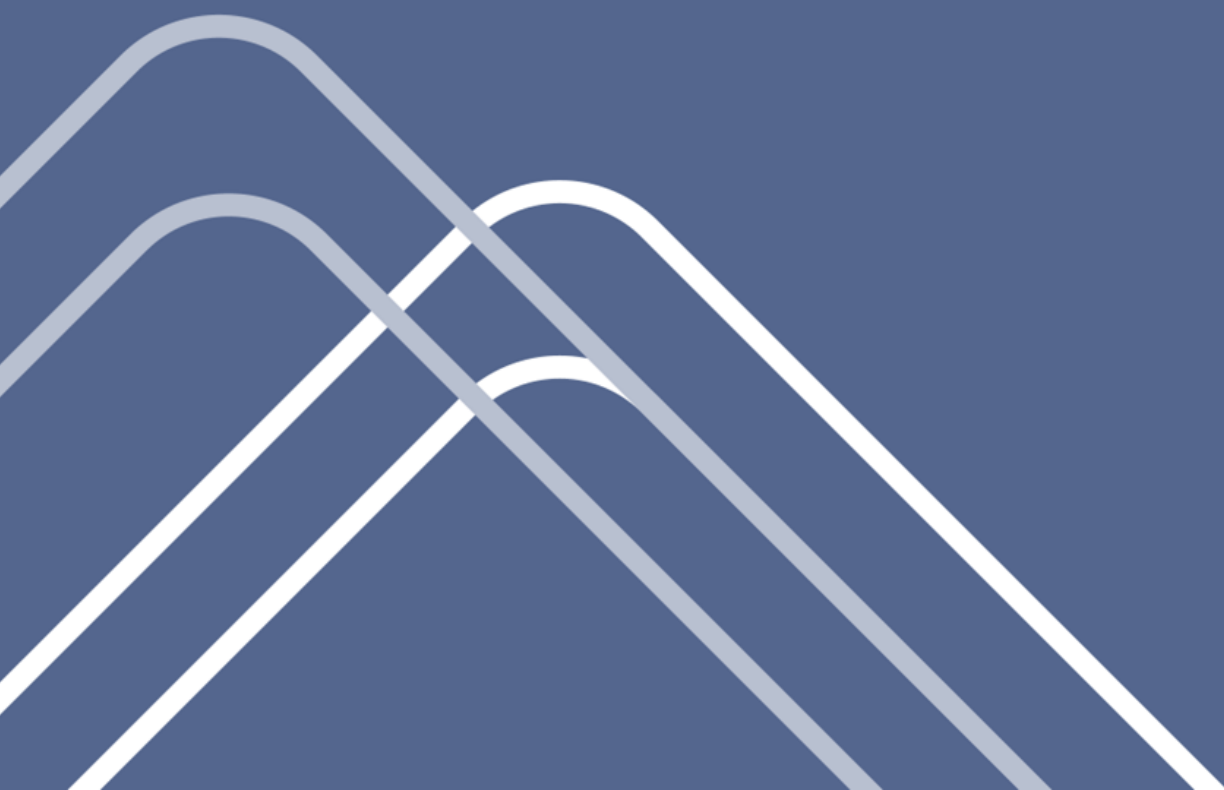


DOING BUSINESS IN MOROCCO



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INTRODUCTION

UHY is an international organisation providing accountancy, business management and consultancy services through financial business centres in nearly 100 countries throughout the world.

Business partners work together through the network to conduct transnational operations for clients as well as offering specialist knowledge and experience within their own national borders. Global specialists in various industry and market sectors are also available for consultation.

This detailed report providing key issues and information for investors considering business operations in Morocco has been provided by the office of UHY representatives:

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A detailed firm profile for UHY's representation in Morocco can be found in section 8.

Information in the following pages has been updated so that they are effective at the date shown, but inevitably they are both general and subject to change and should be used for guidance only. For specific matters, investors are strongly advised to obtain further information and take professional advice before making any decisions. This publication is current at May 2026.

We look forward to helping you do business in Morocco.

BUSINESS ENVIRONMENT

BACKGROUND

Around 1100BC, the Phoenicians established trading settlements along Morocco's Atlantic coastline.

The territory became part of the Roman Empire after the fall of Carthage in 146BC. During the 7th and 8th centuries AD, Morocco was conquered by Arab armies and converted to Islam. Gradually, Arabic replaced Berber as the primary spoken language.

By the 16th century, Morocco had become an important Sultanate that confronted Spanish expansion and established diplomatic ties with other European states. In 1777, Sultan Sidi Mohamed Ibn Abdullah, the most progressive of Morocco's Barbary leaders, was one of the first foreign heads of state to grant diplomatic recognition to the newly independent United States of America.

Gradually, European colonial expansion threatened Moroccan independence. By 1912, the country was partitioned by Spain and France.

Morocco was granted independence by France in 1956 under King Mohamed V. The Spanish territories were soon incorporated, except for the port cities of Ceuta and Melilla, and the Spanish Sahara, which was retained by Madrid until 1975.

The power of Morocco's monarchy has remained remarkably resilient since independence. After the death of Mohamed V in 1961, the new king, Hassan II, deftly forged an alliance with rural leaders that would pave the way for a successful constitutional referendum in December 1962 and parliamentary elections in April 1963.

In the wake of political unrest directed at the monarchy in the early 1970s, Hassan II initiated a 'Moroccanisation' programme that sped the transfer of French-held businesses to Moroccans.

In the 1980s, opposition political parties were permitted to emerge. During the 1990s, the king brought opposition leaders into the political mainstream, which in 1997 yielded a parliament with an opposition majority.

The death of Hassan II, on July 29 1999, ushered in an entirely new style of royal leadership. H.M. King Mohammed VI, the late king's oldest son, implemented a sweeping agenda that sought to reduce social inequalities and implement democratic reforms. Promising to take on poverty and corruption, while creating jobs and improving Morocco's human rights record, in February 2004, he enacted a new family code, the Mudawana, which granted women more power.

Today, Morocco's historical significance is reflected in its vibrant cultural heritage, including its unique blend of Arab, Berber, and European influences. Its strategic position continues to make it a bridge between Europe and Africa, and its historical legacy contributes to its status as a cultural and political leader in the region.

Morocco now is considered as a stable country both politically and economically, thanks to the royal vision of His Majesty King Mohammed VI, who leads to continuous drive for openness and democracy, aiming to release energies and restore confidence to accelerate the march towards progress and prosperity for all.

POLITICAL SYSTEM

H.M. King Mohammed VI has ruled Morocco since the death of his father, King Hassan II, in July 1999.

The latest ruler in a long dynastic line of Alawites, Mohammed VI is Morocco's constitutional monarch and because of his direct lineage to the Prophet Mohammed, the founder of Islam, serves as his country's spiritual and moral guide.

In 2011, King Mohammed VI introduced a new constitution, which strengthened the powers of Parliament and the Government while reinforcing the independence of the judiciary. The constitutional reform was approved by referendum on 1 July 2011 by a large majority of voters.

This new constitution is considered as a suitable way of initiating the Moroccan alternative towards democracy. The set of approved political reforms implemented some of the following changes:

- H.M King Mohamed VI appoints a prime minister from the party that wins the most seats in parliamentary elections
- High administrative and diplomatic posts are now appointed by the prime minister in consultation with the ministerial council, which is presided over by the king
- The prime minister is the head of government and president of the Council of Government; he has the power to dissolve parliament
- The prime minister will preside over the Council of Government, which prepares the general policy of the state
- The judiciary system is independent from the legislative and executive branch.

Today, the government is still supported by a bicameral parliament whose lower house consists of 395 members in the Chamber of Representatives (*Majlis an-Nuwab*), elected by popular vote for five-year terms. The 120-seat Chamber of Advisors in the upper house, whose members are elected by indirect universal suffrage for six-year terms, comprises professional associations, trade unions, and elected local councils.

There are 33 officially recognised political parties in Morocco. The political leaning of a majority of these parties is left-of-centre, but several parties are right-wing. Currently, the National Rally of Independents (RNI), headed by Aziz Akhannouch, the current prime minister.

Since ascending to the throne in July 1999, H.M. King Mohammed VI has taken unprecedented steps to make the manner in which Morocco is governed more transparent and democratic.

LANGUAGE

The Moroccan Arabic dialect, known as Darija, is the most widely used native language.

Modern Standard Arabic is mostly heard in schools, administrative offices, and mosques. Classical Arabic can sometimes be heard in traditional formal addresses, debates concerning religion, and cultural and literary aspects.

The Berbers are a North African ethnic group that has lived in Morocco, Algeria and neighboring countries for at least 10,000 years. The name is derived from the Greek for "barbarian," so the language and ethnic group are often referred to as Tamazight.

French is the country's primary language of economics, culture, commerce, medicine, and sciences and it is used in government and schools as well.

While not the primary language for most, Spanish is significant among residents in the northern regions and parts of the south. This presence is a legacy of Spain's historical administrative role in these areas. Today, Spanish is used in media and public discourse and is gaining popularity due to the geographic proximity of the two nations and strong migration links.

Meanwhile, the use of English was promoted by the national educational reforms started in 2002. English features in Morocco's education, business, and science sectors. the popularity of this language continues to grow throughout the educational and business structures of the country.

The languages of Morocco reflect a history of cultural exchange and a resilient indigenous population. This linguistic diversity makes Morocco one of the most unique nations globally as it strengthens its presence on the international stage.

THE ECONOMY

Strong macroeconomic environment

Faced with a challenging international and regional environment, Morocco has proven its resilience with a GDP that has more than tripled over the last 20 years (IMF DataMapper). Following a period of global price volatility, Morocco has successfully stabilized its economy, with the inflation rate projected at 1.8% for 2026, up from the lows of 0.8% in late 2025 (IMF World Economic Outlook).

Morocco continues to be a reference in monetary stability in the region, consistently ranking among the top countries worldwide for inflation rate stability. With real GDP growth forecasted at 4.4% in 2026 (IMF), the country remains the most reliable and competitive investment destination in North Africa.

Business Environment

Morocco is uniquely positioned as a regional centre for trade, manufacturing, warehousing, redistribution, sales and call centres, and has an array of IT services reaching the European Union (EU), West-, Central- and North Africa, the Middle East and Eastern Europe.

Morocco is party to several trade agreements giving businesses preferential access to major international markets, including the European Union, the United States, Turkey and a number of Arab and African countries. Combined with its geographic proximity to Europe, its developed logistics infrastructure and its multilingual workforce, Morocco is well positioned as a regional platform for companies targeting Europe, Africa and the Middle East.

Morocco is a significant market opportunity for foreign companies and investors for many reasons. Morocco's strategic trading location, large consumer class, potent economic growth, —with an **annual Gross Domestic Product (GDP) reaching approximately \$194 billion in 2026** (IMF)—make the nation highly attractive. The successful implementation of structural reforms supported by the World Bank and the International Monetary Fund (IMF), including the Flexible Credit Line, has solidified this North African nation's position as a premier destination for global investment.

Economic Reforms

Morocco has implemented dozens of economic reforms since 1980 to bolster the country's microeconomic balance and accelerate its integration into the global marketplace.

These measures are boosting per capita income—which reached approximately \$5,110 in 2026—and lowering fiscal and current account deficits, as well as being credited with subduing the country's rate of inflation, which averaged 0.8% in 2025 (Trading Economics).

Reforms have modernised the stock market, eased the availability of credit, repealed the 'Moroccanisation' Law (a measure that imposed rigid hiring practices and other restraints on foreign-held businesses), Current laws, including the New Investment Charter and the 2026 Code of Civil Procedure, have further revised regulations for corporations, relaxed foreign trade and exchange systems, protected intellectual property rights, established commercial law courts, and opened all economic sectors to foreign investment.

Many of these reforms were implemented to enable Morocco to qualify for trade agreements with the EU and the United States. Most notably, the EU-Morocco Association Agreement (and the subsequent 2026 Action Plan) continues to offer the country tariff-free access to European markets. Morocco also maintains a number of trade agreements with other African and Arab countries, providing a ready platform for companies to penetrate markets throughout the region.

Privatization

The engine of Morocco's steady economic growth is privatization, which has been underway for more than three decades. Components of the energy sector were among the first state-run businesses to be sold off to the private sector. The 1989 Privatization Law accelerated the commercial acquisition of more than 100 public enterprises.

At the urging of the World Bank and the International Monetary Fund, Morocco has also opened its increasingly market-oriented economy to investment in telecommunications, water distribution, energy production, textiles, information technology and road construction. By 2026, this strategy has evolved into a "new generation" of reforms under the Mohammed VI Investment Fund, focusing on strategic public-

private partnerships (PPPs) and the partial opening of large state entities to private capital to further drive infrastructure and green energy development.

Economic Growth

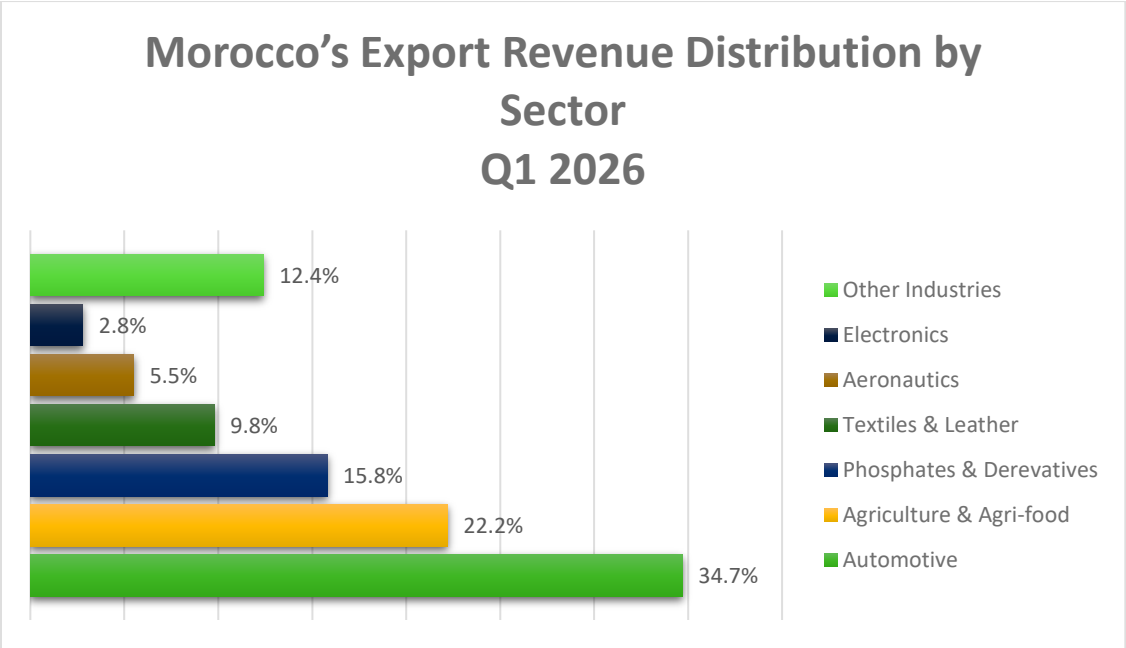
Morocco’s economy has become increasingly diversified over the last two decades, supported by the development of industrial, logistics, financial and service hubs such as Casablanca, Tangier and Kenitra. Growth is now driven by a combination of traditional sectors, including agriculture and tourism, and higher value-added industries such as automotive, aeronautics, electronics, renewable energy and business services.

According to the IMF, Morocco’s GDP is expected to continue growing in 2026, supported by agricultural recovery and major public infrastructure projects. Casablanca Finance City has strengthened Morocco’s role as a regional financial hub, while the industrial acceleration strategy has positioned Tangier and Kenitra as key manufacturing platforms, particularly for the automotive and aeronautics sectors.

MAJOR EXPORTS

Morocco's trade with the rest of the world continues to be dominated by Europe, which remains its largest trading partner, receiving approximately 64.1% of Moroccan exports as of early 2026.

Morocco's export performance has seen a significant upward trajectory. Total exports reached \$49.2 billion at the end of 2023 and have continued to grow, with early 2026 figures showing a 2% increase in industrial exports compared to the previous year. This growth is primarily driven by the automotive sector, which has solidified its place as the top exporting industry, reaching nearly \$15.4 billion in annual revenue (Morocco Foreign Exchange Office).



Source: Office des Changes (Morocco), March 2026 report

Morocco's trade with the rest of the world continues to be dominated by Europe, which remains its main trading partner. According to the Office des Changes, Moroccan exports reached **MAD 120.7 billion at the end of March 2026**, up **3.3%** compared with the same period of the previous year. The automotive sector remained the leading export sector, with exports of approximately **MAD 42 billion** at the end of March 2026, representing a year-on-year increase of **12.1%**.

Automotive:

The Moroccan automotive industry posted a remarkable performance over the last several years, with export revenue reaching a new record of approximately 150 billion dirhams by the end of 2025, continuing its strong momentum into 2026.

Morocco leads the African automotive industry with a current production capacity of 700,000 vehicles a year, with infrastructure upgrades underway to reach 1 million units annually by 2027. The supply chain is now composed of over 250 global players and SMEs serving automotive facilities in 75 global destinations.

The development of new commodities to reach a higher integration rate, offers real opportunities for companies willing to benefit from a skilled workforce, an attractive incentive package, and a stable political climate.

Giants of the automotive industry have placed their trust in Morocco over the past decades: **Renault, Stellantis, Citic Dicastal, Gestamp, Sumitomo, Plastic Omnium, Hands Corporation**, and hundreds of other international equipment manufacturers, constituting a dense, competitive value chain at the forefront of the latest technologies.

Furthermore, the sector has seen the emergence of national champions who have successfully integrated themselves into the supplier pool of international automakers: **Floquet Monopole, Induver, Plastic & Plating, Tuyauto**, etc., as well as in automotive manufacturing through the creation of **the expansion of the first 100% Moroccan vehicle brand, Neo Motors, and the hydrogen-powered vehicle pioneer, NamX.**

The Kingdom is working on the deep integration of its local supply chain and the decarbonization of its production, in order to continue positioning itself as a strategic and competitive hub in the Euro-Mediterranean region. Building on its proven strengths, Morocco is aiming to be one of the most robust battery ecosystems in the world as of 2026.

In fact, several "greenfield" projects have now transitioned to active operations, with world leaders covering the entire battery value chain:

- Mining, extraction and refining of raw materials (including Cobalt and Lithium);
- Raw material processing (notably the Gotion High-Tech and BTR gigafactories);
- Production of battery cell components (Cathodes and Anodes);
- Production of battery modules;
- Production of electric vehicles (EVs).

This decade of growth has established the sector as the primary contributor to Morocco's total exports (contributing **34.7%**). The industry now employs over **230,000 people** and has attracted massive foreign investment, supported by government incentives and a favorable business environment. Additionally, Morocco is rapidly advancing in the electric vehicle market, with clear roadmaps to scale EV production to meet European demand by **2030**.

Agriculture and Agri-food:

According to 2026 data (HCP and IMF), the agricultural sector remains a cornerstone of the Moroccan economy, contributing approximately 12% to 15% to the national GDP depending on rainfall. This sector continues to employ about 28% of Morocco's workforce, a figure that has gradually decreased as the economy diversifies but remains the largest employer in rural areas.

In the rainy regions of the northeast, barley, wheat, and other cereals can be grown without irrigation. On the Atlantic coast, where there are extensive plains, olives, citrus fruits and wine grapes are grown, largely with water supplied by artesian wells and increasingly through **seawater desalination plants**. Morocco has also recently **legalized and successfully completed its first exports of medical and industrial cannabis**, transitioning a significant portion of its production into a regulated and lucrative global market. Livestock are raised and forests yield cork, cabinet wood and building materials. Fishing forms an important livelihood for the maritime population, with Agadir, Essaouira, El Jadida and Larache among the important fishing harbours.

As of 2026, the agriculture and agri-food sector represent approximately 21% of total exports. Morocco is one of the few Arab countries that has the potential to achieve self-sufficiency in food production. The country is actively developing its irrigation potential which will ultimately irrigate more than 10,000 km² of land (2,500,000 acres) through the National Water Plan 2020-2027. The government's strategy, "Generation Green 2020-2030" (which succeeded the Green Morocco Plan), is boosting the sector's productivity, turnover and investment levels.

Nevertheless, the danger of drought is ever present. Especially at risk are the cereal-growing lowlands, which are subject to considerable variation in annual precipitation. On average, drought occurs in Morocco every third year, creating a volatility in agricultural production that is the main constraint on expansion in the sector.

Moroccan agricultural production also includes the growing of oranges, tomatoes, potatoes, olives and the production of olive oil. High-quality agricultural products are usually exported to Europe.

Morocco produces enough food for domestic consumption except for grains, sugar, coffee and tea. According to the 2026 reports, because of recent climate challenges, cereal import requirements for the 2025/26 season are forecast at about 11 million tonnes to meet domestic needs.

Morocco's current agricultural strategy, **Generation Green 2020–2030**, builds on the achievements of the former Green Morocco Plan. It aims to strengthen the resilience and competitiveness of Moroccan agriculture, improve rural incomes, encourage entrepreneurship among young people, and support more sustainable use of natural resources.

The strategy focuses on human capital, agricultural value chains, rural employment, digitalisation, and the development of more resilient production systems in response to climate change and water stress.

Generation Green aims to double the agricultural GDP and significantly increase rural incomes, with a target of creating 350,000 new jobs for young people by 2030.

Green Morocco Plan focuses on two pillars:

- The accelerated development of a modern and competitive agriculture, vital for the national economy, through the realization of a thousand new projects with high added value in both productions and agro-food
- Support to smallholder agriculture through the implementation or professionalization of 545 projects of small farms in difficult rural areas, thereby promoting greater productivity, greater recovery of production and sustainability of farm income. This second pillar also seeks the conversion of cereal crops with higher value added (or less sensitive to precipitation) and processing of local products.

The Agri-Food Industries (AFI) sector is a key factor in the development and regulation of agricultural and seafood production. It plays an important role in the industrial sector, contributing to improving the trade balance and creating jobs. It has recorded an average annual growth rate of 6% over the past 10 years (nearly 5% of the national GDP).

More than 24 multinationals such as Danone, Bel, Nestlé, Mondelez, Indomie, Frulact, Avril, Coca-Cola, ADM, Unilever, etc. have chosen Morocco as a processing and export platform to meet their growth challenges.

The key issues facing this vital sector include rising input prices (fertilizers, raw materials, and energy products), water stress, and the limited availability of agricultural land to produce the raw materials needed for industrial processing.

However, despite this challenging economic climate, Morocco enjoys a strategic geographical position in a growing regional market, making it an ideal hub for national and international manufacturers.

With the goal of food sovereignty and security, the Kingdom is working to strengthen the in-depth integration of the agri-food industry ecosystem, digitalization, technological integration, optimization of logistics channels, and decarbonization. These factors will strengthen Morocco's competitiveness, recognized above all for its skilled human resources and high-quality raw materials.

Regarding the aquaculture sector, Morocco has placed it at the heart of its priorities and its vision for developing the maritime sectors, encouraged by a favorable national and international context, and capitalizing on its geographical and natural assets. Moroccan aquaculture has recorded an average annual growth rate of 15% over the past five years.

The National Aquaculture Development Agency (ANDA) has developed aquaculture development plans in eight regions of the Kingdom. A total suitable maritime area of approximately 24,000 hectares has been identified in these regions, spread across 1,540 potential farms dedicated to fish farming, shellfish farming, and seaweed farming, with a target production potential of over 300,000 tonnes.

As of 2026, Morocco has pivoted toward a Food Sovereignty model to protect domestic supply from global volatility. This is supported by the massive expansion of non-conventional water sources, notably the commissioning of the Casablanca desalination plant and the upgrade of the Agadir facility, which together provide hundreds of millions of cubic meters of water specifically for agricultural irrigation. Furthermore, the successful transition to a legal medical cannabis industry and the integration of Agri-Tech and solar-powered irrigation are positioning the Kingdom as a resilient, low-carbon agricultural hub for the Euro-Mediterranean region.

Textiles and leather

The textile sector is a major driver of the Moroccan economy, contributing 15% of industrial GDP and representing approximately **12%** of total exports in 2026. It remains a massive employment engine, providing jobs for over 200,000 people, which accounts for 35% of all industrial jobs in the country. The workforce is predominantly female (60%). Morocco's textile exports have reached a record high of approximately \$4.6 billion (MAD 46 billion), with the European Union (specifically Spain and France) and the United States remaining the primary strategic markets.

The Moroccan leather industry is an important component of the consumer goods sector in Morocco, playing a significant role in the national economy through its contribution to job creation. Despite the challenging global economic climate, the sector has modernized and currently comprises over 290 companies, employing more than 20,000 people. The industry's turnover has grown steadily, now exceeding MAD 5 billion in 2026.

With a long tradition of artisanal expertise that has earned it international renown, the leather industry boasts successful branches, including footwear, leather goods, and clothing, which have established the reputation of the "**Made in Morocco**" label on the international market.

Exports are driven by the footwear industry, which has always been well positioned on foreign markets, particularly in France, Italy, Spain and the United States, with specific production.

The country's export performance is due to the many assets that Morocco enjoys, namely, geographical proximity, flexibility and sourcing skills. These are bolstered by the 2026 updates to Free Trade Agreements, including the expected to be ratified EU-Morocco Partnership Agreement, which ensures seamless trade flows and grants preferential access for products from all Moroccan provinces to the European market. Morocco also continues to leverage its trade agreements with the US and Turkey to maintain its competitive edge as a global near-shoring hub.

Electronics:

The Electrical & Electronics sector has experienced sustained growth, evolving into a critical cross-industry support pillar for Morocco's industrial acceleration. As of 2026, the sector comprises over 120 companies and employs more than 15,000 highly skilled workers, reflecting the increasing complexity of local production.

The development of investment and sourcing projects in this sector focuses on the following two business segments:

- Consumer electronics, which includes upstream components, brown goods, and white goods;
- Specialized integrated electronics, which includes industrial electronics, embedded electronics, and medical electronics.

Given the cross-industry nature of the electronics sector, contractors are positioned across the entire industrial value chain (automotive, aeronautics, defence, household appliances, etc.).

Aeronautics:

Morocco's aerospace sector has emerged as a significant global contender, bolstered by a highly skilled workforce and its strategic geographic position. This makes the country an attractive hub for international aerospace leaders. With highly trained human resources and strategic location making the country one of the most privileged destinations for global aerospace leaders.

The Moroccan aeronautics industry has maintained strong momentum, with exports reaching approximately \$2.4 billion (MAD 24 billion) in 2025. Early reports for 2026 show the sector continues to lead industrial growth, with a 16.5% increase in export sales in the first quarter alone, primarily driven by the Assembly segment, which surged by 27%.

Major equipment manufacturers and constructors, such as Airbus, Boeing, Safran, Collins Aerospace, Spirit Aerosystems, Hexcel, and Pilatus, have placed their trust in Morocco to meet their growth and competitiveness challenges.

In 2026, air travel demand remains high, with global passenger traffic surpassing pre-pandemic levels. This has led to a sustained surge in demand for new aircraft and after-sales services (MRO - Maintenance, Repair, and Overhaul). Morocco is capitalizing on this trend by expanding its local supply chain, which now comprises over 150 companies and employs more than 20,000 skilled workers.

Morocco developed a solid expertise in the manufacturing of parts and sub-assemblies for aircraft and engine, machined and sheet metal parts, interior equipment and composite parts, electrical harnesses, components and parts.

Mining:

The mining sector is an essential component of the national economy, based on a varied geological infrastructure rich in mineral substances.

The sector makes a significant contribution to the country's GDP and exports, as well as having a positive impact on regional and rural development, and on transport and port traffic.

Morocco also plays an important role on the world stage in the production of minerals such as: silver (17th worldwide and 1st in Africa), cobalt (12th worldwide and 3rd in Africa), nickel (28th worldwide and 6th in Africa) and barite (4th worldwide and 1st in Africa).

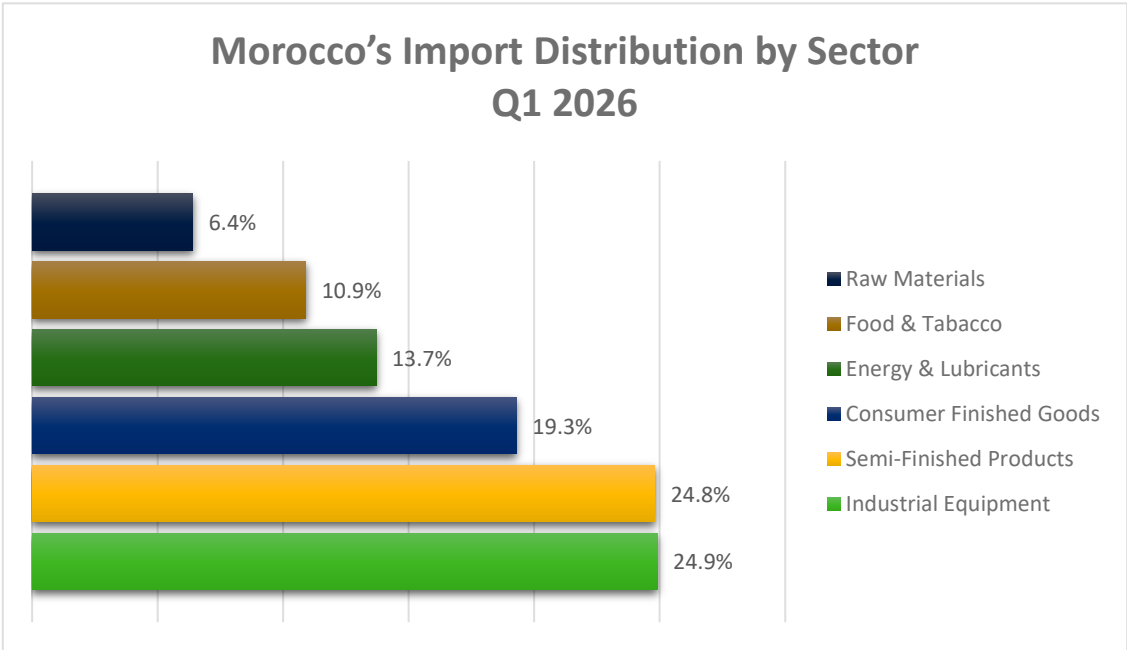
The Kingdom mines numerous minerals, including phosphate, coal, silver, gold, zinc, copper, cobalt, manganese, antimony, iron, barite, fluorite, salt, gypsum, smectite clay, pyrophyllite, ghassoul, feldspar, mica, bentonite, calcite and talc.

The national strategy for the development of the mining sector, “Mines 2025” covers the entire value chain of the mining industry from exploration to the beneficiation and processing of minerals, ensuring its sustainable development. Its main objectives are to triple the sector's sales between 2015 and 2025 to 15 MMDH and increase investment in exploration and mining research tenfold to 4 MMDH.

Today, the Moroccan mining sector is booming, and several government measures aim to make it more attractive to investors, particularly in the following areas: mineral exploration, processing and upgrading of mineral resources and mining waste, studies and engineering, mining construction, mining subcontracting, mining equipment, etc.

MAJOR IMPORTS

As of early 2026, Morocco’s imports are increasingly focused on supporting its domestic manufacturing boom, particularly in the automotive and aerospace sectors. The following table provides a breakdown of the major import categories based on the latest data from the Office des Changes.



Source: Office des Changes (Morocco), March 2026 report

At the end of March 2026, Morocco's imports reached **MAD 208.1 billion**, up **11.1%** compared with the same period in 2025. This increase was mainly driven by capital goods, semi-finished products and energy-related imports, reflecting the country's ongoing industrial investment cycle and infrastructure development.

The largest share of Morocco's imports consists of high-value industrial equipment. This is a direct result of the country's "Industrial Acceleration" strategy. International investors and domestic firms are importing state-of-the-art machinery, specialized plastic-processing tools, and advanced electrical circuit equipment to equip the new factories in the ZAI (Industrial Acceleration Zones).

Energy and Strategic Autonomy:

Energy remains a critical import, though its share has fluctuated due to global price volatility. Morocco still imports a significant portion of its crude oil and gas; however, the energy transition is starting to impact these figures. As of 2026, the import of components for renewable energy—such as wind turbine parts and solar panels—is categorized under equipment, reflecting the shift toward the national goal of 52% renewable energy capacity.

Semi-Finished Products and Supply Chain Inputs:

A vital segment for the "Doing Business" context is the import of semi-finished goods. Morocco imports massive quantities of chemical products, plastics, and electronic transistors. These are not final products but essential inputs for the automotive and aeronautics supply chains. This "import-to-export" model is what allows the Moroccan industry to maintain its high integration rate and stay competitive in the Euro-Mediterranean region.

Food Security and Cereal Imports:

Food imports, particularly wheat and cereals, are highly sensitive to local rainfall. In years of drought, cereal imports can spike significantly to meet domestic demand. In early 2026, the government has focused on stabilizing these imports through long-term supply agreements and the expansion of the "Food Sovereignty" model, which seeks to reduce dependency on volatile global grain markets through improved local storage and Agri-Tech.

EDUCATION – PRIMARY AND SECONDARY

Morocco's primary and secondary education landscape offers a diverse and high-quality range of options for both local and international families. The system is structured into three main cycles: Primary school (6 years), Lower Secondary (3 years), and Upper Secondary (3 years), culminating in the national Baccalaureate. The public system is currently undergoing a significant modernization through the "Pioneer Schools" program, which focuses on improving core learning outcomes and introducing languages like English at an earlier age. This ensures a solid foundation for students following the national curriculum toward the Moroccan Baccalaureate.

For the international community, major cities like Casablanca, Rabat, and Marrakech host an extensive network of international schools. These institutions offer a choice of world-class curricula, including the French (AEFE), American, British, and International Baccalaureate (IB) systems. These schools are highly valued for their trilingual environment and their ability to provide a seamless transition for children of global professionals, ensuring they remain competitive for top-tier universities worldwide.

The secondary level is also increasingly focused on professional readiness, with specialized technical and international branches that bridge the gap between education and the workplace. With a strong emphasis on bilingualism and digital skills, Morocco's primary and secondary sectors provide a flexible and robust educational environment that supports the long-term needs of an international and business-oriented society.

TERTIARY EDUCATION

The Moroccan higher education system is the foundation of the country's academic landscape, hosting over 1.1 million students. These institutions are divided into two main categories: open-access faculties (Science, Law, Economics) which provide strong theoretical foundations for the national administration and business sectors, and limited-access schools (Medicine, Engineering, and Business) that maintain highly competitive standards to produce the nation's elite professional talent.

Morocco boasts a prestigious network of "Grandes Écoles" that serve as the primary engines for professional expertise. Public institutions such as ISCAE and the ENCG network are renowned for producing top-tier managers and auditors, while engineering schools like EMI and EHTP remain the gold standard for technical leadership. This public excellence is complemented by a vibrant private sector, including Al Akhawayn University and UM6P (Mohammed VI Polytechnic University), which focus on global employability, research, and innovation in fields like green energy and sustainable agriculture.

This comprehensive academic and technical ecosystem ensures that Morocco remains a leading destination for investment in the Mediterranean and African regions. The education sector is increasingly oriented toward the needs of the global market, with a significant shift toward English-medium instruction and digital transformation. Whether through high-level management programs or specialized operator training, Morocco's education system provides a seamless bridge to international careers and a robust foundation for any business looking to recruit top-tier talent at every level.

HEALTH CARE SYSTEM

The healthcare system in Morocco consists of a public sector that offers universal care and a private sector. The government covers most of the healthcare costs in public hospitals, which provide 85% of local health services. The other 15% comes from private hospitals, funded mainly by payments from their members.

Most major hospitals and clinics are found in larger cities like Rabat, Casablanca, and Tangier. There is a mandatory health plan for government workers and employees of private companies. State employees need to register with CNOPS, while private company workers must register with CNSS.

COMMUNICATIONS

Morocco has developed a highly advanced and reliable telecommunications infrastructure, positioning itself as a leading digital hub in Africa. As of 2026, the country boasts an internet penetration rate exceeding 92%, with over 35 million people connected online. This rapid digital evolution is supported by a robust network of high-speed fiber optics and a mature mobile market that ensures seamless connectivity for both residents and international visitors across the Kingdom's urban centers and major transport axes.

The sector is led by three major national operators that ensure comprehensive coverage and high-quality service: Maroc Telecom (IAM), the historical leader with the most extensive territorial coverage; Orange Maroc, known for its innovative digital services and strong performance in urban areas; and inwi, a key player focused on the best quality-price ratio and digital transformation. Since the official commercial launch of 5G in November 2025, all three operators have rapidly expanded their high-speed mobile networks, offering ultra-fast connectivity that facilitates real-time collaboration and the latest Industry 4.0 applications for businesses.

Beyond personal connectivity, Morocco is undergoing a massive Digital 2030 transformation aimed at digitizing all essential public and business services. This commitment to modern infrastructure includes significant investments in international subsea cables, ensuring high-capacity and low-latency connections to Europe and the Americas. Whether you are managing global operations or establishing an industrial project, the presence of these three competitive leaders ensures that Morocco's communication standards provide the speed, security, and reliability required for international success.

BANKING AND FINANCIAL SERVICES

Morocco offers a stable and sophisticated financial environment that provides international residents and investors with high-standard banking services. The sector is characterized by its resilience and adherence to international regulatory standards, ensuring the security of assets and transactions. Most major financial institutions provide specialized departments for international clients, offering personalized support in multiple languages to facilitate daily operations, property acquisitions, and professional investments.

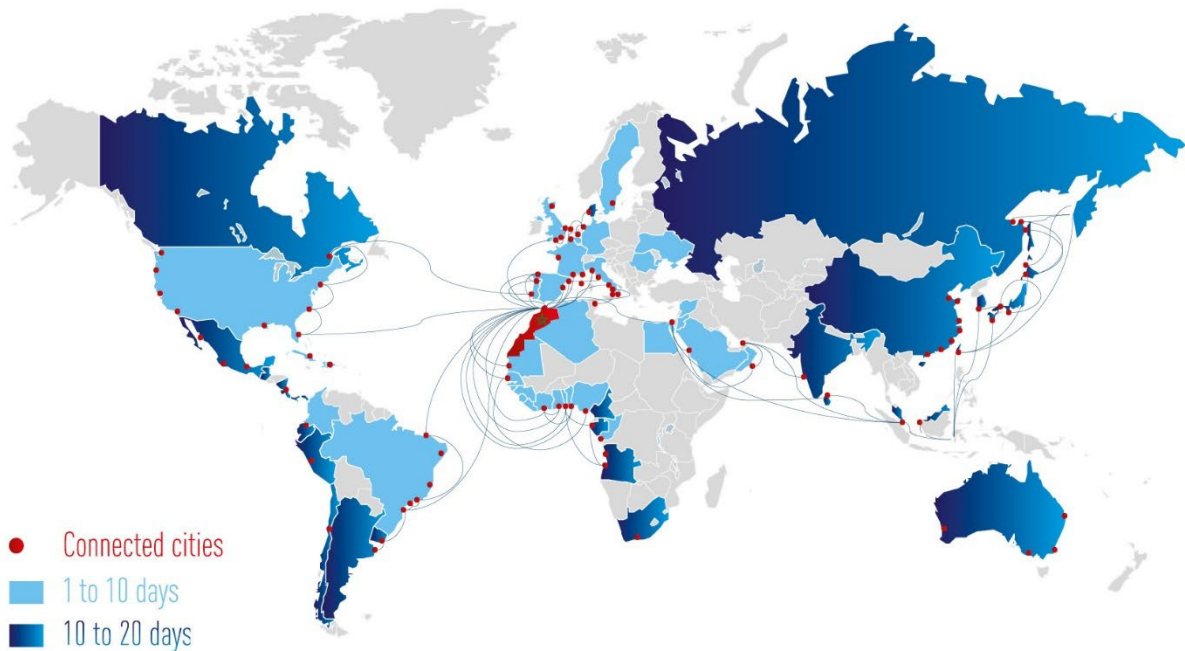
The integration of digital technology has made managing finances in Morocco seamless and modern. Investors and residents benefit from a vast, secure network of ATMs and advanced mobile banking platforms that allow for effortless international transfers and bill payments. Furthermore, Morocco's urban centers provide a highly convenient experience with widespread acceptance of international credit cards in hotels, restaurants, and shopping malls, supporting a smooth and efficient stay for the international community.

For those looking to invest, the Moroccan financial system offers clear and transparent procedures for opening convertible dirham or foreign currency accounts. Under the 2026 Foreign Exchange Regulations (IGOC), foreign investors who finance their projects in foreign currency benefit from a guaranteed right to repatriate their dividends, profits, and capital gains, subject to compliance with foreign exchange regulations and documentary requirements. This compliancy ensures the total fluidity of capital and ease of fund transfers, providing a solid and secure foundation for global professionals and businesses establishing a presence in the country.

TRANSPORTATION LINKS

Morocco is strategically located at the north-western tip of Africa, only 14 kilometres from Europe across the Strait of Gibraltar. This position makes the country a natural logistics and export platform between Europe, Africa, the Middle East and the Americas.

Tangier Med Port is one of Morocco's flagship infrastructure projects. It is the leading transshipment platform in Africa and the Mediterranean, with an annual container capacity of approximately 9 million TEUs and connections to more than 180 ports in over 70 countries. This infrastructure has significantly strengthened Morocco's maritime connectivity and its role in global supply chains.



Source: Morocco Now

Morocco has invested massively in major infrastructure projects, which have made a significant contribution to transforming the regional economic fabric and supporting the deployment of Morocco's major sectoral strategies. The quality of infrastructure is an essential lever for economic development, guiding the choice of both national and international investors.

Over the past two decades, Morocco has invested around 40 billion dirhams per year in infrastructure development. Morocco has:

- 1,800 km of highways, expected to reach 3,000 km by 2030; 18 airports, 16 of which are international and served by several international airlines; 39 ports, including:
 - The Tanger Med port, with an annual capacity of 9 million containers, connected to more than 180 ports in over 70 countries, and thanks to which Morocco has been among the world's top 20 logistics connectivity for several years;
 - The new port of Nador West Med, whose strategic location on the Strait of Gibraltar and ability to accommodate large-scale vessels make it a major asset, is in its final construction phase. As of early 2026, the port is scheduled to enter service in the fourth quarter of 2026. it will include industrial, logistics and service zones, as well as a container terminal, an oil terminal and other ultramodern facilities, making it a major hub of economic activity;
 - The future port of Dakhla Atlantique, where construction is progressing rapidly, reaching over 53% completion in 2026 (projected to hit 70% by year-end). This port is designed as a bridge between the Atlantic and the African continent, fostering a new shipbuilding industry and a specialized industrial-logistics zone.
- 1 High-Speed Line, making Morocco the first country in Africa to launch a 320km/h train linking the cities of Tangier and Casablanca, with a planned extension between Agadir and Oujda, passing through Marrakech and Fez, by 2035.



Source: Morocco now

LAND AND BUILDING

Morocco offers a competitive and transparent real estate environment, supported by a modern legal framework and significant state incentives. The country has prioritized the development of high-quality industrial and commercial zones to facilitate the installation of both national and international investors.

To support its major sectoral strategies, Morocco has deployed a vast network of Industrial Acceleration Zones (ZAI)—formerly known as "Free Zones"—and specialized business parks. These dedicated areas are designed to attract export-oriented companies by offering a world-class business environment, simplified administrative procedures, and significant tax advantages. These zones provide:

- Ready-to-use land equipped with state-of-the-art infrastructure (water, electricity, high-speed fiber optics).
- Plug-and-play buildings and warehouses for immediate operational startup.
- Strategic locations near major transport hubs like the Tanger Med Port and the Atlantic highway axis.

As of 2026, the network of ZAIs covers all major economic regions, ensuring investors are positioned near key logistical hubs:

- **Tanger Automotive City (TAC) & Tanger Free Zone (TFZ)**: Primary hubs for the automotive and aerospace sectors near Tanger Med Port.
- **MidParc (Casablanca)**: Dedicated to aerospace and high-tech, located next to Mohammed V International Airport.
- **Atlantic Free Zone (Kenitra)**: A major center for automotive manufacturing and equipment suppliers.
- **Ouled Saleh (Nouaceur)**: A massive 476-hectare zone focusing on next-generation industries like electric mobility and advanced electronics.
- **Technopolis (Rabat-Salé)**: Focused on technology, BPO (Business Process Outsourcing), and R&D.

The real estate market in Morocco is governed by a reliable land registration system through the ANCFCC (Agence Nationale de la Conservation Foncière), ensuring full protection of property rights. Foreign investors can freely acquire land and buildings for industrial, commercial, or residential purposes. For agricultural projects, while land ownership is generally reserved for nationals, international operators can benefit from long-term leases (up to 99 years) through public-private partnerships.

Under the New Investment Charter, the government provides direct financial support for land acquisition in specific regions and sectors. This includes:

- Customs and tax exemptions for construction materials and equipment.
- State subsidies for the acquisition of industrial land within designated development zones.
- Streamlined administrative procedures through the Regional Investment Centers (CRI), which act as a "one-stop shop" for building permits and land approvals.

HOLIDAYS IN MOROCCO

Morocco has religious holidays and national public holidays.

- **Religious holidays**: Eid Al-Fitr, Eid Al-Adha, 1st Muharram, and Eid Al Mawlid. Dates vary each year according to the Islamic calendar.
- **National holidays**: Amazigh New Year, Labour Day, Throne Day, Oued Ed-Dahab Day, Revolution of the King and the People, Youth Day, Green March Day, and Independence Day.

Weekend: Saturday and Sunday. The standard working week is Monday to Friday.

<https://www.cia.gov/library/publications/resources/the-world-factbook/>

<http://data.worldbank.org/morocco/>

FOREIGN INVESTMENT

In the past decade, the Kingdom of Morocco has been the most rapidly transforming economy in the North African region—and arguably even in the world. Morocco has made an incredible leap in the World Bank's indicators; after moving up nearly 80 spots in the former "Doing Business" index in just 11 years, the country now ranks 2nd in Africa and the Arab world in the World Bank's new "Business Ready" (B-READY) 2025/26 report. This significant improvement has attracted the attention of the private sector, drawing even more foreign cash into the Kingdom.

Morocco's reputation as a stable and reliable regional hub has solidified its position on the global stage. In 2025, the country was ranked among Africa's top five most attractive investment destinations by Rand Merchant Bank (RMB). This year, in 2026, Morocco continues to win foreign investors' attention, with Net Foreign Direct Investment (FDI) inflows seeing a massive 40% increase in the most recent fiscal periods. Supported by the New Investment Charter, which offers incentives and administrative streamlining, Morocco remains a primary destination for FDI on the African continent, particularly in high-growth sectors like automotive, aerospace, and renewable energy.

INVESTMENT BY REGION:

INVESTMENT FROM THE EU

The European Union remains Morocco's primary source of Foreign Direct Investment (FDI), with France cementing its position as the leading investor, contributing nearly one-third of all inflows. France, Spain, and Italy continue to lead, leveraged by their geographic proximity and deep industrial integration. In 2024 and 2025, FDI from the EU saw a resurgence, particularly in the automotive and aerospace sectors. This investment reflects a strategic "near-shoring" trend, where European firms move production to Morocco to ensure supply chain resilience. By early 2026, the partnership has expanded into Green Hydrogen, with European firms lining up to support Morocco's goal of becoming a primary clean energy supplier to the continent.

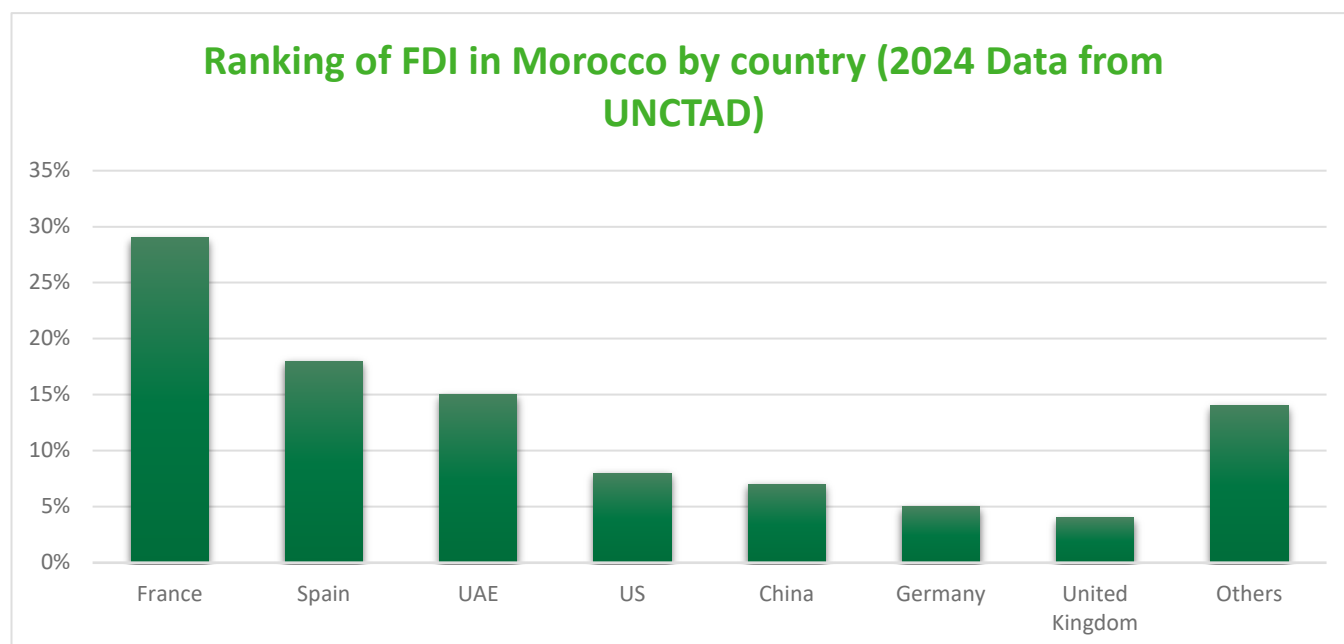
INVESTMENT FROM THE ARAB WORLD

Gulf Cooperation Council (GCC) countries continue to invest heavily in Morocco, but the focus has shifted from traditional real estate and tourism toward high-impact strategic sectors. While construction remains visible across the Kingdom, these investments now prioritize infrastructure and the "green economy," reflecting deep diplomatic ties and Morocco's role as a regional hub. Since the surge in liquidity following historical oil price peaks, the GCC (led by the United Arab Emirates (UAE), Saudi Arabia, and Qatar) has targeted Morocco for its economic reforms and liberalized market.

The UAE has become the primary Arab investor, with a total commitment reaching \$30 billion. Their current projects go far beyond early tourism ventures, focusing on the expansion of the high-speed rail (TGV) network, port development at Tanger Med and Dakhla Atlantic, and massive green hydrogen production in partnership with the OCP Group. Similarly, Saudi Arabia has utilized its joint investment fund to treble trade with Morocco, focusing on agriculture, renewable energy, and digital technology. Qatar remains a key player in the energy and finance sectors,

contributing to a stable and diversified investment landscape that has kept Morocco ranked 2nd in Africa for Foreign Direct Investment (FDI) attractiveness through 2026.

Based on the latest data from UNCTAD for 2024, here is an illustration of Foreign Direct Investment (FDI) in Morocco by country, showing the percentage contributions:



RECENT DEVELOPMENTS

Over the past three years, Morocco has captured a wave of high-profile foreign investments that confirm its emergence as a strategic platform for industrial relocation, green energy and aerospace manufacturing in the Euro-Mediterranean region.

Battery and EV ecosystem — Africa's first gigafactory cluster

In September 2024, Morocco signed a USD 6.5 billion (≈ MAD 65 billion) agreement with Sino-European group Gotion High-Tech (a Volkswagen affiliate) for the construction in Kenitra of Africa's first battery gigafactory. The first phase represents a USD 1.3 billion investment, with production scheduled to start in Q3 2026 and an initial capacity of 20 GWh, scalable to 100 GWh. The project is expected to create 17,000 direct, indirect and induced jobs. The first phase will deliver 20 gigawatt-hours (GWh) annually, enough to power hundreds of thousands of EVs. At full capacity, the factory is designed to reach 100 GWh.

The Gotion project anchors a much broader Chinese-led battery ecosystem along the Tangier–Kenitra–Jorf Lasfar axis:

- **CNGR Advanced Material × Al Mada (COBCO)** — USD 2 billion plant in Jorf Lasfar for NMC, LFP and battery recycling, with first-phase operation reached in June 2025. CNGR Advanced Material has partnered with Morocco's royal holding company Al Mada to establish COBCO, investing \$2 billion to build NMC, LFP, and battery recycling projects in Jorf Lasfar;
- **Sichuan Yahua × LG Energy Solution** — USD 550 million lithium hydroxide refinery (designated "strategic project" by the Moroccan government in July 2025).
- **BTR, Hailiang, Shinzoom, Tinci Materials** — additional precursor and component plants ramping up across 2025–2026.

Automotive — Renault's 2025–2030 commitment

In October 2025, the Moroccan government and Renault Group signed an updated investment agreement covering the period 2025–2030. The deal commits Renault to launch a new line of electric vehicles by 2030. The group will also invest in modernizing its production facilities and upskilling its workforce:

- launching a new range of hybrid and electric vehicles assembled in Morocco by 2030;
- creating an Engineering and R&D Centre by end-2025;
- generating around 7,500 direct and indirect jobs.

Renault Group Morocco produced more than 413,000 vehicles in 2024, with 90% exported to 68 countries.

Green hydrogen — A USD 32.5 billion mega-pipeline

In March 2025, Morocco's National Investment Commission approved six green hydrogen mega-projects representing a combined committed investment of approximately USD 32.5 billion (≈ MAD 319 billion), awarded to five consortia: A Moroccan government committee approved six green hydrogen projects with a reported value of up to MAD 319 billion (\$32.5 billion)

- **ORNX consortium (Ortus – USA, Acciona – Spain, Nordex – Germany):** green ammonia;
- **TAQA (UAE) × Cepsa (Spain):** ammonia and synthetic fuels;
- **Nareva (Morocco):** ammonia, synthetic fuels and green steel;
- **ACWA Power (Saudi Arabia):** green ammonia and steel;
- **United Energy Group × China Three Gorges:** green ammonia.

Each project may receive land allocations of up to 30,000 hectares.

In parallel, the TE H2 consortium (TotalEnergies + EREN Group + Copenhagen Infrastructure Partners + AP Møller Capital) signed a separate agreement for the Chbika green hydrogen and ammonia project in Guelmim-Oued Noun: an integrated 10 GW renewable + electrolyser complex with an estimated investment of USD 10 billion.

Aerospace — Safran, Airbus and Boeing scale up

The aerospace sector has entered a new investment cycle aligned with the global ramp-up of A320 and 737 MAX production:

- **Safran** announced in October 2025 a USD 380 million expansion linked to the CFM LEAP engine programme: a USD 230 million LEAP-1A assembly line (capacity 350 engines/year, operational end-2027) and a USD 150 million MRO facility (up to 150 engines/year, ~600 jobs by 2030). The 25,000-sqm facility will be capable of servicing up to 150 engines annually and is expected to create around 600 jobs by 2030. The complex was inaugurated by H.M. King Mohammed VI in October 2025. In February 2026, Safran announced an additional USD 332 million investment in a landing-gear manufacturing facility at Midparc Casablanca (operational 2029, ~500 jobs).
- **Airbus** finalised in December 2025 the USD 439 million acquisition of the Spirit AeroSystems Casablanca facility (25,000 m², 800 employees, A220 wing components and A321 flap track stringers). The site has been rebranded Airbus Atlantic Maroc Aero. Airbus now directly employs around 1,100 people in Morocco, supporting an estimated 10,000 jobs across its supply chain. The Moroccan site, which employs approximately 800 workers across 25,000 square meters, produces components for the A321 and A220 aircraft models.
- **Royal Air Maroc** has launched a fleet expansion plan from 50 to 200 aircraft by 2037, with Airbus selected as one of two strategic suppliers — a first in RAM's history.

Infrastructure — FIFA 2030 World Cup pipeline

Morocco's co-hosting of the 2030 FIFA World Cup (with Spain and Portugal) is unlocking an estimated USD 20 billion infrastructure programme between 2024 and 2030 (≈ 12% of GDP), including new stadiums, the extension of the high-speed rail network towards Marrakech and Agadir, the tripling of capacity at Mohammed V International Airport (to ~35 million passengers by 2029), and the entry into service of the Nador West Med port scheduled for Q4 2026.

Sources: [press releases](#) | [specialised business media](#)

BUSINESS INCENTIVES

FINANCIAL INCENTIVES

Foreign companies starting a business in Morocco are eligible for financial assistance under the same conditions as Moroccan companies. This assistance is offered as an incentive to encourage regional development and to avoid over industrialisation in certain areas.

It is therefore essential for companies to choose the right location. Under the New Investment Charter (Framework Law No. 03-22, adopted in December 2022), various incentives are offered to companies, including:

- Regional grants and/or subsidies exist:
 - For starting a company
 - For job creation
 - For investments equal to or over MAD 50 million, which are managed through the National Investment Commission.
 - Territorial and Sectoral Bonuses (up to 30% of the total investment) for projects located in specific regions or priority industries.
 - From the Hassan II Fund for Economic and Social Development, specifically for industrial infrastructure and equipment in high-tech sectors.
- Loans, advances and reduced interest rates are offered in various regions.

FINANCIAL MATTERS

EXCHANGE CONTROLS

Foreign exchange transactions between Morocco and other countries are regulated by the Office des Changes. The applicable framework is set out in the General Instruction on Foreign Exchange Operations, which defines the rules applicable to foreign investment, trade transactions, international payments, current operations and capital transactions.

Recent reforms have introduced further simplifications and flexibilities, particularly for foreign investors and international business transactions. However, such operations remain subject to applicable documentation, reporting and compliance requirements.

The Exchange Office (Office des Changes) is a public entity, under the supervision of the Ministry of Finance and Privatisation but endowed with civil status and financial autonomy. It is responsible, in accordance with legislative and lawful provisions in force, for three main areas, as follows:

- To enact measures relating to foreign exchange transactions: It regulates and authorizes transfers toward foreign countries. Under the IGOC 2026, many procedures have been simplified, including increased ceilings for business travel, simplified repatriation of investment income, and new flexibility for tech startups. It also ensures the repatriation of obligatory transferable assets (proceeds from the export of goods and services).
- To record and sanction infringements of the exchange regulation
- To compile foreign trade, balance of payments and international investment statistics.

CURRENCY ACCOUNTS

Non-residents and resident aliens may open convertible accounts in dirham without prior authorisation from the Exchange Office. There are no restrictions on the use of these accounts; however, they may only be credited with foreign currency.

Non-transferable Dirhams owned by non-residents remain subject to specific regulations. Under the IGOC 2026, "capital accounts" or "suspense accounts" continue to manage these funds, but new flexibilities have been introduced for long-term residents (10+ years) to facilitate certain transfers.

REPATRIATION OF CAPITAL AND EARNINGS

Foreign investors who finance their investment in foreign currency may, subject to compliance with foreign exchange regulations and supporting documentation requirements, repatriate dividends, profits, proceeds from the sale or liquidation of the investment, and capital gains.

RESTRICTIONS ON FOREIGN OWNERSHIP

There are no restrictions on foreign ownership, with the sole exception that foreigners cannot own agricultural land. There are no local partner or joint venture requirements.

ORGANISATIONS

MAROC PME

The main mission of the National Agency for the Promotion of Small and Medium Enterprise's (ANPME) is to contribute actively to the promotion, development and modernisation of competitive enterprise, based on the network of public and private institutions to promote existing companies, notably through programs like "Tatwir" and "Nawat," while revitalizing and coordinating national actions to foster entrepreneurial growth and digital transformation.

AGENCE MAROCAINE DE DEVELOPPEMENT DES INVESTISSEMENTS ET DES EXPORTATIONS (AMDIE)

The Moroccan Agency for Investment and Export Development (AMDIE) is the central body responsible for the implementation and disbursement of investment primes under the New Investment Charter (Law 03-22). Under the main support scheme (dispositif principal), AMDIE oversees the granting of primes to eligible investment projects of 50 million dirhams or more with a minimum of 50 permanent jobs created — or projects creating at least 150 permanent jobs regardless of the investment amount. The primes, which can reach up to 30% of the eligible investment amount, are disbursed in instalments upon presentation of invoices corresponding to each phase of the project's completion.

REGIONAL INVESTMENT CENTRE (CRI)

The Regional Investment Centre has broad powers to encourage investment under the new Law 22-24 (2024-2026). Acting as a "One-Stop Shop," the CRI is the central administrative body that facilitates procedures for investors and entrepreneurs. It provides guidance and support throughout the entire lifecycle of an investment project—from the initial creation of the business entity to obtaining the specific incentives provided by the New Investment Charter (Law 03-22).

SETTING UP A BUSINESS

TYPES OF PARTNERSHIP

GENERAL PARTNERSHIP (SOCIÉTÉ EN NOM COLLECTIF– SNC)

A general partnership is a commercial company in which all of the associates are considered as merchants and jointly and severally liable for the partnership's liabilities.

Despite this significant liability drawback, SNCs are often chosen because of their flexibility (there is no minimum share capital, no board of directors, a minimum of two partners and the possibility of dividend rights existing regardless of voting rights and capital contributions).

The SNC is not directly subject to income tax. Profits are taxable as part of each member's income in proportion to their interest in the partnership.

LIMITED PARTNERSHIP (SOCIÉTÉ EN COMMANDITE SIMPLE – SCS)

The SCS structure, rarely used in Morocco, includes:

- One or more general partners (called *commandités*) who manage the company and are responsible for debts incurred by the company, or
- One or more limited partners (called *commanditaires*) whose liability is limited to their capital contribution. Limited liability partners are not allowed to participate in the management of the company. Their legal status is similar to that of a partner in a SARL. There is no legal minimum capital.

LIMITED PARTNERSHIP BY SHARES (SOCIÉTÉ EN COMMANDITE PAR ACTIONS – SCA)

This type of partnership is similar to the previous one except that the shares are negotiable and the status of the limited liability partners (*commanditaires*) is similar to that of shareholders in an SA. Members of limited partnerships by shares cannot be less than three.

COMPANY CAPITAL

The legal framework for corporate capital in Morocco is designed to accommodate both large-scale industrial projects and flexible small-business structures. For the Société Anonyme (SA), the minimum share capital is legally fixed at 300,000 MAD (increasing to 3,000,000 MAD for companies opting for a public listing). This capital must be fully subscribed upon incorporation, though shareholders have the flexibility to pay up only 25% of the cash contributions initially, with the remaining 75% due within a three-year period. Conversely, for the Société à Responsabilité Limitée (SARL), the law provides maximum freedom by requiring no minimum capital; partners may determine the amount in the articles of association based on the company's operational needs. Contributions can be made in cash or "in kind" (assets such as equipment or property). While a SARL's capital can technically be 1 MAD, it is common practice to set a consistent amount to facilitate banking relationships and demonstrate financial credibility to local partners.

TYPES OF COMPANIES

Foreign investors who intend to conduct commercial activities in Morocco can choose from a wide range of legal entities. The choice will vary depending on business priorities.

INDIVIDUALS

There are two possible ways for an individual to go into business:

- As a sole trader (Entreprise personnelle)
- As the sole partner of a single-shareholder limited liability company (Société à Responsabilité Limitée Associe Unique - SARL AU).

Sole Trader

A sole trader is an individual who carries on a business on a regular basis.

The sole trader is wholly responsible for his/her business and his/her personal possessions may be used as a guarantee in case of financial difficulty.

Sole-Partner Private Limited Company

A private limited company with only one partner (Société Responsabilité Limitée Associe Unique -SARL AU) has the same legal requirements as a limited liability company as described in the section on the next page).

The liability of the single partner is limited to the amount of their investment.

LIMITED COMPANIES - PUBLIC LIMITED COMPANY (SOCIETE ANONYME – SA)

The Moroccan legal form closest to a US corporation is the Société Anonyme (SA).

The incorporation of an SA requires a minimum of 5 shareholders and a minimum capital of 300,000 MAD (approximately USD 30,000) or MAD 3 million (approximately USD 300,000) if the shares are to be quoted on the stock exchange.

At least 100% of the share capital must be subscribed upon incorporation; only 25% of this must be paid upon the setting up. The remaining 75% must be paid within the following three years.

The liability of shareholders is limited to the amount of their investment. The shareholders meet at least once a year to approve the financial statements, to decide whether profits will be distributed or retained and also to appoint/dismiss directors or members of the supervisory board (*Conseil de surveillance*) and statutory auditors (*Commissaires aux Comptes*).

A simple majority rule applies in annual shareholders' meetings. If major decisions have to be made, such as a merger or a change in the articles of association, a shareholders' meeting must be held where qualified majority rule applies (two-thirds).

Management

Day-to-day management can be structured in two different ways. An SA may either have members of the board, a chairman (*président du conseil d'administration*) and a chief executive (*directeur général*) or an executive board (*directoire*) working under the control of a supervisory board (*conseil de surveillance*).

Board Members

The board must be composed of a minimum of three and a maximum of 12 members (*administrateurs*). They must have qualifying shares in the company and the first members designated in the articles of

incorporation are appointed for three years. Their tenure can be extended up to a maximum of six years when they are appointed during the course of the business.

The board members appoint the president (or chairman, who must be an individual), who is in charge of the management, the organisation and the presentation of the board activities to the shareholders' meeting.

The president (chairman) can be the chief executive officer (*président directeur général*).

The board can also grant the executive management to a managing director (*directeur général*). The president suggests his/her nomination and the board nominates him/her.

The president and the managing director have broad powers to act on behalf of the company. The chief executive can be elected among the board members, but may not be a shareholder or a board member of the company. The managing director is responsible for the company's management and can be assisted by one or more deputy managers.

Executive Board and Supervisory Board

The executive board (*directoire*) has a maximum of five members (seven in quoted companies) who are not always shareholders but only one member (shareholder) is requested if the company has a share capital of less than EUR 150,000. The supervisory board (*conseil de surveillance*) appoints them for four years. The board is composed of three to 18 members who are shareholders and elected during a general meeting. The supervisory board has permanent control over the executive board and defines major business goals.

PRIVATE LIMITED COMPANY (SOCIÉTÉ À RESPONSABILITÉ LIMITÉE – SARL)

A SARL may have no more than 50 shareholders.

Shareholders in a private limited company are liable for their capital contribution. No legal minimum amount is required. The amount of the capital is fixed by the shareholders.

A SARL is run by one or more managers (*gérants*), who may be appointed by the articles or by a 3/4 majority decision of shareholders. They may be chosen among the shareholders themselves or among third parties. The manager makes all management decisions on behalf of the company and he/she may be held personally liable under civil and criminal law.

The shareholders exercise their rights at shareholders' meetings to approve the conduct of the business and to make management decisions. Shareholders' resolutions require a simple majority vote for approval unless they wish to change the articles of association, in which case a 75% majority is required.

OTHER FORMS OF BUSINESS ORGANISATION

Intercompany Partnership (Groupement d'intérêt économique – GIE)

A GIE is not a company but an association of companies willing to develop some of their activities together (e.g. research, marketing, joint sales and exports) whilst retaining their individuality and independence in other areas. A GIE has a legal personality and may be created with or without capital. Its objectives may be civil or commercial. A GIE is flexible and members are free to define its internal regulations. A GIE is transparent for tax purposes. Its members are liable for its debts.

Joint Venture (Société en participation – SEP)

A joint venture is not ordinarily disclosed to third parties. The partners make all the management decisions. Partners are individually liable to third parties and share the operating results. A SEP is required to register each active partner with the Trade Register. It can be a civil or a commercial entity.

Branch of a foreign enterprise (Succursale)

Branches (*succursales*) are preferred by some foreign investors because of their less onerous legal requirements (one manager, no minimum capital and no articles of incorporation). Some investors also feel that the procedures involved in setting up a branch are simpler. In practice, however, it is neither simpler nor quicker to form a branch than to set up a limited liability company.

Although the affiliate or subsidiary (*filiale*) of a foreign corporation is considered a separate legal entity under Moroccan corporate legislation, the Moroccan branch (*succursale*) of a foreign corporation is not recognised as such. The powers of its legally appointed representative in Morocco must be clearly defined in writing and a notary public or the Moroccan Embassy/Consulate in the country of origin must authenticate the signatures of head office officials empowered to delegate such powers to the local representative. When registering the branch at the Trade Register, the articles of the foreign corporation proposing to establish a branch in Morocco must be filed.

Because it has no separate identity, a branch is subject to all laws applicable to the foreign company to which it is related.

Before opening a branch in Morocco, a foreign commercial company must file with the Commercial Court two certified copies of its articles, translated into French, and the files must be kept up-to-date.

Each year, the foreign company has to publish its own accounts translated into French and these must be certified as a true copy by the representative at the Commercial Court.

For various reasons, including tax considerations, it is sometimes advisable to form a separate corporation abroad to act as head office of the Moroccan branch. In general, a branch type of operation may be appropriate in the following cases:

- 1) Where a specific contract project is involved and no future commercial or industrial activity in Morocco is planned
- 2) Where the duration of the contract or project is for a limited period, for instance up to two or three years (not applicable to waste water treatment services).

Liaison office (Bureau de liaison)

A liaison office is not a separate and distinct legal entity with respect to the foreign corporation of which it is a part. Its sole purpose is to collect information on the market and promote a corporation's business. It is not allowed to deal with commercial activities. Liaison offices must be registered with the Trade Register and their managing directors must have business permits.

Civil Company (*Société Civile*)

This kind of company is empowered to take on civil (that is, non-commercial) operations. The members are liable indefinitely for the company's debts.



LABOUR

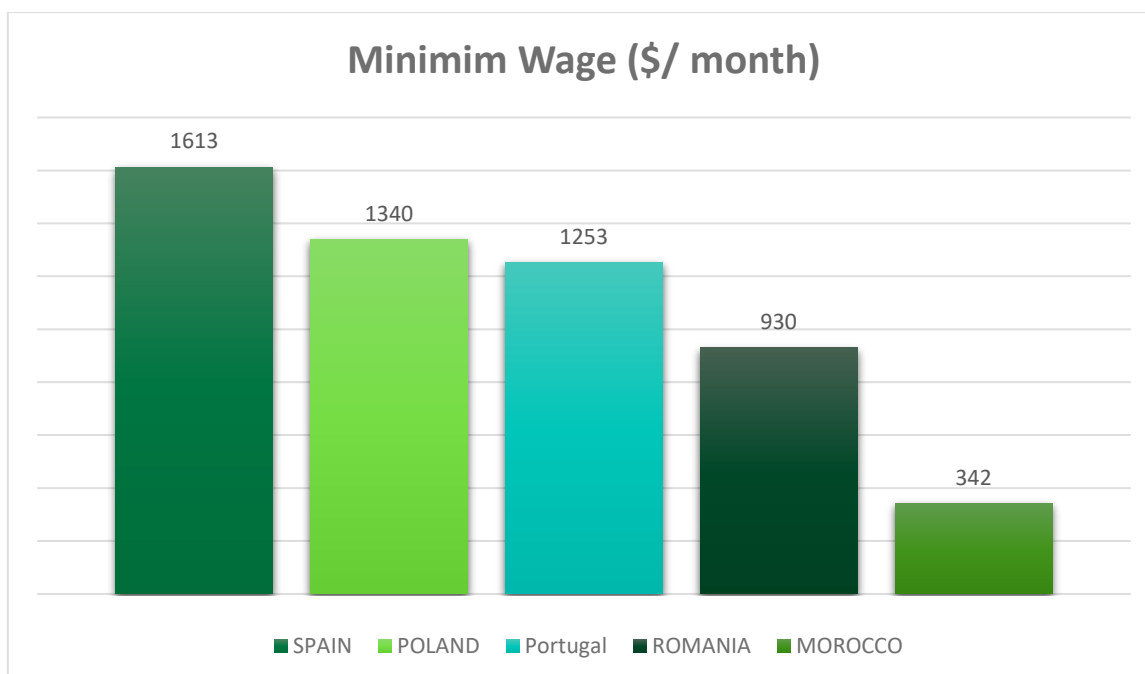
Roughly 30% of Morocco's population is employed in agriculture (impacted by recent climate challenges), another 22% make their living in mining, manufacturing, and construction, and the remaining active population (nearly 48%) is occupied in the trade, finance, and service sectors, which continues to be the primary engine of growth. Not included in these estimates of workers are those who belong to the large informal economy of street vendors, domestic workers and other underemployed individuals.

High unemployment remains a challenge; the official figure for 2025 is roughly 13% of the workforce. However, unofficial estimates remain higher, and—in a pattern typical of the region—unemployment among university graduates is significantly higher, at approximately 19.1%. Several trade unions exist in the country; the largest of these, with a strong and active membership, is l'Union Marocaine du Travail (UMT), which remains affiliated with the International Confederation of Free Trade Unions.

Morocco's workforce is highly skilled, dynamic, and increasingly tech-oriented:

A workforce that is both youthful and competitive:

- Over 40% of the population is between 20 and 45 years old (the median age is 31 years in 2026).
- Ad hoc training centers jointly developed by investors (notably in the automotive and aeronautics sectors).
- Approximately **152,000 to 160,000 graduates per year** (across all higher education levels).
- A rising number of partnerships with leading international universities and the expansion of the "Leading Schools" (Écoles de l'Excellence) initiative.



Morocco has created a particularly favorable environment due to the implementation of a modern legal and regulatory framework, reinforced by the IGOC 2026 (Instruction Générale des Opérations de Change):

- More than 80 non-double taxation and investment protection agreements: (Up from 50 in previous years) Morocco now has an extensive network of treaties with major global economies (EU, US, China, UAE, etc.) to prevent double taxation and protect foreign assets.
- No restrictions on capital
- Free repatriation of profits and capital for non residents

WORK CONTRACT

Morocco has a modern labour law inspired by the conventions and recommendations of the International Labour Organisation.

Work contracts are concluded between an employer and employee. There is a contract of limited duration and that of unlimited duration, which can be terminated at the will of any of the parties to the contract.

In cases of dismissal, the permanent worker shall have the right to an allowance for dismissal, which is calculated according to a progressive rate. The amount of this indemnity shall be:

- 48 hours of the salary for the first five years
- 72 hours of the salary for a period extending from the sixth to the tenth year
- 96 hours of the salary for a period extending from the 11th to the 15th year
- 120 hours of salary for 15 years upwards.

TYPICAL STATUTE

This statute regulates, inter alia, the following matters:

- The classification of staff
- Probation period
- Hiring policy
- Dismissal procedures
- Contract cancellation by dismissal or resignation, holidays, discipline, sick leave, absence, etc.

SALARY

The salary shall be freely negotiated between the employer and employee, but, according to the sector of activity, it shall not be below:

- The guaranteed inter-professional minimum wage (SMIG) of MAD 17.92 per hour or MAD 3.422,72 per month effective since January 1, 2026.
- The guaranteed agricultural minimum wage (SMAG) of MAD 97.44 per day since April 1, 2026.

All workers shall be entitled, above their wage, to a pay of:

- 5% of the salary after two years of service (continuous or not) within the same institution or with the same employer
- 10% after five years of service
- 15% after 12 years of service
- 20% after 20 years of service.

WORKING HOURS

- In industrial and commercial institutions, working hours for workers and employees of both sexes and all ages shall not exceed 8 hours a day or 44 hours a week
- For additional hours, the salary should be raised for a working day, by 25% from 5am to 10pm, and 50% from 10pm to 5am. For work done on one of the weekly holidays, the increase rises to 50% and 100%.

HOLIDAYS

- All workers shall have the right to a holiday after six days of continuous and effective work
- The right to paid holiday shall be calculated based on a working day and a half for each month of service
- Length of service in an institution or with the same employer entitles the worker to one and a half or two days of additional holiday for a period of five years of service
- Weekly holidays shall be of a minimum duration of 24 consecutive hours for all the staff of a given institution.

SOCIAL SECURITY SCHEME

- An employer must register with the National Fund for Social Security (Caisse Nationale de Sécurité Sociale– CNSS), with his/her salaried employees and apprentices
- For long-term benefits, the contribution rate is 12.89%, of which the employer has responsibility for 8.6% and 4.29% is paid by the worker (as shown in Table 1 on the next page).
- For short-term and long-term benefits, the contribution is calculated based on a salary not exceeding MAD 6000 per month
- AMO (Mandatory Health Insurance): The contribution is 6.37% of the total gross salary (no limit), with the employer paying 4.11% and the worker paying 2.26%.
- Regarding professional training, the contribution is 1.6% of the basic salary paid by the employer. There are no salary limits
- Loss of job contribution rate is 0.57% of which the employer paid 0.38% and 0.19% is paid by worker.
- Moroccan legislation gives workers the right to organise themselves in trade unions to defend their professional interests
- Individual disputes relating to the implementation of the work contract are regulated by local courts.

Table 1 - Main CNSS and AMO contribution rates applicable to employees

Rate of dues to the National Social Security Fund (CNSS) and Obligatory Medical Insurance (AMO) as of 1 January 2026 (Source: CNSS Morocco / Official Gazette No. 7478)

	EMPLOYER	EMPLOYEE
CONTRIBUTION FOR FAMILY BENEFITS – NO CEILING	6.4%	None
CONTRIBUTION TO SOCIAL INSURANCE – A CEILING OF 6,000 MAD	8.6%	4.29%
CONTRIBUTION FOR TAX TRAINING – NO CEILING	1.6%	None
LOSS OF JOB CONTRIBUTION	0.38%	0.19%
TOTAL CNSS	16.98%	4.48%
CONTRIBUTION FOR AMO BENEFITS – NO CEILING	1.85%	None
CONTRIBUTION FOR AMO SUBSCRIPTIONS – NO CEILING	2.26%	2.26%
TOTAL AMO	4.11%	2.26%

Contribution rates and ceilings may be subject to change. Employers should verify the applicable rates with the CNSS or their payroll adviser at the time of processing payroll.

OCCUPATIONAL ACCIDENTS AND ILLNESS

- Occupational accidents are accidents that take place as a result of work or during work and those that happen on the way to or back from work
- The employer has to:
 - Report any accident within 48 hours

- Provide the victim with a daily indemnity during his/her temporary incapacity to fulfil his/her job. This amounts to half of the salary during the 28 days that follow the accident and to two-thirds starting from the 29th day
- For cases of occupational illness, the victim benefits from the same advantages stipulated by the law on occupational accidents.

WORK MEDICAL SERVICES

- Industrial and commercial institutions hiring more than 50 workers must organise medical services at work
- This work medical service is also imposed on institutions hiring less than 50 workers when their activity is likely to cause an occupational illness. Medical service expenses are the responsibility of the employer.

WORK INSPECTION

- Work Law enforcement is implemented by work inspectors, who visit institutions to make sure that laws are followed and to check the working conditions. They can also advise employees who inquire about legal dispositions relating to their case
- In case of a conflict, work inspectors try to find a solution to the dispute between employees and employers.

TAXATION

INCOME TAX LAW

The central government levies taxes at national and local levels.

The main national taxes are corporate income tax (*impôt sur les sociétés*), personal income tax (*impôt sur le revenu*), a number of withholding and flat rate taxes on special categories of income and value added tax (*taxe sur la valeur ajoutée*).

Other national taxes include inheritance and gift taxes, registration and transfer taxes and minor duties and fees.

The principal local taxes are the business licence tax (*taxe professionnelle*), dwelling tax (*taxe d'habitation*) and local authority service tax (*taxe services communaux*).

LEGISLATION

Taxation laws are enacted by parliament and then consolidated into the General Tax Code (Code Général des Impôts–CGI).

Appendices to the CGI include decrees and regulations that have the force of law. Notes, instructions and circulars interpreting the tax laws are published by the tax authorities in bulletins, most of which are available to the public. These bulletins provide guidance for understanding the interpretations and practices of the tax authorities.

Administration

The Directorate General of Taxes (DGI) division of the Ministry of Economy and Finance handles the issuance, collection and control of taxes. It also monitors complaints and disputes from taxpayers.

Local tax is governed by the Regional Directorate of Taxes (DRI) in each of the major economic regions of the Kingdom.

TAXES

Business

The taxation of business profits follows the territoriality concept:

- Corporations, whether or not their head office is in Morocco, are taxed on their products, profits and revenues:
 - This includes all assets they own or activities they perform (whether lucrative or occasional operations) in Morocco
 - It also includes the right to tax given to Morocco under agreements for the avoidance of double taxation with respect to income taxes. Actually, Morocco signed agreement with 35 countries : a highlight of each agreement is available on line on tax Government website : <https://www.tax.gov.ma/wps/portal/DGI/Documentation-fiscale/Conventions-internationales>

Individuals

Individuals are subject to tax as follows:

- Individuals who have their home in Morocco are taxed on their overall revenues and profits, whether Moroccan or from other sources
- Individuals who do not have a home in Morocco are taxed on their overall revenue and profit from Moroccan sources only
- Any person, whether or not their residence is in Morocco, who makes profits or receives income and whose tax jurisdiction is assigned to Morocco under agreements, is taxed.

TAXABLE INCOME

A company's profits, as determined in accordance with generally accepted accounting principles, are subject to a few adjustments for tax purposes in Morocco.

Items such as non-allowable expenses on excess depreciation are added back, while others are deducted. It is worth noting that some specific tax deductions are only granted if they are recorded in the books-for such items, no adjustments need to be made to book income.

This is the case for the excess of declining balance over straight line depreciation, as well as for reserves for any cost increase of inventories, a provision designed to replace the last-in first-out (LIFO) method (presently prohibited for both tax and book purposes).

Tax credits, either Moroccan or foreign, may be offset against corporate tax but cannot be refunded. Distributions of capital gains are taxed at a 15% flat rate.

Deductions

To be deductible, business expenses must meet the following criteria:

- They must be a certain amount and must be incurred by the end of the relevant year
- They must be entered in the accounting books for the relevant year, and
- They must be related to business operations.

Non-deductible expenses

The following expenses are not deductible:

- Dividends
- Personal expenses
- Corporate tax
- Income tax
- Liquidation surplus tax
- Company car tax
- Fines and penalties
- Interest paid to shareholders over certain limits
- Gifts over certain limits
- Certain profit transfers (for example, excessive royalty or interest payments made between related parties)
- Excessive depreciation.

In addition, some reserves are allowed for tax purposes only when the charge is actually incurred and paid.

Losses

Losses may be carried forward and deducted from taxable profits for a period of four years. No loss carry back is allowable. However, it is allowed to carry forward the loss relating to the depreciation charge for the year for an unlimited period.

Moroccan tax legislation does not permit the grouping of profitable and unprofitable subsidiaries and losses carried forward, nor can they be transferred to another country.

Corporate Tax

TABLE 2 - Corporate Income Tax (IS)

Taxes on corporations

APPLICABLE	RATE						
Resident companies	According to the Finance Law of 2026, the corporate income tax rate follows a proportional rate. The current rates are as follows: <table><tr><th>SCALE</th><th>RATE</th></tr><tr><td>Net Profit < 100 million MAD</td><td>20%</td></tr><tr><td>Net Profit ≥ 100 million MAD</td><td>35%</td></tr></table>	SCALE	RATE	Net Profit < 100 million MAD	20%	Net Profit ≥ 100 million MAD	35%
SCALE	RATE						
Net Profit < 100 million MAD	20%						
Net Profit ≥ 100 million MAD	35%						
For credit institutions and similar organisations, Bank Al Maghrib, CDG, and insurance and reinsurance companies, the CIT rate will progressively evolve, from 2023 to 2026, to reach 40% in 2026.							
Whatever the taxable income, a company is subjected to a legal minimum tax (even with a loss) of 0.25% for specific activities ¹ of annual turnover (minimum MAD 3000 a year)							
Long-term capital gains	Capital gains are taxed at the rate of 20%						
Groups of companies and dividends paid by subsidiaries to parent companies	A withholding tax, at a rate amounting to a maximum of 11,25%, is applied to dividends						
Branches	Branches are taxed in the same way as other companies.						

Income Tax

The fiscal year begins on 1 January and ends on 31 December of the same year.

Income tax (IR) is applied in a progressive rate that varies from 0–37%. Taxable global income is established by one or several net incomes which correspond to the various income brackets subjected to general income tax. The annual statement of global income must be handed to the fiscal administration before 1 January each year since 2026 according to the financial law 2025.

TABLE 3 - Income tax rates

INCOME	RATE
Up to MAD 40,000	0%

¹ Related to commercial companies transactions: petroleum products, gas, butter, oil, sugar, flour, water, electricity.

MAD 40,001 – 60,000	10%
MAD 60,001 – 80,000	20%
MAD 80,001 – 100,000	30%
MAD 100,001 – 180,000	34%
MAD 180,001 and over	37%

Tax deductions or other allowances

There are several types of deductions to which taxpayers are eligible in Morocco. For further details, related to the nature of deductions, contact the fiscal administration of every region.

Other Taxes

TABLE 4 - VAT rates

VAT	RATE
Standard rate	20%
Mainly related to : transports and electrical energy transactions	10%
Mainly related to bank and credit transactions	10%
Mainly related to basic commodities and essential goods	10%

There is no one-month gap, the Vat is due since the payment month.

TABLE 5 - Other main taxes

TAX	RATE
Registration duty rate	1% for constitution or increase of capital (Fixed MAD 1,000 if capital < 500k). 4% for property/business assets.
Tax on insurance contracts	3.5%, 7%, 14% (according to type of contract)
Capital gains tax	20%
Real Estate profit tax	20% (minimum of 3% under specific conditions)
Professional tax	10–30% (according to classification)
Housing tax	10–30% (according to rental value)
Community tax	10.5% (urban), 6.6% (rural)

➤ Main common disposition of the financial law of 2026:

- Obligation to provide an electronically accounts of all records
- Obligation to use a certified e-invoicing system (mandatory for all businesses in 2026).
- Obligation to have a professional e-mail address registered with the tax authorities.
- Obligation to be equipped with a software invoicing system
- Obligation to have an e-mail address with an electronic certification service provider
- The clear requirement of mentioning the ICE (Unique Enterprise Identifier) and the Tax ID on all invoices.

TRANSFER PRICING

Morocco's transfer pricing framework is governed by Articles 213 and 214 of the General Tax Code (CGI). Following the implementation of Decree No. 2.22.1020, approved in November 2025, Moroccan tax authorities have significantly intensified enforcement, documentation scrutiny, and audit activity.

A Moroccan resident taxpayer that has direct or indirect dependency relationships with entities situated outside Morocco may conclude an Advance Pricing Agreement (APA) with the Moroccan tax authority (DGI). Both unilateral and bilateral APAs are available.

Morocco is a signatory to more than 80 tax treaties, including with Belgium, China, Germany, Italy, Luxembourg, the Netherlands, Spain, the UK, the UAE and the US. All of these countries contain the Mutual Agreement Procedure article of the OECD Model Convention on Income and on Capital. Documentation obligations apply to companies with a turnover or total gross assets equal to or greater than MAD 50 million involved in foreign related-party transactions. Morocco maintains three types of transfer pricing documentation: Master File, Local File, and Country-by-Country Report (CbCR).

The procedure consists of four phases:

- Pre-filing
- Formal submission
- Review and negotiation
- Implementation and compliance

Pre-filing

Before submitting a formal APA request, taxpayers may take part in a preliminary meeting with the Moroccan tax authority (**Direction Générale des Impôts - DGI**). The purpose of this meeting is to discuss the information required in the APA application, analyse the taxpayer's transfer pricing policy, plan a meeting schedule during the review and negotiation of the agreement. In practice, this phase now also allows the taxpayer to ensure that their proposed methodology aligns with the latest OECD BEPS guidelines adopted by Morocco. as enforcement has been significantly intensified following the implementation of Decree No. 2.22.1020 in November 2025.

Formal submission

Taxpayers seeking to apply for an Advance Pricing Agreement must submit a formal request to the Moroccan tax authority (DGI) at least 6 months before the beginning of the first year the Advance Pricing Agreement is envisaged to cover. In 2026, this submission is increasingly integrated into the "SIMPL" electronic tax platform.

The Decree specifies that Advance Pricing Agreement application should include:

- Identities of the associated entities
- operations covered by the proposed Advance Pricing Agreement
- proposed duration of the Advance Pricing Agreement
- proposed transfer pricing method to be used and critical assumptions relied upon in selecting such method
- organisational structure of relevant entities
- business plan of the taxpayer
- tax and financial documents of the relevant entities for the past 4 years, as certified by the relevant foreign competent authorities
- accounting standards used by the relevant entities
- business industry of the relevant entities
- general description of the functions exercised, assets used, and risks assumed by the relevant entities
- detailed description of intangibles held by the relevant entities
- description of the controlled transaction
- agreement between the relevant entities

- cost-sharing arrangements between the relevant entities
- identification, analysis, and selection of comparable, including supporting documents and potential adjustments for comparability purposes.

Review and negotiation

During this phase, the Moroccan tax authority will analyse and evaluate the Advance Pricing Agreement application and supporting documentation and, a bilateral or multilateral APA, negotiate with the relevant tax treaty partner (s), before putting an agreement to the tax payer for signing.

The goal of these negotiations is to reach a consensus on the transfer pricing methodology to avoid double taxation. Once a common ground is found, the final agreement is presented to the taxpayer for signing. As of 2026, the DGI has specialized teams for international taxation that prioritize digital transparency and alignment with the latest OECD guidelines during these evaluations.

Implementation and compliance

The concluded Advance Pricing Agreement must include the following details:

- period covered by the agreement
- date of entry into force
- description of the operations covered by the APA
- description of the selected transfer pricing method and critical assumptions relied upon in selecting such method
- monitoring procedures
- circumstances that may result in the review of, or cancellation of the Advance Pricing Agreement

The Advance Pricing Agreement will cover a period of up to 4 years. Taxpayers must submit a report each year to the Moroccan tax authority that covers the following:

- evidence of the application of the transfer pricing method as specified under the Advance Pricing Agreement
- Summary of any modifications of the original terms required due to changing circumstances
- Organisational structure of relevant entities
- A copy of the taxpayer's annual report (and reconciliation with the financial statements)

Following the implementation of Decree No. 2.22.1020 in November 2025, the Moroccan tax authority has reinforced the necessary circulars and guidelines. These procedures are now fully integrated into the General Tax Code (CGI) and the DGI's digital platform, ensuring a standardized monitoring process for all signed APAs.

CUSTOMS LAW

Moroccan Customs Law is regulated by the Customs and Indirect Taxes Code and administered by the **Administration of Customs and Indirect Taxes** (Administration des Douanes et Impôts Indirects **ADII**). Its primary mission is to promote the competitiveness of the Moroccan industry and encourage exports through the digitalization of procedures (via the **BADR** and **PortNet** systems). Beyond the special status of Tangier, the law provides for **Suspensive Economic Regimes** that allow for the suspension of import duties and taxes on goods intended for processing and re-export.

Industrial Acceleration Zones

Morocco has developed several Industrial Acceleration Zones, formerly known as Free Zones, to attract export-oriented and industrial activities. These zones generally offer developed infrastructure, proximity to logistics hubs, simplified administrative procedures and, where applicable, specific customs and tax treatment.

The applicable tax and customs benefits depend on the activity, the date of establishment, the location, and the current provisions of the General Tax Code and foreign exchange regulations. Investors should therefore obtain tailored tax and legal advice before setting up in an Industrial Acceleration Zone.



ACCOUNTING AND REPORTING

The Moroccan accounting principles are set up in the Law for individual companies' financial statements, in the opinions and interpretations of the National Accounting Board (CNC) and in recommendations made by various professional organisations.

Fundamental accounting concepts, such as prudence, ongoing concern, accruals and consistency have a legal basis in Morocco.

FINANCIAL STATEMENTS

The form and content of financial statements are defined by the Moroccan General Accounting Standards Code (**Code Général de Normalisation Comptable – CGNC**).

All The basic financial statements included in annual reports to shareholders comprise:

- A balance sheet, where headings are classified by function (e.g. finance and customers etc. rather than by liquidity)
- An income statement, where revenues and expenses are classified by origin, and are systematically analysed under three overall categories:
 - Operating revenues and expenses
 - Financial revenues and expenses
 - Exceptional revenues and expenses
- Explanatory notes.

From 1 January 2005, listed companies have an obligation to present their consolidated financial statements according to International Financial Reporting Standards (IFRS).

The statutory auditor's opinion and directors' report must be included in the annual report. The financial statements, the statutory audit and directors' reports must be filed with the Commercial Register and are available for inspection by the public.

AUDITING

Moroccan companies (sociétés anonymes – SA) are required to submit their financial statements for auditing.

Other companies are subject to this requirement only if they exceed MAD 50 million in sales.

Audits are conducted by professionals – statutory auditors (commissaires aux comptes) –registered with the Institute. Shareholders appoint statutory auditors for a period of three years.

The statutory auditor issues two formal annual reports to shareholders:

- General report – the general report must include an opinion with appropriate justification on the financial statements and on legal compliance
- Special report – the special report contains disclosures of those transactions between a company and its directors that either lie outside the normal course of business of the company or are not at arm's length.

DIGITAL REPORTING (SIMPL)

Most tax returns and payments are filed electronically through the platforms of the Moroccan tax authorities. Corporate income tax, VAT, withholding tax and payroll-related tax filings are generally processed through the DGI's online systems.

Since the recent reforms leading up to 2026, the Direction Générale des Impôts (DGI) requires all reporting to be done electronically via the SIMPL platform:

- Annual Financial Statements: Must be filed within 3 months of the closing date (usually by March 31st).
- Consolidated Accounts: Mandatory for groups listed on the Casablanca Stock Exchange or those exceeding specific size criteria, following IFRS standards.

Legal filing obligations with the Commercial Register and other authorities remain subject to the applicable company law and sector-specific requirements.

ARCHIVING AND COMPLIANCE

Accounting documents (ledgers, invoices, and digital records) must be kept for a minimum of 10 years. Failure to comply can lead to heavy penalties during a tax audit (Contrôle Fiscal).

UHY IN MOROCCO



UHY Ben Mokhtar & Co

Morocco

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SOCIAL MEDIA CONNECTIONS

- LinkedIn: <https://www.linkedin.com/company/uhy-ben-mokhtar-co/>

Year established:	1991
PCAOB registered?	No
Number of partners:	2
Total staff:	26

OTHER IN-COUNTRY OFFICE LOCATIONS AND CONTACTS

Contact: Najlaà BEN MOKHTAR, Audit partner
Locations: Tangier Free Zone, Casablanca

BRIEF DESCRIPTION OF FIRM

A leading audit, accountancy and consulting firm in the North of Morocco: our firm provides services in audit, fiscal and legal advisory to companies from Morocco, Europe, United States and the Middle East
Our turnover of services is approximately 30% audit; 30% accountancy and bookkeeping; 30% tax; and 10% from other services.

SPECIALIST SERVICE AREAS

Business consulting and follow-up with international investors
Litigation tax: queries, followed settlement with the tax authorities
Audit

PRINCIPAL OPERATING SECTORS

Industry (textiles, automobiles, etc)
Real estate/Property
Hôtels & restaurants
Maritime/Fishing
Transport
Health care
Business Construction materials
Other services

LANGUAGES

English, French, Arabic, Spanish

UHY Ben Mokhtar & Co

Morocco

CURRENT PRINCIPAL CLIENTS

Gil Comes (Larache)
Daher Aerospace (Tangier Free Zone)
Ferroplast Maroc (Casablanca)
Erum (Tangier)

OTHER COUNTRIES IN UHY CURRENTLY WORKING WITH, OR HAVE WORKED WITH IN THE PAST

Spain, France, UK, US

BRIEF HISTORY OF FIRM

The firm was founded in 1991 by its manager partner, Mohamed BEN MOKHTAR, whose previous experience includes periods as an audit manger with Price Waterhouse at its Casablanca office and with Société Européenne d'Audit at its Paris office.

Mohamed BEN MOKHTAR is the only partner in the firm, which has 21 staff including himself at its two offices in Tangier. The firm is based in Tangier with a branch office in the Tangier Free Zone providing business development services to clients from, in particular, France, Spain, Portugal, Germany, UK, USA, Tunisia, and Saudi Arabia.

Let us help you achieve further business success

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