Abdelhak Bada, Islamic Instruments in Algeria, Between Theory and Application, Journal of Strategy and Development, Vol. 11, No. 04, 2021, Abdelhamid Ibn Badis University, Mostaganem, Algeria, p158.