



Morison KSi

Edition No. 1  
January 2018

# Doing Business Guide

## Morocco

## About This Guide

This guide has been produced by the Morison KSi Moroccan member firm for the benefit of their clients and associate offices worldwide who are interested in doing business in Morocco.

Its main purpose is to provide a broad overview of the various issues that should be considered by organisations when considering setting-up business in Morocco.

The information provided cannot be exhaustive and – as underlying legislation and regulations are subject to frequent changes – we recommend anyone considering doing business in Morocco or looking to Morocco as an opportunity for expansion, should seek professional advice before making any business or investment decision.

While every effort has been made to ensure the accuracy of the information contained in this guide, no responsibility is accepted for its accuracy or completeness.

The information in this guide is up to date as at the edition date.

For more information, please contact:

**Auditia**  
[www.auditia.ma](http://www.auditia.ma)

**Mr Adil Charradi**  
E: [a.charradi@auditia.ma](mailto:a.charradi@auditia.ma)  
T: +212 5 22 27 41 81

113 Avenue Mers Sultan  
Casablanca, Morocco

Disclaimer: Morison KSi is a global association of independent professional firms. Professional services are provided by individual member firms. Morison KSi does not provide professional services in its own right. No member firm has liability for the acts or omissions of any other member firm arising from its membership of Morison KSi.

Edition No. 1  
January 2018

# Contents

<b>Introduction</b>	<b>1</b>
<b>Business Structures</b>	<b>5</b>
<b>Labour and Personnel</b>	<b>6</b>
<b>International Mobility</b>	<b>7</b>
<b>Taxation System</b>	<b>8</b>
<b>Banking and Finance</b>	<b>10</b>
<b>Reporting Requirements</b>	<b>11</b>
<b>Grants and Incentives</b>	<b>12</b>
<b>Agencies Providing Assistance</b>	<b>13</b>

# Introduction

## Why Morocco?

Morocco has witnessed an accelerated process of political, economic and social reforms, and its steady economic growth and strategic geographic position make it an investment opportunity well worth considering.

Besides its privileged geographical position on both the Atlantic Ocean and the Mediterranean Sea, Morocco enjoys significant intangible assets, making it an attractive destination for foreign direct investment (FDI):

- Institutional, political and macroeconomic stability (stable growth, controlled inflation and reduced debt)
- Open economy (access to a market of nearly 1 billion consumers thanks to free trade agreements (FTAs) with the European Union, USA, Turkey, etc.)
- Religious tolerance.

The country is currently positioned as a production and exportation hub for foreign companies, thanks to its various competitive strengths as outlined below.

### Cost competitiveness

- Low wages – the average monthly wage is US\$400
- Export incentives.

### World-class infrastructure

According to the Global Competitiveness Report 2015-2016 by World Economic Forum, Morocco has the best infrastructure in North Africa, ranked 3rd on the African continent and 6th in the Arab world.

- **Highways:** Morocco has made major steps forward in extending its highway network. It has already reached 1800 km, and is

expected to reach 3000 km by 2020.

- **Ports:** Casablanca is the largest port in the country, followed by Tanger-Med, which is the largest on the Mediterranean coast of Africa in terms of capacity. With a capacity of 8 million containers in 2017, it acts as a trans-shipment hub, offering an ideal platform for serving Europe and the countries of West Africa.
- **Airports:** There are 18 international airports, including Casablanca airport – one of the largest in Africa.
- **Airlines:** Royal Air Maroc group, the most important Moroccan airline, is the second largest in Africa.
- **Railway:** Morocco is a leader in Africa in terms of rail infrastructure, ranked 1st on the African continent and 33rd globally, according to World Economic Forum's Global Competitiveness Report 2015-2016.
- **Trains:** Morocco is the first African country to adopt a high-speed train (TGV).

### Proven returns on investment

Morocco is an attractive country for foreign investors. The country has demonstrated excellent performance over the past few years and was ranked the second most FDI-attractive destination in 2016, when 12% of FDI projects were initiated in Africa due to its mature market and investor-oriented strategies. France, the second largest investor in Africa, considers Morocco its 'favourite destination for FDI': in 2016, 27% of French projects launched in Africa were located in Morocco.

### Free trade agreements

Through its links with EFTA and the Arab free trade zone, Morocco provides investors with duty-free

access to a market of 55 countries. A strong legal framework of FTAs has developed Morocco's commercial relations and puts it at the crossroads of the main international exchange routes, linking the USA, Europe, Africa and the Middle East.

### Sectorial plans

Morocco has launched different strategic sectorial plans to speed the development of strategic and promising sectors such as agriculture, mining, renewable energy and automotive manufacturing:

- **Green plan** – aims to revive Morocco's agriculture, which is the main driver of the country's economic growth
- '**Digital Morocco**' plan – aims to position Morocco as a dynamic emerging country in IT
- **Halieutis plan** – aims to improve the performance of fishing industry by developing landing infrastructures and equipment
- '**Plan Rawaj 2020**' – aims to revive and improve interior trade
- **National pact for industrial emergence** – aims to support national and foreign industrial investment via contract between the country and private sectors, targeting six priority sectors: offshoring, automobile, aeronautics, electronics, textile and agribusiness

### Morocco as a gate to Africa

The country's administrative and macroeconomic stability, connectivity with the world and policy of national and continental economic expansion are assets that have established Morocco as a key force in the African continent.

- Morocco has re-joined the African Union (AU), which helps to

reassure investors that they have the right platform for entering the African market

- Morocco has signed almost 1,000 agreements and treaties with various African countries, many of which have been visited personally by King Mohammed VI
- The expansion of Moroccan banks throughout Africa (with a presence in over 20 countries now) demonstrates the role of Morocco as a major geopolitical player within the continent and on the global economic stage.

Apart from being a land of mystery and one of the most popular tourist destinations for many people from every corner of the globe, Morocco has become a favourite investment destination for many of the world's global companies due to its strategic position and economic/political stability.

### Strategic position

Fully exploited its geostrategic competitive advantages, Morocco has gradually established itself as a business and finance hub and gateway to Africa. Straddling the Atlantic Ocean and the Mediterranean Sea, its proximity to Europe, the Middle East and the Americas make it an attractive jurisdiction for investors – especially those keen to establish a presence in the Middle East and North Africa (MENA) region or Africa more generally.

### Strong economic growth

Morocco has witnessed a fast-growing economy and an accelerated process of political, economic and social reforms. Its steady economic growth makes it an investment opportunity well worth considering and the target of several foreign investors.



According to the World Bank's *Doing Business 2018* report,<sup>1</sup> Morocco ranks 69th among 190 economies, a rise from 75th in the previous edition and 94th in 2012. The country's current ranking as 1st in North Africa, 3rd in Africa and 4th in the MENA region confirms the positive evolution and continued development reported over the past 5 years by the Moroccan government.

### Stable government

Morocco is the safest and most stable country in the MENA region for investors, having escaped the impact of the so-called 'Arab spring' which has seen a sharp rise in political instability, security problems and social unrest among Morocco's north African neighbours and other Arab countries over the past 6years. Unaffected by this turmoil, Morocco has clearly maintained its economic and political stability, giving it a competitive advantage.

Morocco has also distinguished itself through its proactive focus and communication policy that works to integrate and involve the public in the fight against terrorism.

### Linguistic diversity

Morocco's strategic position at the crossroads of Greater Maghreb,

1. Available at <http://www.doingbusiness.org/~media/wbg/doingsbusiness/documents/profiles/country/mar.pdf>

Europe and the rest of the African continent, has contributed to its complex multilingual profile:

- **Arabic** is the country's official language, widely used in formal settings.
- **French** is still widely spoken in Morocco. It is used as the second prominent official language behind Arabic (10 million speakers) – mainly for business, education, economy and many official and government purposes.
- **English** is now being taught in schools from Year 4. It has become increasingly important and popular in all domains of life in Morocco, including economics, politics, tourism, education and employment.
- **Spanish** is commonly spoken in northern Morocco, which is close to Spain.

## Economy

Morocco has worked hard to develop its economy over the last few years and has, in fact, implemented a series of structural projects and reforms in order to achieve strong and sustainable growth. This has been coupled with sectoral development strategies that have had positive results on the national economy.

### Main economic indicators

In recent years, the Moroccan economy has been characterised by macro-economic stability and low levels of inflation:

- **GDP** is estimated to improve to 3,9 in 2017.
- **Inflation** has been quite stable (around 2% over the last 6 years)
- **FDI:** In 2016, Morocco was ranked the second largest recipient of foreign investment in Africa.

## Main sectors

### Natural resources

Phosphates comprise Morocco's principal mineral resource, with an estimated 77% of the world's total phosphate reserves. Morocco remains the world leading producer of phosphate rock and also produces other important minerals such as salt, copper, manganese, barium, titanium, silver, cobalt, gold and zinc. Morocco is the top producer of silver in Africa, and 11th in the world.

### Agriculture

Agriculture plays a crucial role in the economic and social stability of the country. It contributes 19% to the national GDP, helping to make Morocco one of the most attractive countries in terms of investment.

As agriculture represents one of the most important sectors in the Moroccan economy, the government has made considerable efforts to improve the investment environment in this sector, particularly in the context of the Green Morocco Plan that aims to make agriculture the main growth engine of the national economy with significant benefits in terms of GDP growth, job creation, rural inhabitants income and export.

### Fishing

With two seafronts – on the Mediterranean Sea and the Atlantic Ocean – Morocco has the largest fish market in Africa. Its western coastline is exceptionally rich in sardines, bonito and tuna; Morocco is the largest canned sardine exporter in the world.

### Tourism

One of the main economic drivers in Morocco, tourism represents the third leading sector after agriculture and industry.

The Moroccan government has implemented two strategic plans, 'Vision 2010' and 'Vision 2020', to boost the sector. Vision 2020 plans to double the size of the sector to reach 20 million visitors and establish Morocco as one of the top destinations worldwide.

### Textile

Textile is an important sector in Morocco, contributing 27% of jobs to the national industry aggregates. This makes it a key employer in the country, representing 7% of industrial added value. The sector has demonstrated its reliability and resilience, despite the economic crisis that has hit key partners such as France and Spain.

With a liberalised market and FTAs with Turkey and the USA, the textile clothing industry presents many competitive advantages including easy access to the two largest markets in the world: the European Union and the USA.

Investors in the sector benefit from numerous other incentives, investment aid, technical assistance, financial aid and export promotions.

### Emerging sectors

#### Renewable energy

The major sources of alternative energy in Morocco are solar and wind. Morocco is making concerted efforts to develop its renewable energy sector and decrease its reliance on imported energy carriers.

Morocco has launched a concentrated solar power plant (known as 'Noor', Arabic for 'light') in Ouarzazate city that will provide electricity for more than 1 million people. When completed, this desert complex will become the largest solar power station in the world.

### ***Offshoring***

The offshore sector has seen rapid development in recent years and continues to show significant growth potential. The sector has a very positive growth dynamic on the international front, with an estimated development of 25% per year.

Morocco is becoming one of the world's leading destinations in offshoring, offering significant economic opportunities to companies seeking growth. The country's human resources provide top-quality services and skills, while its geographic proximity and cultural sensitivity with Europe are two other assets that attract investors.

### ***Automotive manufacturing***

The automobile industry is considered one of the most promising and dynamic sectors in Morocco. It has leapt to sustained levels of growth over the last 5 years. Its performance is particularly remarkable in terms of export and job creation. The sector benefited from the implantation of various global groups such as the leading French brand Renault, which is the predominant auto manufacturer in the country. PSA Peugeot Citroen has recently opened a new production unit, set to become operational in 2019; this is expected to generate 4,500 direct jobs and 20,000 indirect jobs, especially among component suppliers.

*"Morocco is becoming one of the world's leading destinations in offshoring, offering significant economic opportunities to companies seeking growth"*

The leading automotive manufacturer in North Africa and the second in the African continent, Morocco is on track to become a leading destination for automotive investments.

### ***Aeronautics***

In less than 12 years this sector has shown remarkably fast growth, from around 10 firms to over 100 international companies today.

Morocco is now home to some of the world's leading aerospace manufacturers. Boeing has relocated more than 1,000 jobs to Morocco. Bombardier, which already has a factory in Casablanca, is moving a larger portion of its business operations from Northern Ireland to Morocco and has plans to invest close to \$200million by 2020 in the tax-free Midparc zone, located close to the Mohammed V International Airport and offering complete tax exemption for companies during the first 5 years of operations.

# Business Structures

The most common business form used by foreign companies is the public limited company(SA) and private limited company (SARL).

## SARL (private limited company)

This is the most common legal form, as it is midway between the partnerships and limited companies.

- **Number of partners:** At least one partner, maximum 50
- **Capital:** No minimum
- **Shareholders and liability:** Shareholders are only liable up to their contribution.

## SA (public limited company)

This form is recommended for investors looking to establish large investments in Morocco.

- **Number of partners:** At least five shareholders
- **Capital:** Moroccan dirham (MAD) 3 million to open a listed public limited company; MAD 300,000 for a public liability company
- **Shareholders and liability:** Responsibility is limited to the amount of contributions.

## SNC (general partnership)

This is suitable for small projects that do not require large capital.

- **Number of partners:** At least two partners
- **Capital:** No minimum
- **Shareholders and liability:** Responsibility is unlimited.

## SCS (limited partnership)

- **Number of partners:** At least two partners
- **Capital:** No minimum capital
- **Shareholders and liability:** Responsibility is limited.

## SCA (partnership limited by shares)

This is a hybrid corporate form, combining some features of a limited partnership with others of a public limited company.

- **Number of partners:** Three sleeping partners and one active partner
- **Capital:** No minimum
- **Shareholders and liability:** Responsibility is unlimited and several for some, and limited

to the amount of contributions for others.

## GIE (economic interest groupings)

This is a group with legal personality that allows its members (who must be a minimum of two) to share some of their activities to develop, improve or increase the results of these while maintaining their individuality. It is simpler than the company and more effective than the partnership – offering low incorporation fees, flexibility, business purpose and profit-making.

## Succursale (branch offices)

Foreign companies looking to do business in Morocco are allowed to set up branch offices in Morocco.

- The branch must appoint at least one manager (any nationality) to represent the company in Morocco
- **Capital:** No minimum.

## Sole proprietorships

Foreigners may establish sole proprietorships in Morocco. In this model, the business is conducted under the responsibility of an individual who is personally liable for the debts of the business to the extent of all business and personal assets.

# Labour and Personnel

## A highly skilled workforce

The growth of an economy depends strongly on the quality of its human capital. Human resources in Morocco have all the advantages needed to become the pillars of competitive investments and value creation – including a high level of education, advanced linguistic capacities and skills in new technologies.

Morocco has the necessary geographical, political and cultural capital to be among the top economic performers in the MENA region. To transform this potential into reality, the country is working hard to develop its human capital through improvements in the educational system, development of teacher recruitment and training, alternative educational options, and so on.

## Wages

The minimum wage in Morocco is 15.46 MAD per hour. The average wage is about 4,000 MAD per month.

## Working hours

In Morocco, the legal working time is 44 hours per week in most companies and 48 hours in the agricultural sector.

## Annual leave

Duration of annual leave varies according to the worker's age and their length of service in the company. Generally, it is 1.5 days per month of work. The employee has the right to leave after 6 consecutive months of activity.

## Contracts of employment

The employment contract is concluded for an indefinite period,

for a fixed term or for a specific job. The parties are free to include in their contracts all the terms on which they reach agreement if those are compliant with the applicable laws.

## Health and safety

Any firm employing more than 50 employees must offer free medical services to everyone, including foreigners. This medical service is also imposed on companies with fewer than 50 workers when their activity is likely to cause an occupational illness.

It is mandatory for all companies to meet the standard safety regulations in Morocco.

## Social security

To get qualify for social security, all employers must register themselves and their employees with the National Fund (known as the 'Caisse Nationale de Sécurité Sociale'). Participation in this programme is mandatory for all Moroccan employers.

# International Mobility

Working in Morocco entails certain steps and formalities for both employer and employee. Entry into Moroccan territory could be subject to the submission of an entry visa or any other validity document, recognised by the Moroccan government as a travel document.

Anyone planning to settle and work in Morocco, staying for more than 3 months, must register within 15 days of arrival in the country and must apply for a residence permit or a resident card with the foreign office of the Commissioner of the city where they intend to settle.

## Visa

- Expats from the USA or any country that is part of European Union do not require an entry visa for Morocco, but all foreign nationals must apply for a residence permit within the first 90 days
- Citizens of other countries should obtain an entry visa to visit Morocco
- A visa is usually valid for 3 months
- After 3 years of regular presence on Moroccan territory, you will be eligible for a residence permit valid for 10 years
- Requirements for obtaining a visa may differ slightly based on nationality. You should therefore verify specific visa requirements with your nearest embassy or consulate.

## Work permit

- In Morocco, you must be in possession of legal authorisation to work. If you are currently working with a foreign company, they must take care of the procedures for your work permits. You will have to register and apply for a resident card.

- If your family is moving to Morocco with you, they must independently seek residency and work permits. If you have children, they do not need student visas to attend school.
- You must renew your residence permit 1 year after moving to Morocco. The permit is valid for 1 or 2 years, and may be renewed an indefinite number of times.

# Taxation System

## General regime

### Value added tax (VAT)

VAT rates are as follows:

- 7% applies to some goods of general consumption, such as water
- 10% applies to bank, interests and exchange commission's operations, the supply of catering services and the activities of some professions (lawyers, interpreters)
- 14% applies to transportation transactions, electrical energy, etc.
- 20% is the standard VAT rate applicable to transactions other than those subject to the reduced VAT rates mentioned above.

During 36 months of start-up, companies with an investment project can obtain VAT exemptions on acquisition of equipment and furniture.

### Corporate income tax

The corporate income tax rate depends on the taxable income according the following scale:

<b>Taxable income (MAD)</b>	<b>Rate</b>
≤300,000	10%
300,001 to 1 million	20%
1–5 million	30%
≥5 million	31%

37% for banks and insurance companies

Export companies benefit from a total exemption of 5 years since the start of the activity. After this period, exports are subject to a reduced income tax rate of 17.5%.

A minimum contribution of corporate income tax is payable at 0.5% of the turnover with an exemption during the first 3 years of activity.

## Losses

Losses may be carried forward and deducted from taxable profits for a period of 4 years and for an unlimited period if they relate to depreciation of fixed assets. No loss carry back is permitted.

### Dividend tax

Dividends paid are subject to a 15% withholding tax, including to non-residents, unless the rate is reduced under a bilateral double taxation treaty.

### Capital gains tax

Capital gains are taxable at 20%, for both listed and unlisted companies.

### Relief from double taxation

Morocco has signed double taxation treaties with 50 countries, including the USA, most European countries, many Middle Eastern countries, some East Asian countries and some African countries.

Morocco offers various means to avoid double taxation; the main mechanism is that the treaty relief takes the form of a tax credit granted for foreign tax paid on income received from a country with which Morocco has signed a tax treaty.

If this tax credit exceeds the Moroccan tax, no refund is payable.

## Specific taxation

### Free Zones and offshoring

Free Zones are based in different cities and offer number of tax advantages such as:

- Exemption of taxes on dividends and partnership shares
- Corporate tax is 0% for the first 5 years and then a reduced rate of 8.75% for the following 20 years

- Exemption of license tax and urban tax for 15 years
- Exemption of all registration taxes and stamp duties
- Exemption of VAT and tax-free repatriation of foreign earnings.

#### **Casablanca Finance City (CFC)**

Service companies and holding companies with the CFC status benefit, in respect of their export revenues and net capital gains from the sale of foreign securities, from:

- A total exemption from corporate tax for the first 5 years
- 8.75% beyond this period.

Regional headquarters and representative offices of multinational companies benefit from a reduced rate of 10% from the first year of obtaining 'CFC status'. The taxable base of regional or international headquarters having this status is calculated as:

- 5% of the operating expenses, if the headquarter or representative office makes a loss; or
- The higher of taxable income and 5% of the operating expenses of the said headquarter, if the headquarter or representative office makes a profit.

In terms of personal income tax, employees of CFC companies can choose the most favourable personal income tax regime, between a 20% flat tax rate and the progressive standard scale tax.

#### **Offshore holding companies (Tangier)**

Offshore holding companies based in Tangier benefit from a flat tax rate of US\$500 for the first 15 years for portfolio management and equity investments in foreign companies.

#### **Liaison office and representative office**

Income tax of liaison offices and representative offices is based on 10% of operating costs.

#### **Repatriation of profits, management fees and royalties**

In respect to the payment of management fees, service fees and royalties that are methods of repatriating profits to non-resident shareholders, payments made by the Moroccan resident to the non-resident shareholder must reflect the market value of the services to the Moroccan company. Otherwise, in case of tax audit, the tax administration could reassess the deduction claimed by the Moroccan company.

Management fees, service fees and royalties are subject to a withholding tax at the rate of 10%. According to double taxation treaties, a tax credit could be deducted from income tax in the other country.

#### **Employee tax**

As a rule, almost all types of remuneration and benefit received by an employee for services rendered are considered as taxable income.

The company deducts the employee's income tax from their monthly salary. Employee income tax is calculated by applying a progressive rate to the gross salary:

<b>Annual gross salary (MAD)</b>	<b>Rate</b>
≤30,000	0%
30,001–50,000	10%
50,001–60,000	20%
60,001–80,000	30%
80,001–180,000	34%
≥180,000	38%

# Banking and Finance

## Moroccan banking system

Morocco has one of the best-developed banking sectors in Africa: penetration is rising rapidly and recent improvements in macroeconomic fundamentals have helped to resolve previous liquidity shortages. The sector's product offering also continues to evolve, including the recent creation of a full system and law of *sharia*-compliant banks. Morocco's institutions include some of Africa's largest banks, many of which have become major players on the continent and continue to expand their footprint.

The sector has a reasonably competitive landscape, with a number of large home grown institutions with

international footprints, as well as several subsidiaries of foreign banks. Many international banks have either a physical presence in Morocco or partnerships established with Moroccan banks.

The banking sector is supervised by the central 'Bank Al Maghrib', which inspects all banks, bank groups, foreign subsidiaries, microfinance institutions and offshore banks, as well as the government financing arm, 'Caisse de Dépôt et de Gestion' (CDG). This authority is operationally independent in making decisions on banking supervision, and has an adequate range of tools for early intervention.

### Setting up a Moroccan bank account

Opening a bank account in Morocco is a similar process to that elsewhere in the world. Businesses opening an account should be registered in Morocco. Local financing is available to foreign investors on the same basis as to Moroccan companies.

Most Moroccan banks are connected to the SWIFT global payment system, allowing quick transfers of foreign currency worldwide.

Foreign currency and convertible MAD accounts can be opened for non-residents.

### Foreign exchange regulation

The Exchange Office is responsible for enacting measures related to exchange regulations. In this context, the Exchange Office has delegated to banks the power to freely make almost all financial payments outside Morocco in relation to activities such as export and import operations, international transport, insurance and reinsurance, technical assistance, travel and tuition. By virtue of this liberalisation process, the Exchange Office strives to ensure the verification of operations delegated to banks

in order to detect and punish any illegal transfer of funds abroad and thus preserve the external balance of the Moroccan economy. The Exchange Office also monitors the repatriation of revenues on exported goods and services, with the aim of ensuring the recovery of monetary reserves.

## Stock exchange market

The Casablanca Stock Exchange (CSE) is one of the largest and most important in Africa. CSE is managed by 13 brokerage companies and regulated by an independent oversight commission similar to the SEC.

Rejuvenated since improvements made to stock market organisation in January 1997, the CSE is now the second biggest in Africa, following Johannesburg. It is dominated by large banks and telecommunication firms. Finance, telecommunication, and construction firms account for nearly 70% of total capitalisation; the three largest banks alone account for 30%.

## Offshore bank accounts

Offshore banks are established in Tangier and dispose of international finance engineering specialists in order to manage multi-currency accounts, capital investment, transfer and fund repatriation services, investment financing, foreign trade transactions, purchase of credit and issuance of bonds and guarantees.

As in any jurisdiction classified as a tax friendly jurisdiction, opening an offshore bank account in Tangier requires specific management by resident agents. Besides little or no taxation, it also affords anonymity and protection.

# Reporting Requirements

## Accounting reports

The structure of accounts in Morocco is based on the French model. All entities must establish annual summary financial statements, at the end of the financial year, based on accounting and inventory records drawn in the daybook, the general ledger and the inventory book.

For tax purpose, entities must establish their financial statements and tax form within 3months of the end of the fiscal year.

## Publication requirements

Financial statements consist of a profit and loss account, a statement of recognised gains and losses, a balance sheet, a cash flow statement and related notes.

All trade companies must communicate their statutory financial accounts to the trade court within 1month of the annual general meeting.

## Audits

Audit is required for all public limited companies, listed companies, banks and insurances and for all other companies with an annual turnover of more than 50 million MAD.

In Morocco, a company's audit must be done by a statutory auditor appointed during the annual general meeting for a 3-year period. For some companies (e.g. listed, public, banking, credit institute, insurance), the audit must be led by two statutory auditors.

Appointed auditors must be registered chartered accountants and comply with the ethical standards of their professional institute.

# Grants and Incentives

Through business agencies, the Moroccan Government offers a number of additional fiscal and non-fiscal incentives to start-ups and businesses in general. Some of these are described briefly below.

## Imtiaz Growth programme

This is an investment grant led by MAROC PME, and applies to industrial SMEs that:

- Achieved a turnover of 10-200 million MAD during the last financial year
- Have a development project that encourages growth and creates value and jobs.

These development projects could be internal or external growth, but must aim to increase the production capacity of the entity.

The amount of the investment grant is 20% of the development project, with a cap of 10 million MAD.

These projects could be self-financed or financed through a financial institution.

## Mousanada program

Mousanada is a programme led by MAROC PME in favour of SMEs with turnover of less than 200 million MAD in phase of growth or change of scale wishing to strengthen their competitiveness.

This programme tends to meet the needs of companies in terms of technical assistance, transfer of skills and digital development. The performance levers are:

- Business development and restructuring strategy
- Leadership and governance
- Operational performance
- Digital development
- Market development
- Management of innovation
- Access to capital.

## Tahfiz programme

Managed by The National Agency for the Promotion of SMEs (L'Agence Nationale pour la Promotion des Petites et Moyennes Entreprises, ANPME), this programme provides the following benefits for a period of 24 months for up to five employees:

- Exemption from employee income tax of gross monthly salary up to 10,000 MAD
- Exemption from the employer's share of the contribution due to the social security agency.

## Investment treaty

Based on a treaty signed with the government related to investments that exceed 100 million MAD, companies benefit from exemptions and state participation. The participation can reach 20% of the cost of acquisition of the land or vocational training. The state may also finance infrastructure costs up to a maximum of 5% of the cost of the project. Customs duties and VAT on fixed assets are also exempt.

## Industrial firms

Industrial entities are totally exempt from corporation tax for the first 5 consecutive years of operations.

## Export growth contract

To promote export, the government implemented the export growth contract programme, which is managed by 'Maroc Export'. Eligibility requires a strong commitment on the part of the exporting company, to define and implement its export project. The programme aims to:

- Generate additional export operations
- Allow exporting companies to access certain means necessary for the development of their products in target markets
- Strengthen the positioning of exporting companies in the target markets
- Convert occasional exporters to professional and regular exporters.

Through this programme, the government reimburses up to 90% of companies' marketing and promotion expenses.

## Moroccan depollution fund

This is an incentive instrument and a financial support that aims at encouraging industrial and craft enterprises to carry out depollution or resource saving investments and introduce an environmental dimension into their activities. It aims to:

- Ensure compliance with environmental regulations
- Upgrade national industries in anticipation of globalisation of the international market
- Reduce use of natural resources.

# Agencies Providing Assistance

A number of Moroccan organisations and agencies aim to accelerate the growth of foreign businesses by providing services and offering additional fiscal and non-fiscal incentives to SME.

## Centre Régional des Investissement (CRI)

The main tasks of the CRI are to simplify procedures, proximity and uniqueness of the interlocutor, and the development and promotion of investment. Its main priorities are:

- Help for business start-ups
- Assistance to investment projects
- Maintaining and expanding existing investments.

[www.invest.gov.ma](http://www.invest.gov.ma)

## L'Agence Nationale de Promotion de l'Emploi et des Compétences (ANAPEC)

ANAPEC is a national recruitment agency that specialises in:

- Intermediation in the labour market
- Management of measures for employment
- Promotion of self-employment
- Monitoring of the labour market and employment.

[www.anapec.org](http://www.anapec.org)

## Maroc PME

This is a national agency for the promotion of SMEs. It particularly aims to:

- Strengthen the competitiveness of ecosystems and very small enterprises
- Promote entrepreneurship and the animation of the entrepreneurial ecosystem through deployment of the status of the "self-entrepreneur"
- Create a new generation of entrepreneurs and very small and medium enterprises with a structured and high-impact business model.

[www.marocpme.ma](http://www.marocpme.ma)

## Confédération Générale des Entreprises du Maroc(CGEM)

CGEM represents companies throughout Morocco. It is a strong interlocutor with the public authorities and social partners.

[www.cgem.ma](http://www.cgem.ma)

## Direction Générale des Impôts (DGI)

The Tax Administration manages mainly four state taxes (corporate tax, income tax, value added tax, registration and stamp duty). It is also responsible for managing three local taxes on behalf of local authorities (business tax, tax on dwellings and tax on communal services).

[www.tax.gov.ma](http://www.tax.gov.ma)

## Maroc Export

The Moroccan Center for Export Promotion (CMPE) is a public institution that aims to contribute to the development of the national economy in foreign countries.

[www.marocexport.ma](http://www.marocexport.ma)

## Exchange Office

The Exchange office is responsible for two main tasks:

- Enacting measures relating to exchange regulations
- Establishing the statistics of foreign trade and balance of payments.

[www.oc.gov.ma](http://www.oc.gov.ma)

## Douanes (Customs)

Customs is a tax and security institution responsible for the collection of duties and taxes due to the entry of goods into a territory, as well as surveillance of the territory and various security missions.

[www.douane.gov.ma](http://www.douane.gov.ma)



## The Next Step

To discuss your needs, please contact:

**Auditia**

[www.auditia.ma](http://www.auditia.ma)

**Mr Adil Charradi**

E: [a.charradi@auditia.ma](mailto:a.charradi@auditia.ma)

T: +212 5 22 27 41 81

113 Avenue Mers Sultan  
Casablanca, Morocco



January 2018

Disclaimer: Morison KSi is a global association of independent professional firms. Professional services are provided by individual member firms. Morison KSi does not provide professional services in its own right. No member firm has liability for the acts or omissions of any other member firm arising from its membership of Morison KSi.