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The impact of the tax system of the Maghreb countries on investment decisions - A comparative study of Tunisia, Algeria and Morocco-

تأثير النظام الضريبي لدول المغرب على قرارات الاستثمار –دراسة مقارنة لدول تونس، الجزائر والمغرب-

[1] **KHALDI Aissam, email :** aissam.khaldi@univ-msila.dz
[2] ***GHARBI Hamza, email :** hamza.gharbi@univ-msila.dz

[1] PhD Student, Laboratory of Economic Strategies and Policies in Algeria, University of Msila (Algeria)
[2] Lecturer A, Laboratory of Economic Strategies and Policies in Algeria, University of Msila (Algeria)

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Abstract

The present article aims to survey the impact of Tax System of countries on the investment decision, through surveying convergent Tax System of some Maghreb countries under Francophone system and other systems that have an impact on investment depending on a set of previous studies and some documents, laws and indicators, where the study concluded that the Tax System has a significant impact in making investment decision.

Keywords

Investment Decision Making ; Fiscal System ; Fiscal Privilege ; Fiscal Obligation ; System Effect.

JEL Classification Codes : E62 ; H71 ; K34 ; N17

الملخص

يهدف هذا المقال إلى دراسة مدى تأثير النظام الجبائي للدول على قرار الاستثمار، وذلك من خلال دراسة بعض النظم الجبائية المتقاربة لبعض دول المغرب العربي، والتي تتبع النظام الفرنكفوني، وللإجابة على الإشكالية المطروحة اعتمدنا على المنهج الوصفي لوصف الظاهرة المدروسة وتحليلها، بالإضافة إلى المقارنة بين الأنظمة المختلفة والتي لها تأثير في جذب الاستثمارات، معتمدين في ذلك على الدراسات السابقة وبعض الوثائق والقوانين والمؤشرات، حيث توصلت الدراسة إلى أن النظام الجبائي له تأثير كبير في اتخاذ قرارات الاستثمار.

الكلمات المفتاحية

اتخاذ قرار الاستثمار؛ نظام جبائي؛ امتياز جبائي؛ التزام جبائي؛ تأثير النظام.

تصنيف JEL: E62 ؛ H71 ؛ K34 ؛ N17

* corresponding author : GHARBI Hamza, email : hamza.gharbi@univ-msila.dz

I.INTRODUCTION:

The systems are generally related to the environment in which they operate and the economic and social currents that prevail in that environment. Therefore, states must enact their tax laws in line with their requirements, which differ from one country to another according to their financial needs, and which mainly affects some decisions of different investors in various countries. So, before making an investment decision, the investor must have a comprehensive and detailed economic study of the project to be invested in, and among these points that must be taken into account, the tax system and the applicable tax rates, as most investors resort to tax havens countries because of the advantages and incentives they have for investment, where We find in these countries low tax rates, in addition to the simplicity of tax laws and the absence of complications in them, in addition to some other advantages that make these countries more competitive and attractive to invest.

From this standpoint, our study came to compare some of the tax systems of the Maghreb countries (Tunisia, Algeria, Morocco), and this research paper came to shed light on this topic by identifying the extent of the impact of the tax system on the investment decision, and accordingly, the main problem revolves around the following:**What is the impact of the tax system of countries on investment decision-making?**

II. THEORETICAL FRAMEWORK AND PREVIOUS STUDIES:

A. The first study: The study of Hadjar Mabrouka and Samira Amish

The two researchers addressed a problem centered on the extent of the impact of the tax policy on making the investment decision in the corporation ?, through a study that was conducted on some institutions in Algeria, where they studied the effect of the tax policy on various variables (net currentness value, recovery of invested capital, internal rate Of the cost-effectiveness, on the employment policy), as they concluded that the fiscal policy pursued by the state greatly contributes to achieving economic growth and stability, as well as directing consumption and decisions of each employer, as it works to encourage investment and achieve it in the shortest possible time, in addition to It contributes to raising the competitiveness of institutions, and it has an important role in diversifying sources of financing as well as minimizing costs. (Hedjar & Amish, 2013)

B. The second study: a study of Talbi Mohamed

The researcher addressed a problem centered on what is the effect of tax incentives in attracting foreign direct investment and ways to activate them in Algeria ?, through his study that was carried out on some institutions investing in Algeria, where he studied the effectiveness of tax incentives in the lure of foreign direct investment, as well as the fact that tax incentives are As an influential element in the long-term decisions of multinational companies, the researcher has also studied a comparison between the tax incentives provided by Algeria and Tunisia with regard to the incentive for exemptions from income taxes, corporate profits taxes and some other taxes, in addition to the role of these incentives in directing investment towards certain sectors. In addition to the relationship of these incentives to foreign direct investment flows in Algeria and Tunisia.

At the end of the study, the researcher concluded a set of findings and recommendations in order to enhance the positives that could be achieved as a result of providing tax incentives, and in line with the requirements of foreign investment in Algeria, he concluded that the state must unify tax agreements between Algeria and the rest of its partners, especially the countries supervising the Mediterranean. To prevent double taxation on the one hand, and so that its economy can easily integrate into the global economy on the other hand, the researcher has also concluded the need to provide more tax incentives, because what is currently provided is still high with what is prevalent at the global level, as well as the researcher reached to achieve a competitive advantageTax incentives should be directed towards sectors with competitive advantages. (Talbi, 2009)

C. The third study: The study of Baba Abd-el-Kader and ejri khaira

The two researchers addressed a problem centered on what is the impact of tax privileges and incentives in attracting foreign direct investment in Algeria? The available tax concessions, the researchers also touched on the reasons for liberalizing foreign trade and strategies for promoting exports outside the hydrocarbon sector, and the impact of tax incentives on the flow of foreign direct investment is being studied, as the two researchers concluded that the volume of foreign direct investment flows in Algeria is still weak compared to other Arab countries Like Egypt, Morocco and Tunisia, and as an answer to the problem at hand, the impact and role of tax concessions and tax incentives in attracting foreign direct investment has not reached its goal in light of the current economic transformations, and therefore Algeria should benefit from the resources available to it, and from past experiences to avoid mistakes in the future by relying on practical strategic plans. High competence to direct the development through which you aspire to Naga H in overcoming various challenges and being steadfast in front of them. (Baba & Adjri, 2014)

D. The fourth study: a study of Alsim Fall et KalidouThiaw

The two researchers addressed a problem centered on how to analyze the impact of tax exemptions granted by the state on the demand for investment companies?, Through their study, which aims to invoke the user cost theory that shows the strength of the link between taxes and companies' capital stocks, and this theory predicts that reducing the tax burden It has an effect on reducing the cost of capital and increasing the return on investment, and through this process, the need to study about 37 samples of companies from 2002 to 2008 was needed. Taking into account the tax law companies in Senegal, the two researchers also reached an important conclusion Is that the increase in tax exemptions tends to reduce the impact on the cost of the user, and the two researchers also concluded that the lower the tax rates and the more various tax exemptions, it will inevitably lead to an increase in investment and in corporate investment decisions. (Fall & Thiaw, 2009)

E. The fifth study: a study of Soulef Dammak

The researcher has addressed a problem centered on how the market fails resulting from direct taxes, corporate and individual taxes in various financial, accounting and tax contexts affect the strategic decisions (investment and financing) of the company and its value?, where the researcher in the first part provides a theoretical framework for the relationship between taxes and decision-making. In the second part, he presented a field study in different contexts in order to shed light on the impact of taxes on investment decisions, financing methods and the value of the company, where the researcher reached a set of conclusions that debt has a significant impact on the value of the company, as well as taxes affect including in This is the user's cost of capital through the rate of tax on investment, and the researcher also reached a conclusive conclusion regarding the impact of the tax on a loan from the company, and that research later proved that the tax may affect the company's capital structure, reaching in general to the fact that taxes effect On financing decisions and methods, and investment decisions in companies. (Dammak, 2006)

1.General concepts about tax systems and investment

A. The concept of the tax system and its components

The definitions of the tax system have varied among writers and specialists in Arab and foreign writings. Some believe that the concept of the tax system ranges between a broad concept and a narrow one.

The narrow concept: The tax system is a set of legal foundations and rules that enable states to impose tax obligations on taxpayers starting from legislation to binding and finally collection.

As for the broad concept of the tax system, it is a group of ideological, economic and technical elements whose superposition together and their interaction with each other leads to the creation of a specific tax entity, that entity that represents the physical interface of the tax system, whose features differ according to the development of society (Elbatrik, 2005).

Dr. Hamid Diraz believes that the tax system is "the group of taxes that are intended to be selected and applied in a specific society and for a specific time to achieve the objectives of the tax policy that are satisfied by that community (Elbatrik, 2005)."

It is also defined as "a set of taxes and duties that the citizens of a particular state are bound by at a specific time in their performance of public authority at all levels, whether central or local) (Abdelaziz & Chokri, 2000)

It also defines "a specific and selected set of technical tax forms that are compatible with the characteristics of the environment in which they operate, represented in a set of integrated tax programs that operate in a specific manner through legislation and the issued tax laws and their accompanying executive regulations and explanatory notes that seek to achieve the objectives of the tax policy. (Elbatrik, 2005)

Some also see that the tax system is "a tax structure with features and a specific and appropriate way of working to fulfill its role in achieving the goals of society that are shaped by its different circumstances, which in turn represent the framework in which taxes operate.5"

Thus, the tax system consists of four pillars as follows:

- Specific goals shaped by the circumstances of society;
- A specific role determined by the goals that the community wishes to achieve and the conditions of the society within which it operates;

- A tax structure whose composition depends on the role to be played;
- A specific working method governed by the detailed provisions of the tax legislation.
- Through the previous definitions, we notice that the tax system isonly an arbitration between a set of economic issues that reflects the desire of the state and the objectives of the various authorities, as it is a set of rules and policies that govern a tax society represented in the taxpayers and tax administration.

B. View the tax systems of countries

B1. The Tunisian tax system

The Tunisian tax system includes: Customs fees tax - performance on added value - declared on consumption - tax on income of natural persons - corporate tax - registration fees and tax stamps - and other fees applied to some products, transportation, and insurance.

The tax on income of natural persons tax is due on every natural person residing in Tunisian soil, and non-resident persons are subdue to tax on income in the name of their incomes arising in the country, and the types of income subdue to tax are:

- Business and profits from commercial professions;
- Profits from agricultural exploitation and fishing;
- Salaries, wages, rewards and lifetime earnings;
- Income of securities, income of movable capital, and income of real estate;
- Foreign-source income if it is not taxed in the country of origin.
- The net profit for the institutions is determined on the basis of accounting in conformity with the accounting legislation of the institutions and after subtracting all the expenses and professional burdens (depreciation and savings under the title of unstable debts, under the title of the shrinkage of the value of stocks and under the title of the diminution of the value of the shares listed on the stock exchange within the limits of 50% of the taxable profit, gifts and subsidies within the limits of 2% of the number of transactions.

The net income for some types of non-institutional income is also determined after an estimated subtraction of:

- 10% for salaries and wages;
- 25% for durations and lifetime revenues, and this percentage is raised to 80% for foreign payments and lifetime revenues, subject to some conditions;
- 30% of real estate incomes and profits of specific non-commercial professions, according to an estimated base.
- Remuneration for members of the diplomatic and consular corps of foreign nationalities, on the condition of reciprocity;
- Grants paid for bodily harm reparation;
- Interest on deposits and bonds in foreign currency or in convertible dinars;
- Surpluses of housing savings accounts;
- Surpluses from private savings accounts opened with the Tunisian National Provident Fund or with banks, as well as Patches revenues within certain limits.

The estimative system applies, with certain conditions, to small enterprises whose annual turnover does not exceed 30,000 Tunisian dinars, and raises the number of transactions to 100,000 Tunisian dinars for persons subject to the estimative system who choose to pay an estimated tax equal to 1,500 dinars annually.

Corporate tax taking into account some exemptions, private corporate profits are taxed, on:

- Capital and similar companies established in Tunisia;
- Mutual partnerships and non-administrative public enterprises if their purpose is profit;
- Unstable foreign institutions in Tunisia with the title of some incomes of Tunisian origin.
- The taxable profit is determined based on accounting in conformity with the accounting legislation of the institutions after subtracting all professional expenses and burdens, as is the case for individual institutions, taking into account the following:
- Savings in the title of non-fully fixed debt recovery for banks, financial leasing companies and debt management companies;
- Savings under the title of totally diminishing the value of shares and social arrangements for investment companies with development capital.
- Profits reinvested in the subscription in the original capital or in raising it to the institutions that entitle the right to benefit from the said offering in accordance with the legislation in force.

The value-added tax rates for the Tunisian system are determined as follows:

- a general rate of 25%, and this percentage is reduced to 20% for companies whose turnover does not exceed 10 million for transfer activities and purchase activities for the purpose of selling and 500 thousand dinars for service activities and non-commercial professions;
- A reduced rate set at 10% and applied to the profits from exports for companies active on December 31, 2018 until December 31, 2020, traditional industries companies and mutual aid companies, profits made in the framework of projects benefiting from youth employment programs, as well as profits from investments made in Regional development zones and agricultural companies after completing the total offering period;
- A reduced rate of 20% for companies whose ordinary shares are listed on the Tunis Stock Exchange with an openness ratio of not less than 30% during the period from 01/01/2010 to 31/12/2019, this percentage shall be reduced to 15% for companies subject to tax For companies of 25% whose shares are listed during the period from 1 January 2017 to 31 December 2019.
- A special percentage for some companies set at 35% (the financial sector, telecommunications, insurance including cooperative insurance, the hydrocarbon sector at the level of production, refining, transportation and wholesale distribution, car sales agents and exploiters under the original designation for a foreign brand name or brand, with the exception of institutions with a percentage of integration Equal to or greater than 30%).

B2. The Algerian tax system

The Algerian tax system is considered a declaratory system, like other systems applied in most countries of the world, as it mainly depends on the taxpayers' recognition of their income and the number of their work, as the taxpayer is the only one who knows what the income and number of work has been achieved, so he is obligated to report them to the tax administration. (alouache & Fekarcha, 2020)

Single lump sum tax system shall be applied to determine the taxable profit, on taxpayers not subject to the real system and whose turnover does not exceed thirty million dinars 30,000,000 dinars, each of:

- Natural persons whose main trade is the sale of goods and things, and professionals and craftsmen.
- Natural persons practicing in other activities related to the performance of services under the category of industrial and commercial profits**.** The minimum tax groveler in case of achievement or non-achievement of profits is 10,000 DA.

The real system imposes on the taxpayers at deb that exceeds the annual turnover of 30,000,000 AD, excluding the value-added fee for those subject to this fee, and in the opposite case, it is calculated for those who are not subject to it.The taxable profit is determined by the difference between the proceeds received and the burdens incurred within the framework of practicing the activity. The minimum tax groveler in case of achievement or non-achievement of profits is 10,000 DA.

B3. The Moroccan tax system

The measures introduced by the Moroccan legislator with the aim of simplifying the taxed are summarized in four tax systems similar to the tax systems in the Algerian tax law before the year 2015, and this is explained as follows:

- The lump sum profit system (DGI, 2019):The tax profit system imposes debt on taxpayers whose annual turnover does not exceed the specified amount and legally required in the General Tax Code for those subject to this system. The lump sum profit is determined by multiplying the number of work for each civil year by a factor assigned to each profession according to the data stipulated in the General Tax Code.
- Simplified net result system (DGI, 2019) : The system imposes the simplified net result on debt taxpayers whose annual sales business number exceeds the amount specified and legally required in the General Tax Code, without counting the fee on value added for those subject to this fee.

The simplified net result for each accounting year is determined after converting the accounting result to the tax result, considering what increased the yields on the costs of the accounting year that were committed to or incurred by the activity required by the tax.

- Self-Contractor System (DGI, 2019) Natural persons who engage in a professional activity individually as self-contractors, in accordance with the legislation and regulations in force in the Moroccan tax law, as long as the number of works obtained does not exceed, for two consecutive years, the limits legally stipulated in the General Code of Moroccan Taxes.

Those subject to the tax who wish to choose the self-contractor system must express their choice of this system when depositing the authorization for incorporation with an organization designated for this purpose in accordance with the legislation and regulations in force in Morocco.

- Real net result system: The system imposes the real net result on debt taxpayers whose annual turnover exceeds the amount specified and legally required in the General Tax Code, without counting the fee on value added for those subject to this fee.

On December 31 of each year, the accounting years for those subject to income tax whose professional income is determined according to the real net result system must be concluded on December 31 of each year, and the real net result of each accounting year shall be determined, given what increased the yields on the costs of the accounting year.

The Moroccan tax system considers based on the taxpayers is recognition of their income to the tax administration out of keenness to simplify, rationalize and modernize it. The following are the most important taxes that make up it Income tax imposed on the income and profits of individuals and personal companies:

This tax is applied to the resources and profits of incorporeal persons who did not choose the corporate tax, and these resources include (paid resources, craft resources, real estate resources and profits, sources of movable capital gains, agricultural resources "exempt from tax on income and corporate tax until 2013".(The tax rate, as of January 2010, ranges from 0% to 38%)

B4. Comparison among systems

Every tax system in the world has its own peculiarities and features, which differ according to the environment, colonial dependency, trusteeship etc, Algeria, Morocco and Tunisia are Francophone countries that have French dependence in various laws, the discrepancy between their systems is almost non-existent, and they differ in the rates and rates of applicable taxes and fees, according to the needs of each country of resources, the following table shows the following:

Table (01): a comparison between the tax systems of the countries under study

The tax system	Country	Taxes and fees
Discretionary system	Tunisia	In Tunisia, it is called the discretionary system, as this system is applied under certain conditions to small enterprises whose annual turnover does not exceed 30,000
	Algeria	Algeria is called the only penal tax system, where this system is applied to determine the taxable profit on taxpayers not subject to the real system and whose turnover does not exceed thirty million algerian dinars .
	Morocco	In Morocco it is called the tax profit system, as this system applied to taxpayers whose annual turnover does not exceed the specified amount and legally required in the general tax code for those subject to this system,thearbitary profit is also determined by multiplying the number of businesses for each civil year in laboratories assigned to each profession according to the data stipulated in the tax law
Analysis: It is evident through these approaches that each system has a specificity in imposing rates and application methods, but the similarity between all system sis present, as for simplicity the tax system applied to this category in algeria consists of only two rates for commercial businesses 5% and 12% for the provision of services similar to other systems that apply for each activity a special rate and this increases the complexity of the tax systems, in addition to the fact that tunisian law similar to the laws of other countries , Algeria and Morocco it is required to keep accounting books for those subject to this system.		
Simplified	In Algeria, it has been canceled since 2015 – Tunisia no information available	

system	**Morocco**		- The system impose the simplified net result on taxpayers whose annual turnover exceeds the specified and legally required amount in the general tax code outside the fee on value added.
			-The simplified net result for each accounting year is determined after converting the accounting result to the tax result
Analysis: This system is unclear in the Tunisian tax law and this is difficult to determine, the algerian legislator canceled this system in 2005 in order to simplify the tax procedures and limit the systems to two systems determined by the annual business number of the taxpayers.			
As for Morocco system each tax is subject to acertain percentage according to what is detailed in the general tax code in morroco.			
Controlled authorization system	In Algeria, it has been canceled since 2015- Tunisia no information available		
	Morocco		Ordinary persons who practice a professional activity individually are subject to as self-contractors according to the legislation and regulations in force in the morroco tax law, if the number of works obtained did not exceed for two consecutive years the limits stipulated by law in the general code of Morroco taxes.
Analysis: Tunisian law did not clarify the features of this system, but rather it is intertwind with in other systems the lack of these visions increases the complexities and the lack of a good and correct understanding of the law.			
As for the Algerian tax system , the tax legislator canceled this system in the year 2015 in order to simplify the tax procedures and remove the complexity of the law, this is to facilitate the taxpayers and on the other hand to facilitate the agents of the tax administration.			
As for Morocco law, the features of the law are clear regarding this system, but the percentage in it is determined according to each activity, similar tothealgerian law which was set by 20% before 2015.			
Real system	**Tunisia**	**On the business number**	Graphic on professionalactivity TAP
			TVA fee: The operations performed in Tunisia within the meaning provided for in the third chapter following aforementioned are subject to performance on the added value, whatever its objectives and results, as long as it has an industrial or traditional industrial character or is related to one of the liberal professions as well as commercial operations other than sales.
			· Rates: at 7%, operations related to products and services; 12% supply and sale of petroleum products.
		On the results	Tax on income of natural persons (IRG): This tax is due on every natural person residing in Tunisian soil, and non-resident persons are subject to tax on income in the title of their incomes originating in the country, and its rates are limited to between 10% and 35%.
			IBS Corporate Profits Tax: It is a tax imposed on legal persons, subject to some exemptions, and levied on: capital companies, cooperatives and non-administrative public establishments if their purpose is profit Unstable foreign institutions in Tunisia with the title of some revenues of Tunisian origin.
	Algeria	**On the business number**	The fee on professional activity (TAP): it is a tax stipulated by Algerian law that is imposed on the number of businesses for each taxpayer subject to the real system, with rates of 2% for normal activities and 3% for institutions working in the field of transporting fuels through pipelines.
			TVA value-added fee: it is a tax that the tax legislator came up with in order to control the purchased materials and the sold materials, and this tax is imposed on the value added on goods, services and products for the benefit of the tax administration,
			Its rates are 09%, a reduced rate for some products and services promoted by the state, and 19% for other goods and services.

			Tax on gross income (IRG): It is a tax imposed on natural persons whose income exceeds 30 million AD, and its value is determined according to an ascending schedule in the packages, the rate of which is set between 0% and 35%.
		On the results	IBS corporate tax: it is a tax imposed on legal persons whose turnover exceeds 30 million dinars, the rates of which are: 19% for activities in the production of goods, 23% for construction, public works and irrigation activities, as well as tourism activities and bathrooms, excluding travel agencies; 26% for other activities, however, once these countries apply a higher or lower rate, the reciprocity rule applies to them.
	Morocco	**On the business number**	Graphic on professionalactivity TAP
			TVA value-added tax: it is a tax imposed on the business number of each taxpayer subject to the real system, its rates are 20% for normal activities, and reduced prices of 07% on some widely consumed items, and 10% on some food, beverages and hotels in particular, and the rate is 14% On various other materials.
		On the results	Tax on gross income (IRG): It is a tax imposed on the resources and profits of legal persons who did not choose the corporate tax, and these resources include (waged resources, crafts, real estate profits, movable capital gains, and their value is determined according to an ascending schedule in the shares, the rate of which is set between 0%) And 38%.
			The corporate tax imposed on the income and profits of companies and legal persons (IBS): This tax is unnecessarily applied to the resources and profits of capital companies, public institutions and other legal persons that achieve profitable business, according to the rates specified by law.
Analysis: As for the fee for the value on television, the Tunisian tax system has stipulated and counted it in similar rates in the only tax system in the Algerian tax system, and the fee for the Tunisian is considered one of the lowest rates for other systems,As for the Algerian tax system, the tax law has dealt with it and elaborated on its content and specified higher rates compared to the Tunisian tax system and less compared to the Moroccan tax system. Activity, and from this we conclude that all the systems dealt with the fee on TVA, despite their varied rates, and the Tunisian tax system imposes lower taxes compared to other systems, followed by the Algerian system, and the Moroccan tax system is the highest in the ranking.			
As for the tax on gross income (IRG), the Tunisian tax system expanded on it and limited it to progressive segments in categories like the rest of the other Algerian and Moroccan systems. However, these systems vary in tax rates and rates, as we find for each income or income category a corresponding percentage varies from one system to another according to what came with each legislator, the regulations differ in determining the taxable items, as we find for each system its peculiarities in the division and subjugation, as well as the discounts and discounts granted and which fall within the tax incentives and privileges.			
As for the tax on corporate profits, IBS, the Tunisian tax system stipulated it according to what was mentioned in the code, and set a rate for each activity, while in the Algerian tax system, which separated this type of tax and assigned it to companies of funds compulsorily and companies of persons voluntarily, after requesting submission From the tax inspector affiliated with the company's headquarters without returning, as the Algerian tax system is more clear with respect to other systems			

Source: Prepared by us based on the tax laws and the general tax code for the countries under study

To achieve the goals and economic endeavors of the state, all countries influence the investment climate and investor attractiveness in various ways and means, and among the most important of these means is the financial policy, which is the most important means by which countries move and direct investment according to their goals and requirements, so the state grants privileges and exemptions on activities and sectors without others, Especially those sectors that you intend to encourage and through which the foreign investor is exploited, and this is a basis for achieving self-sufficiency, in addition to filling state coffers as a result of tax collection.

The tax system has a great influence on the investment decision, which includes privileges and incentives that attract the investor in addition to lower tax rates, restrictions and fewer complications, all of this affects investment decisions, and here the famous saying "Capital is a coward like a rabbit goes to the place where he feels comfortable and safe."

2. The effect of tax systems on investment decisions

A. Tax privileges provided under investment laws

In the context of investment support, the Tunisian law has provided a some of privileges, in the sense that two-thirds of the income and all exceptional profits are exempted from the tax base for agricultural investments and fishing, as well as the income or profits under the title of reinvesting outside the corporation in subscribing to the original capital or raising it from the tax basis, In addition to providing exemptions regarding value-added tax for locally manufactured equipment, in addition to reducing customs taxes to 10 percent and suspending the performance on value-added and known consumption for imported equipment that has no analogues made locally.

Regarding Algeria: Within the framework of the Investment Support Law, the legislator has provided a set of privileges that affect the investor category, with exemption from customs duties and some other taxes such as fees on professional activity, for a period of three years up to six years when the continuing undertakes and registration fees for investments and some other exemptions that fall within the framework of the agency The National Investment Development Company, in addition to granting exemption certificates (F20, F21, F22) from the value-added fee for imported investment and institutions that deal with the exempt sector.

Investors are also exempted from the tax on goods and services and customs duties upon import, as well as from the mobility tax on real estate acquisitions, in addition to

exemption from the tax on corporate profits, as well as from the tax on professional activity, in addition to an exemption for a period of ten years from the real estate tax.

Regarding Morocco: Within the framework of the Investment Support Law, the Moroccan legislator has provided a set of privileges for investors and investing companies, including tax concessions for the benefit of hotel companies, which are privileges for exemption from registration duties. Enterprises established between 2018 and 2022 will benefit from exemption from tax on income withheld from the source, and an exemption for the wage that Equal to or less than 10,000 dirhams, in addition to exemption from registration fees, land purchase contracts intended for the realization of an investment project, and a registration fee of 2.5% is imposed on contracts for the purchase of lands intended to carry out fragmentation and construction operations, in addition to imposing a registration fee of up to 0.50% on Contribution shares in companies at the time of their incorporation or the increase in their capital, and supplies of supplies are exempt from tax withholding upon import, and the investment charter gives a preferential tax system for companies exporting the following products and services:

- Complete exemption from corporate and income tax during the first years of business exploitation;
- Reducing 50 percent of this tax after five years;
- The protection of investments and the freedom to transfer capital, ensuring that there is no discrimination between Moroccan and foreign investors;
- All projects exceeding 200 million dirhams, in addition to tax concessions, also benefit from exemption from import duties and measures in favor of regional development;

B. Tax privileges provided under the tax laws for the development of investment.

The Tunisian National Agency for Employment and Independent Work grants various concessions and funds aimed at developing investment, and in this regard it grants tax and financial concessions that are enjoyed by institutions that operate in priority sectors, according to what was stated in the Tunisian Investment Law.

As for Algeria, the state has taken many measures to create an investment climate by following different policies, granting many financial and financing incentives and privileges, concluding several bilateral and multilateral agreements with many countries, establishing investment funds and agencies with various funding grants, in addition to granting tax privileges. For newly emerging institutions, as well as other existing institutions, as these institutions that benefited from the support of these funds benefit from tax exemptions from some taxes of up to 10 years (DGI, Law of direct taxes and similar fees, 2019), in addition to customs exemptions upon import, as well as incentives and exemptions for investors who are active in isolated areas such as Adrar. Tamanrasset, Tindouf and Elysee, this came within the framework of the state's support for investment projects.

C. The impact of tax systems on the most important elements associated with investment.

- The tax systems have a great impact on the methods of choosing the investment as well as on the financing of the latter, as the investor before embarking on the investment and

choosing the field and place to invest in it, taking into account some matters such as the tax field. As well as the availability of raw materials in addition to the ease of investment procedures and political and economic stability in addition to various other things.

The tax systems in various countries affect the methods of investment selection through the applied tax rates, as well as the exemptions granted to some tax and preferential activities and benefits, in addition to the ease of tax laws and procedures, as the applicable tax rates affect if we assume this investment in Algeria, and the investor is a natural person subject to the real system, So we find the investor a comparison between the tax on total income and the tax on corporate profits if his turnover exceeds 1,000,000.00 DZD, then the investor in this case directly applies to be subject to the tax on corporate profits, on the one hand and on the other hand, the investor can choose from among the activities less A percentage of taxes on profits, and if we notice in the corporate profits tax, we find three rates (19%, 23%, 26%), and he chooses the activity that is subject to lower rates.

As for the privileges and exemptions, the investor usually chooses the investment that has tax exemptions such as investment and reclamation Agricultural, which has privileges such as investment in remote areas and regions of the Greater South.

As for the financing of investments, the deadlines for paying taxes play an important factor in financing short-term investments. If we assume that in one system, taxes are paid on profits in triple installments, and in another system, these taxes are paid at the end of the year after preparing the budget, so these are the amounts that will be paid in The end of the year is a source of funding and contributes to the continuation of the Foundation's activities other than paying in installments every three months.

- The impact of tax systems on the profitability of the institution and its legal structure.

he cost-effectiveness is among the most important criteria used in making any investment decision, as the internal rate of return determines the extent of the return on investment or not. The smaller the rate and the closer to the cost of capital, it is an expression of the lack of cost-effectiveness of the investment and therefore the investor is supposed to resort to another investment.

Taxes on corporate profits lead to a reduction in the value of current cash flows, and this is what makes the internal rate of return decrease and thus leads to curbing investment, with the purpose of raising the value of the internal rate of return and then granting reductions and tax exemptions, especially in the field of tax on corporate profits, in addition to the fees imposed on The corporation, and this is what leads to an increase in the current cash flow and thus encouraging investment (Leslous, 2004).

- The effect of tax systems on treasury and foreign exchange

Fiscal systems affect the treasury, especially if it is working with an installment payment system, or the institution does not benefit from tax benefits, or when it imposes on the institution tax penalties and fines due to a mistake, omission or fraud, this affects the size of liquidity in the treasury, and thus the lack of funds directed to meet the debts or investments, and this also affects foreign transactions and exchanges

III. Efforts made by countries in creating an investment climate

A. Efforts made by the Tunisian state to create an investment climate

The Tunisian state has made several efforts to stimulate and attract various investments, with the aim of establishing several mechanisms and structures to encourage investment, as follows:

- Creating a Tunisian Investment Authority: a single address to the investor and conducting procedures before the investor;
- The creation of the Tunisian Investment Fund: it collects mechanisms for state intervention to encourage people to invest;
- Creation of the Supreme Council for Investment: it sets the policy, strategy and programs of the state in the field of investment.
- As these modernized bodies give grants and incentives to investors as follows:

- Assigning special privileges to projects of national importance: standards are set by orders according to national priorities.
- the value-added and competitive edge bonus;
- Operational Capacity Development Grant - Regional Development Grant - Sustainable Development Grant;
- Grant for projects of national importance (tax exemption for a period of 10 years, investment grant, state contribution to infrastructure expenses, regional development, employment, increase in value added, competitiveness, sustainable development).

B. The efforts made by the Algerian state in creating an investment climate

The Algerian state has strived to improve the investment climate in it, through its desire to integrate into the global economy, by joining the various economic blocs, and by signing many bilateral and multilateral agreements and treaties with many different countries, related to the promotion and encouragement of investment and the avoidance of double taxation on investors, In addition to its ratification of many international agreements related to financing and investment guarantee bodies and international arbitration that guarantee the free flow of various foreign investments, and among these bodies are the International Investment Guarantee Agency and the International Agreement for Settlement of Investment Disputes.

The Algerian state has also guaranteed the granting of real estate in the symbolic dinar to investors for the purpose of investment, in addition to opening investment support agencies and granting tax privileges, such as the National Agency for Investment Development, which grants tax exemptions for the benefit of investors and re-investment, in addition to other privileges and tax exemptions through which the state seeks support for investment.

C. The efforts made by the Kingdom of Morocco in creating an investment climate

Morocco has carried out several economic, social and legal reforms to secure and facilitate the residence of foreign investors through encouraging tax measures, simplifying and unifying procedures by creating agencies and regional centers for investment. The Moroccan Agency for Investment Development provides a free public service, in the sense of providing a variety of services, helping to The development of various activities in Morocco. The agency also provides a number of services as follows:

- To propose legislative and legal reforms related to investment, to facilitate administrative procedures;
- Carry out the duties of writing the investment committee ... etc;

IV.CONCLUSION:

In the last two decades, the Maghreb countries (Tunisia, Algeria, Morocco) have witnessed a remarkable development in the flow of foreign investments, especially Algeria and Morocco. This is due to the improvement of the business climate and environment, in addition to the development of some economic, tax, legal and political indicators that regulate investment.

The tax system has an impact on investment decisions and investors through a set of tax factors, including: tax privilege, tax havens, double taxation and tax risk, simplicity of procedures and laws, and the tax system also contributes to choosing the type and field of investment through the privileges granted and the rates and procedures applied, where The investment decision will be settled if the rules of stability and flexibility are seriously applied in these countries.

Based on our study, which studies the tax system and its impact on the investment decision in the three countries, we can conclude the following:

- The investment climate in these countries fulfills these determinants, but the impact of these determinants varies from country to country.
- The state's policies and its foreign relations have a very important impact on the attractiveness of those investments, in addition to the lack of complexity in the procedures and tax laws, the tax rates imposed and the preferential benefits granted, have a great impact on the decisions of investors, in addition to the reduced rates and exemptions imposed on activities other than other activities that guide the decision Investing from one activity to one that has less costs than a tax outlook.
- Regarding the extent to which these countries apply tax rules, we find that most countries of the world, other than the countries under study, do not apply the tax justice rule, by granting privileges and tax deductions to some people but not others, such as granting tax reductions to an emerging institution without granting the same reduction to other old institutions. We have violated the principle of tax justice.

In conclusion, we can recommend the following:

- An attempt to simplify the tax systems and limit the systems to two tax systems instead of four systems;
- The three countries should contribute to reducing tax complications and establishing simpler procedures for tax collection, as the tax problems are caused by the complexity of tax systems and laws;
- Striving to strictly apply the rules of tax that Islam brought, and which Adam Smith later stipulated, in addition to the rules of flexibility and stability, as the investment decision is based largely on the bases of flexibility and stability in tax systems;
- The three countries must review their tax rates and build a solid tax base with the help of experts and university professors, with the need to rely on the divine system imposed in zakat, and to benefit from the experience of Islamic countries applying Zakat in building their systems and laws.
- Countries must observe the tax justice rule in the various tax categories and grant subsidies to the place of tax deductions and concessions, even if they do not violate the tax justice rule.

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