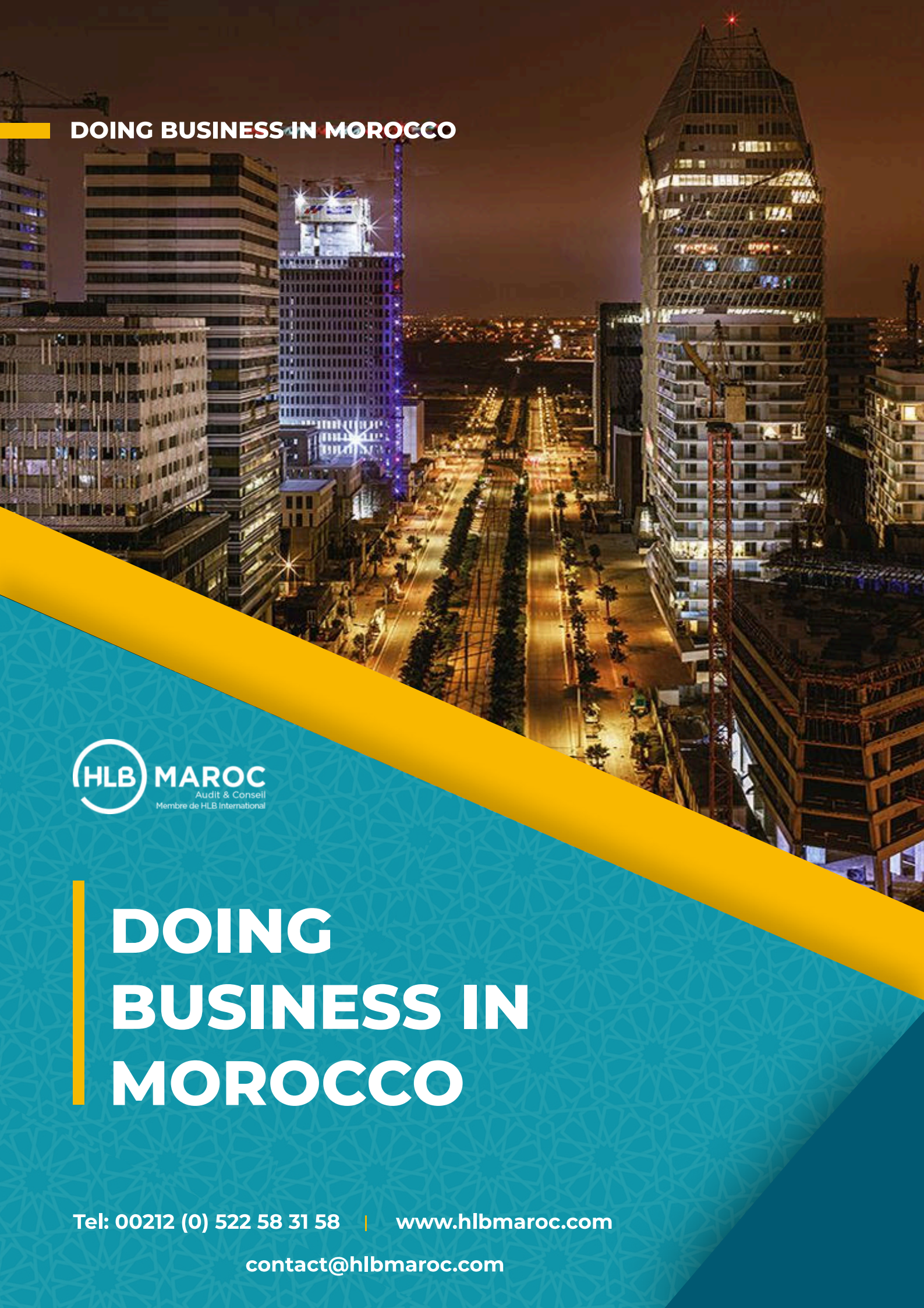




**DOING BUSINESS IN MOROCCO**



# DOING BUSINESS IN MOROCCO

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# Foreword

This booklet has been prepared for the use of clients, partners and staff of HLB International member firms. It is designed to give some general information to those contemplating doing business in Morocco and is not indented to be a comprehensive document.

You should consult us, therefore, before taking further action. HLB Morocco and HLB International cannot be held liable for any action undertaken on the basis of information in this booklet.

HLB Morocco is a member of HLB International.

The material contained in this booklet was updated in May 2025

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## About HLB International

HLB is a global network of independent advisory and accounting firms. We have a history of innovation, collaboration and are dedicated to helping clients grow across borders.

**Recognised as one of the top 8 networks in the industry, HLB stands as a dynamic global network of independent advisory and accounting firms. We are powered by the expertise of 51,948 professionals across 155 countries, blending local insight with global capabilities to meet your needs. Our firms are not only deeply entrenched in their local communities but also intricately connected to professionals worldwide, ensuring that we are where you are and where you aspire to be.**

It is our purpose is to make a lasting and positive impact on the future of our clients, our people, and our communities, prioritising their well-being and success. In a world beset with economic uncertainty, geopolitical risks, climate change, and cybersecurity threats, we are dedicated to ensuring the thriving of those within the HLB ecosystem, both now and in the future. Driven by our shared values and collaborative spirit, we are committed to global cooperation and innovation in pursuit of this goal.

This commitment is fundamental to our approach, enabling us to build resilience and foster success in an increasingly complex global environment.

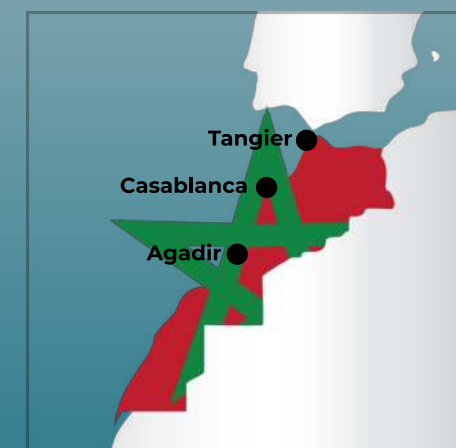


Up-to-date information and general assistance on international matters can be obtained from any of the member firm partners of HLB Morocco listed in this booklet or from the Executive Office in London.

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● Member of HLB International





# Morocco at a Glance



|                                                 |                                                                                                                                                                                                                                                     |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Country                                         | Morocco                                                                                                                                                                                                                                             |
| Capital                                         | Rabat                                                                                                                                                                                                                                               |
| Location                                        | northwestern corner of Africa, bordering the North Atlantic Ocean and the Mediterranean Sea                                                                                                                                                         |
| Geographic Coordinates                          | 32 00 N, 5 00 W                                                                                                                                                                                                                                     |
| Total Area                                      | 710 850 Km² (274 461 sq mi)                                                                                                                                                                                                                         |
| Boundaries                                      | Algeria 1 559 km, Mauritania (de facto) 1561 km                                                                                                                                                                                                     |
| Coast line                                      | Atlantic Ocean and Mediterranean sea (2 945 km)                                                                                                                                                                                                     |
| Climate                                         | Mostly Mediterranean with desert in the south                                                                                                                                                                                                       |
| Major Religion                                  | Muslim 99% Others (Christian, Jewish ...) 1%                                                                                                                                                                                                        |
| Languages                                       | Arabic (official); Berber dialects; French; English                                                                                                                                                                                                 |
| Currency                                        | Moroccan Dirham (MAD)                                                                                                                                                                                                                               |
| Income category                                 | Lower middle income                                                                                                                                                                                                                                 |
| Government type                                 | constitutional, democratic, parliamentary and social Monarchy                                                                                                                                                                                       |
| International organization                      | IAEA, IMF, UN, WTO, UA                                                                                                                                                                                                                              |
| Population                                      | 36,83 Million (2024 estimate)                                                                                                                                                                                                                       |
| Average Life Expectancy                         | 74,97 years                                                                                                                                                                                                                                         |
| GDP (ppp)                                       | \$155,35 billion                                                                                                                                                                                                                                    |
| GDP growth (constant prices, national currency) | 3,6%                                                                                                                                                                                                                                                |
| Exchange Rate                                   | \$ 1US = 9,20 MAD ; EUR 1=10,7 MAD                                                                                                                                                                                                                  |
| Inflation (average consumer price change %)     | 1,30%                                                                                                                                                                                                                                               |
| Taxation                                        | The Moroccan tax system, for the sake of simplification, rationalization and modernization, has been codified under the General Tax Code. The main taxes are: Income Tax, Corporate Tax, Value added tax (VAT), Registration fees and stamp duties. |
| Time Zone                                       | GMT (GMT + 1 in summer)                                                                                                                                                                                                                             |
| Calling Code                                    | + 212                                                                                                                                                                                                                                               |
| Internet TLD                                    | .ma                                                                                                                                                                                                                                                 |



## General Informations



### /01 Location

Morocco occupies 710 850 Km², and situated on the extreme northwestern corner of Africa, right on the edge of the African continent, bordering Algerian to the east, Mauritania to the the Atlantic Ocean to the west and the Mediterranean Sea to the north. The geographical location of Morocco is very advantageous as it is in the middle of two worlds: Europe and Africa.

Being situated on the western coast of North Africa, Morocco has cultural traits from many corners of the world, having also influences on other countries in the region.



### /02 Climate



Morocco’s climate is highly diverse, varying significantly by season and region. The country generally experiences a Mediterranean climate in the north and along the Atlantic coast, characterized by mild, wet winters and hot, dry summers. Inland and southern regions experience a more continental and arid climate, with desert areas reaching temperatures over 40°C (113°F) in summer and cooler nights, particularly in winter. Rainfall primarily occurs between November and March, but precipitation levels vary widely:

- Coastal regions → receive moderate rainfall
- Interior and southern areas → remain mostly dry year-round



In the **Atlas Mountains**, temperatures are significantly **cooler**, especially at higher elevations. These areas experience:

- Snowfall in winter
- Pleasantly cool evenings in summer

Meanwhile, the **Saharan regions in the southeast** are **hot and dry**, with dramatic daily temperature fluctuations.

The **Atlantic Ocean** plays a key role in moderating temperatures, especially in western coastal cities like Casablanca and Agadir, helping to keep summers cooler and winters milder than inland regions.

## /03 Constitution

**Morocco's constitution**, adopted in 2011, establishes the country as a constitutional monarchy with a **parliamentary system**. The **King** is the head of state and holds **substantial powers**, including authority over the **military, foreign policy, and religious affairs** as “Commander of the Faithful.” The constitution guarantees fundamental rights and freedoms, such as freedom of speech, equality, and gender rights.

Legislative power is shared between a **bicameral parliament** (the House of Representatives and the House of Councillors) and the **King**, who can dissolve parliament and call elections. The **Prime Minister**, appointed by the **King** from the largest party in parliament, leads the government and handles daily administration.

The judiciary is independent, and the constitution promotes separation of powers among the executive, legislative, and judicial branches, but the monarchy remains the central institution in Morocco’s political system



## /04 Legal system

The **Kingdom of Morocco** developed a constitutional monarchy based on **Islamic law and French and Spanish civil law systems** soon after receiving independence. The secular system includes communal and district courts, courts of first instance, appellate courts, and a Supreme Court.

The **Supreme Court** is divided into five chambers: criminal, correctional (civil) appeals, social, administrative, and constitutional. There is also a military court for cases involving military personnel and occasionally matters pertaining to state security. The Supreme Council of the Judiciary regulates the judiciary and is presided over by the king.

Judges are appointed on the advice of the council. Judges in the secular system are university-trained lawyers. Since 1965 only Moroccans may be appointed as judges and Arabic is the official language of the courts.

## /05 Facts and figures

**Area:** 710 850 Km<sup>2</sup> (274 461 sq mi)

**Population:** 36 828 330

**Capital:** Rabat

**Economic Capital:** Casablanca

**Currency:** Moroccan Dirham (MAD)

**Language:** The official language is Arabic but French is the dominant business language in central and southern Morocco and something you can get along with about anywhere. Spanish is often spoken in the north. English is fairly widely spoken. Time: GMT (GMT + 1 in summer)



# /06

## Business hours and public holidays



| Category            | Hours                                    |
|---------------------|------------------------------------------|
| Category            | Monday-Friday: 08h30-16h30               |
| Commercial entities | Monday-Saturday: 08h30-12h30 14h30-19h00 |
| Banks               | Monday-Friday: 08h00-16h30               |
| Weekly closing day  | Sunday                                   |

### National Holidays

| Date   | Holiday Name                             |
|--------|------------------------------------------|
| Jan 01 | New year's day                           |
| Jan 11 | Manifesto of independence                |
| May 01 | Labor day                                |
| Jul 30 | Feast of the throne                      |
| Aug 14 | Oued Eddahab Allegiance Day              |
| Aug 20 | The king and the people's Revolution Day |
| Aug 21 | King Mohammed's birthday                 |
| Nov 06 | Anniversary of the Green March           |
| Nov 18 | Independence Day                         |

# /07

## Economy and trade agreements

**The EU is by far Morocco’s largest trading partner.** Under a **1996 EU–Morocco Association Agreement (FTA)**, industrial goods trade is duty-free . Agriculture and fisheries have seen **progressive liberalization (notably a 2012 agri liberalization deal)** . An EU protocol in 2019 extended these preferences to products from Western Sahara. Today **~60% of Morocco's trade in goods is with the EU** (EU share: 67.7% of exports, 54% of imports in 2024) .

**The U.S. is another key partner:** the U.S.–Morocco **Free Trade Agreement (2006)** – the U.S.'s only African FTA – covers goods, investment, IP, labor and environment. Regionally, Morocco is a member of the Agadir Agreement (FTA with Egypt, Jordan, Tunisia – since 2006) which eliminated tariffs among them. It has signed the **African Continental Free Trade Area (ACFTA)** (trading began Jan 2021). **Morocco also has a 2006 FTA with Turkey and with more then 50 contries.**



# /08

## Transportation

Morocco boasts one of the most advanced and integrated transportation networks in Africa, making it a strategic hub for trade and investment.

**Roads and Highways:** The country has an extensive road network exceeding 57,000 km, with a growing network of modern expressways connecting major economic centers. Key corridors include the Casablanca–Tangier and Casablanca–Agadir motorways. The government has prioritized road safety and logistics improvements as part of its National Roadway Plan.

**Rail:** Operated by the ONCF (Office National des Chemins de Fer), Morocco’s railway system is modern and efficient. A standout achievement is the Al Boraq high-speed train, linking Tangier to Casablanca in just over two hours—the first of its kind in Africa. The government continues to expand high-speed and freight rail lines to connect ports, industrial zones, and inland logistics hubs.

**Ports and Maritime Transport:** Morocco is home to Tangier-Med, one of the largest and most efficient ports in the Mediterranean and Africa. Located at the crossroads of major maritime routes, the port handles over 9 million containers annually and offers direct shipping access to over 180 ports worldwide. Other key ports include Casablanca, Agadir, and Nador. The port infrastructure is supported by industrial free zones and customs facilitation, making Morocco highly attractive for logistics, automotive, and manufacturing industries.

Morocco's well-developed transport infrastructure, combined with continued public investment and international cooperation, strongly supports its positioning **as a regional logistics and investment gateway between Africa, Europe, and the Americas.**

**Airports :** Morocco has over 20 international airports, with major hubs in Casablanca (Mohammed V), Marrakesh, Agadir, Rabat, and Tangier. Royal Air Maroc, the national carrier, and several international airlines provide direct connections to Europe, North America, the Middle East, and Africa. The aviation sector is supported by public-private partnerships and ongoing airport expansion projects.

**Logistics and Trade Corridors:** As part of its national logistics strategy, Morocco has developed several integrated logistics platforms and free trade zones, particularly near ports and industrial parks (e.g., Tangier Automotive City, Midparc in Casablanca). These hubs offer streamlined customs procedures, tax incentives, and multimodal access for global trade.



**Legal framework for investment :** Aware of the fact that investment is a key factor to ensure sustainable and sustained economic growth, Morocco has liberalized its economy by easing procedures, providing better protection to private operators through introducing new laws aiming at improving investment conditions and, thus, acquiring significant flow of domestic and foreign private capital, including:

**Copyrights:** These measures aim to harmonize national legislation with the commitments made by Morocco in the framework of the international treaties and agreements, including the TRIPS (Trade Related Aspects of Intellectual Property Rights) of the World Trade Organization (WTO), the WIPO Internet Treaties: WIPO Copyright Treaty (WCT), WIPO Performances and Phonograms Treaty (WPPT), and the Free Trade Agreements (FTAs) concluded by our country with other partner countries, mainly the one between Morocco and the United States of America.

The Moroccan Office of Copyright (OMPIC) under the Ministry of Industry and Communications is responsible for the protection and exploitation of copyright and its sister rights.

### Freedom of Pricing and Competition:

The 06-99 Law on free pricing and competition sets the rules for the protection of competition and aims to boost economic efficiency, improve the welfare of consumers and ensure transparency and fairness in trade relations.

The Law prohibits anti-competitive economic practices that may prevent, restrict or distort competition in the domestic market. These practices are: unlawful agreement, abuse use of a dominant position and abuse use of a position of economic dependency.

Competition policy in Morocco is not intended to impose constraints on companies; it is intended to enable them to operate in open markets, whose working procedures are not impeded by anticompetitive behavior from other companies.

**Industrial Property :** Industrial property is an exclusive right that gives its holder the right to enjoy the benefits or use the property concerned. It concerns the following intangible assets: - Technical creation: Patents. - Decorative designs: Designs and Industrial Models. - Distinctive signs: Trademarks, company names, trade names, appellations of origin and geographical indications.

The law introduced new provisions such as the trademark opposition system, border measures for suspected counterfeit goods, protection of sound marks and olfactory marks and trademark submission in electronic form. The formalities for protecting the rights of Industrial and Commercial Property and applying international and national legislation are made at the Moroccan Office of Industrial and Commercial Property (OMPIC).

### Personal Data Protection :

The Law No. 09-08 on the protection of individuals with regard to processing of personal data introduced a set of legal provisions aimed at protecting the identity, rights and individual and collective freedoms as well as privacy against all attacks that may affect them through use of computers.

With the adoption of the Law 09-08, Morocco is among the first Arab and African countries with a complete protection system, and ranks among the safe destinations in terms of movement of personal data

**Special features :** The Moroccan government is hospitable towards all companies, whether national or foreign. Such a welcoming attitude is expressed through the opportunity for any company to freely locate and do business in Morocco under satisfactory conditions. This also implies that foreign and national investors are considered impartially.

Several of Morocco's sectoral codes have recently been revised to attract international companies. These incentives provide selected sectors — mining, export industries, tourism, real estate, handicrafts, and maritime — with partial or total exemptions from VAT, income tax, and import duties. Additional sectoral incentives are available to businesses that invest in one of Morocco's several Free Trade Zones (FTZs). The biggest FTZ, in Tangier, offers a variety of incentives to investors who set up businesses on undeveloped FTZ land. These incentives include exemptions from: duties and taxes associated with the acquisition of land, license and “urban taxes”, VAT on all exported goods, and corporate taxes for five years, with a reduced corporate tax thereafter.

**Government incentives** The Moroccan government actively promotes **foreign direct investment (FDI)** as a strategic lever for **job creation, technology transfer, and economic diversification**. To achieve this, Morocco offers a broad array of **fiscal, customs, financial, and legal incentives**, aimed at fostering a competitive and attractive investment climate.

Foreign investors can engage in Morocco through **wholly-owned subsidiaries, joint ventures, public-private partnerships, or licensed manufacturing arrangements**. All foreign and domestic investors are treated equally under Moroccan law, with the right to transfer capital, profits, and dividends freely, as per Morocco's liberal foreign exchange regime.

The **Moroccan Investment and Export Development Agency (AMDIE)** serves as the primary government body for supporting investors. It offers:

- Tailored assistance for project structuring and site selection;
- Access to relevant economic, financial, and legal data;
- Guidance on sector-specific opportunities and investment regulations;
- Connection with regional investment centers and administrative authorities.

All advisory services are available in **English, French, and Arabic**, and are **free of charge** to investors.



## The New Investment Charter (2022)

The 1995 Investment Charter was replaced in **2022** by a more ambitious and structured **New Investment Charter**, designed to:

- Promote equitable development across all Moroccan regions;
- Encourage high-impact projects that support **job creation, innovation, exports, and sustainability**;
- Simplify investment procedures and increase transparency; Provide **sector-neutral and regionally targeted** incentives.

This new legal framework distinguishes between:

**Common incentives** (available to all qualifying investors), and **Additional incentives** (granted based on project size, region, or strategic sector).

**Exchange control :** Industrial property is an exclusive right that gives its holder the right to enjoy the benefits or use the property concerned. It concerns the following intangible assets: - Technical creation: Patents. - Decorative designs: Designs and Industrial Models. - Distinctive signs: Trademarks, company names, trade names, appellations of origin and geographical indications.

The law introduced new provisions such as the trademark opposition system, border measures for suspected counterfeit goods, protection of sound marks and olfactory marks and trademark submission in electronic form. The formalities for protecting the rights of Industrial and Commercial Property and applying international and national legislation are made at the Moroccan Office of Industrial and Commercial Property (OMPIC).

**Sources of Finance :** All major banks in Morocco have links to international Banks and financial institutions to facilitate the transfer of foreign capital into and from Morocco. Foreign companies are able to open foreign currency and convertible dirham accounts, without any restrictions.

**Morocco** has reformed many of its labour laws and clarified employment rules. The government is improving the country's pool of skilled labour by stepping up funding for public learning institutions that offer vocational training.

### Minimum hourly salary:

Public Sector: 20.83 MAD  
Private Sector: 17.10 MAD  
Agricultural Sector: 11.63 MAD

### Industry wide collective agreements :

In Morocco collective agreements establish job qualifications, minimum salaries and reimbursement of professional expenses (transportation, lodging, etc.). A distinction can be made between extensive collective agreements and limited collective agreements. The former apply to all employers, the latter apply only to signatory employers (on the basis of their professional union) of the collective agreement.

The Moroccan Office of Copyright (OMPIC) under the Ministry of Industry and Communications is responsible for the protection and exploitation of copyright and its sister rights.

### Social welfare and security :

Membership in the social security system (CNSS) is compulsory for all employers, and they are required to register all their workers. CNSS pays industrial and commercial workers family allowances and daily allowances in cases of illness, accident or occupational diseases not covered by workmen's compensation, allowances in case of death, disability pensions, old-age pensions and survivors' pensions. All employers and employees are covered by the social security system. Foreign workers coming to take up employment in Morocco participate on the same basis as Moroccan nationals. The employer's contribution to CNSS ranges from 12% to 21% of the gross payroll. Employees contribute between 2.5% and 6.75%. These contributions will be higher if other benefits from social security bodies are made available.

### Employee representation in companies:

Companies with over ten employees are obliged to organize internal elections for an employees' representative

### Employment contracts :

The work contract is established by the employer and the employee. There are two types of contracts, one for a pre-determined duration and the other for undetermined duration, which can be terminated by either of the parties. It is not permitted by law to hire specific categories of workers: those under 12, and those under 16 and women between 10p.m and 5a.m. Morocco's National Agency for the Promotion of Employment and Skills (ANAPEC) has introduced enhanced incentives to encourage the integration of interns and young graduates into the workforce. Under the Improved Integration Contracts, employers benefit from exemptions on both employer and employee CNSS contributions, as well as the vocational training tax (VTT), for the duration of the internship. Furthermore, if the intern is subsequently hired on a permanent contract, the state covers the employer's share of social security contributions for one year. Interns receive a monthly allowance ranging from MAD 1,600 to MAD 6,000 and are covered by the mandatory health insurance (AMO). These measures aim to reduce hiring costs for employers while providing interns with valuable work experience and social security benefits.



## Employment regulation

### Alternative employment contract :

Work contracts for a specified, finite period must be written and must include the employee's salary. The employee must receive a copy of the contract, signed both by the employer and the employee, no more than 48 hours after he/ she has been hired. The employer must maintain a register of personnel. A work certificate mentioning the first and last days of the contract and a complete job description must be issued to the employee at the end of the contract.

**Work permits :** In Morocco, visa applications are not required by foreign nationals of a number of countries; as with many destinations around the world. Morocco allows citizens of a range of countries to visit for duration of up to three months without making a visa application. In Morocco, work permit applications are employer led and work permits may only be granted to candidates who have been offered a specific position with a particular Moroccan company. The company in question must apply on behalf of the candidate and will be required to demonstrate that the position being offered could not have been filled by a Moroccan citizen or permanent resident.

## Types of business organization

Under Moroccan law, the primary types of corporate structures available are: Public limited liability companies; private limited companies; limited partnerships with shares; general and limited partnerships; and joint-ventures, all of which generally conform to Western company forms of the same nomenclature. The most widely used are the SA, the SARL, and recently the SAS as described below. The professional cost of forming a company in Morocco is on average between EUR 1,000 and 3,000 EUR.

### Public Limited liability Company (S.A) :

Public Limited liability companies (SA) must have a minimum of five shareholders who can be either legal entities or individuals. As with traditional limited liability companies, the shareholders' liability is limited to the amount of share equity that is held by the shareholder. Upon incorporation of the limited liability company, a quarter of the equity capital must be paid in advance if paid in cash contributions. If it is paid in contributions in kind, it must be fully paid upon incorporation. Both bearer and registered shares may be issued by the limited liability company.

The capital of a public limited company (S.A) may not be less than three million MAD if the company is allowed to raise funds from the public and three hundred thousand MAD if not.

Two types of management structure are possible:

- Chairman (CEO) with Board of Directors,
- Supervisory Board (same as Board of Directors above) and Executive Board.

The Board of Directors or the Executive Board convenes shareholder meetings, draws up the agenda, prepares the annual accounts and management reports, appoints or dismisses the CEO.

The annual General Meeting (AGM) votes decisions, approves the annual accounts, allocates profits, appoints and removes directors and supervisory board members, appoints the statutory auditors and approves or rejects agreements made between the company and any of its directors.

Only an extraordinary meeting can alter the company's articles and memorandum of association. All companies must send a copy of the annual financial statements, including the Auditor's Report, to the Register of Commerce, which are accessible to the public. Transfers of shares are unrestricted amongst shareholders.

### Private Limited Company or Limited Liability Company (S.A.R.L) :

The private limited company (SARL) is an intermediate type between associations of persons and of capital, bearing resemblance to both partnerships and share companies. It is always a trading company, regardless of its corporate name. It may be formed by one or more members who are only liable to the amount of their share of the equity capital in the company. Unlike a general partnership, members of a private limited company do not need to be registered traders. The private limited company must file a memorandum of association as part of its incorporation process. The capital stock has to be fully described and paid up as the company is formed. Stocks shall have the same face value and are not negotiable; they may be transferred only through contracts. "Parts Sociales" may be transferred to third parties outside the company only with the co-associates' consent.

### Simplified Stock Company (S.A.S) :

The Simplified Stock Company (SAS) is a flexible business structure introduced in 2020 to offer simplified management and a more adaptable legal status than that of a public limited company (SA).

An SAS can be formed by at least two shareholders, either individuals or legal entities, with no maximum limit. It can also have a single shareholder, in which case it becomes a SASU (Single-Member SAS). Shareholders are only liable up to the amount of their contributions.

The share capital is freely set by the shareholders, with no minimum required. This makes the SAS more accessible to individuals and small to medium-sized businesses. Contributions can be made in cash, in kind (such as equipment or vehicles),



or in industry (such as know how or skills). Shares representing cash and in-kind contributions are freely transferable, while shares for industry contributions are non-transferable but grant the same rights, including voting and dividends. The articles of association may restrict share transferability for up to ten years.

Regarding liability, shareholders are only responsible up to the amount of their contributions, and are not required to cover company losses at the end of the financial year. Losses are taken into account only at the time of the company's dissolution. The president and managers of an SAS are subject to the same liability rules as directors of public limited companies.

Shareholders can appoint one or more statutory auditors. Appointing an auditor is mandatory if the company exceeds a turnover threshold set by law. Even if this threshold is not reached, any shareholder may petition the court to appoint an auditor.

## Partnerships

**General Partnerships :** In a general partnership, the partners are jointly and severally liable, without limitation, for the debts of the partnership. Partners may be individuals or corporations; however, they do have to be registered as traders. There is no restriction on participation by foreign individuals or corporations in general partnerships.

**Limited Partnerships :** In a limited partnership at least one partner must have unlimited liability while the others have limited liability. A partner whose liability is limited may not take part in the management of the partnership. Limited partnerships are relatively rare in Morocco.

### Limited Partnership with Shares :

This corporate form is essentially a joint stock company wherein the capital is divided into shares to be held by active and inactive partners. There must be at least one active partner who has unlimited liability with regard to the debts of the entity, and three inactive partners who are liable only to the extent of their shares in the equity capital. The limited partnership with shares is operated by the active partners or by external managers. The governing body is a board of trustees composed of at least three of the inactive partners.

**Joint Ventures :** A joint venture does not have a separate legal personality, and its existence is not normally disclosed to third parties, except to the tax authorities. Joint ventures are used for financial syndicates or to undertake specific construction contracts.

**Branch Offices :** The branch affiliate or subsidiary of a foreign corporation is regarded as a separate legal entity. A Moroccan branch, however, has to disclose certain details regarding its parent company, its representatives and its delegated powers. When registering a branch in Morocco, the foreign parent-company must submit its articles of incorporation along with the incorporation documents of the branch.

**Sole Proprietorships :** Foreigners may establish in Morocco sole proprietorships. In a sole proprietorship, the business is conducted under the responsibility of an individual personally liable for the debts of the business to the extent of all business and personal assets. The business must be registered with the Commerce Registry and with the tax authority.

## Accounting

Moroccan companies must prepare annual summary reports, at the end of the financial year, based on accounting and inventory records. Accounting principles are governed by the Code of Commerce and the General tax Code. For consolidated statements, Moroccan companies are obliged to progressively adopt IFRS standards. The structure of accounts in Morocco is based on the French model. The summary reports include:

- A balance sheet;
- A income and expenses account;
- A management report;
- A funds flows statement; by tax treaties or
- An additional information report;

They form an integral whole.

The balance sheet describes separately the asset and liabilities items of the business. The income and expenses account summarizes the income and expenses of the financial year without considering their date of cashing or payment.

The management report describes the formation of the results for the period. The funds flow statement highlights the financial growth of the company during the financial year by describing the resources provided and jobs provided from it.

The additional details report supplements and comments on information provided by the balance sheet, the income and expense account, the management report and the funds flow statement.

## Auditing

The status of auditor has been redefined by the companies' law of 1999.

Audit is obligatory for public limited companies, listed companies, banks and private limited companies with annual turnover higher than 50 million MAD. In Morocco, a company audit must be carried out by an auditor appointed during the annual general meeting, in the case of a public limited company. The auditor must belong necessarily to the Public Accountants Corporation.

For some companies –listed, public, banking, credit institute companies, etc., the audit must be carried out by two auditors.

The auditors are required to be members of the Moroccan association of chartered accountants.

Auditing standards are defined in accordance with the international standards of IFAC.



**GENERAL :** The Moroccan taxation system consists of many types of taxes: Direct taxes, Indirect taxes, Registration duties, other taxes (Petroleum tax, vehicle tax, Stamp Duty, etc.). Indirect taxes provide a greater source of tax revenue than direct taxes. The tax year begins on January 1 and ends on December 31 of the same year.

## CORPORATE TAXATION

### Scope of corporate tax regime :

Moroccan corporations are subject to a unitary tax system. Corporations are taxed under a tax regime, which covers limited liability companies, partnerships limited by shares, general and limited partnerships in which at least one partner is a corporate entity, civil companies, branches of foreign corporations, public sector companies having profit-oriented activity and joint ventures having business-oriented activity. General partnerships and limited partnerships in which all partners are individuals may elect to be taxed under the corporate tax regime. The same applies to joint ventures in which all parties are individuals. Foreign corporations are subject to taxation on income arising in Morocco if they have or are deemed to have a permanent establishment in Morocco. Taxation of corporations is the same irrespective of ownership, and foreign owned corporations are essentially regarded as Moroccan corporations insofar as they are incorporated in Morocco.

**Taxable Income:** Based on receipts and accruals from products, services, and work.

Dividends received from Moroccan subsidiaries are 100% deductible from taxable income. Dividends received from foreign subsidiaries are also exempt under certain conditions (participation exemption).

Other foreign investment income (e.g., interest, royalties) is generally taxed, with foreign withholding taxes potentially deductible.

**Deductible Expenses:** Normally, all business-related expenses are deductible, including salaries, depreciation, and rent, provided they are justified. Limitations apply to avoid abuse: Corporate tax itself, excessive salaries, non-business expenses, and most fines are not deductible. Capital expenditure is deducted via depreciation. Company car depreciation is only deductible on purchase costs up to MAD 400,000. Expenses incurred outside Morocco by a foreign company with a permanent establishment must be adequately justified.

**Loss Carry Forward:** Losses can be carried forward for four years, except for the depreciation component of losses, which can be carried forward indefinitely. Loss carry-back is not permitted.

**Rate and calculation of corporate income tax :** The corporate income tax rate follows a proportional scale of rates based on the profit realized.

| Net Result                          | Rate 2025 | Rate 2025 |
|-------------------------------------|-----------|-----------|
| Net profit ≤ 300.000                | 17,5%     | 20%       |
| 300.001 ≤ Net profit ≤ 1.000.000    | 20%       | 20%       |
| 1.000.001 ≤ Net profit ≤ 99.999.999 | 22,75%    | 20%       |
| Net Profit > 100.000.000            | 34%       | 35%       |

There are several cases of exemption or tax reduction (agriculture, exportation, Free Trade Zones, Holding Offshore, International coordination office...).

A minimum amount of corporate tax is payable by companies other than foreign companies (cotisation minimale or CM), irrespective of the company's profits or losses. The CM is based on turnover, income from interest, subsidies, bonuses or donations received. The CM is levied at a rate of 0.25 percent of income.



## Tax exemptions and reduced rates

### A. Industrial companies

Morocco offers reduced corporate tax rates to encourage industrial investment and development. Eligible industrial companies can benefit from preferential tax treatment, including lower income tax rates, especially when meeting specific investment or operational criteria. These incentives aim to promote industrial growth, attract foreign and local investment, and enhance the country's competitiveness as a manufacturing and export hub. As of 2025, the corporate income tax (CIT) rates for industrial companies in Morocco are structured as follows:

| Net Result                          | Rate 2025 | Rate 2025 |
|-------------------------------------|-----------|-----------|
| Net profit ≤ 300.000                | 17,5%     | 20%       |
| 300.001 ≤ Net profit ≤ 1.000.000    | 20%       | 20%       |
| 1.000.001 ≤ Net profit ≤ 99.999.999 | 21,5%     | 20%       |
| Net Profit > 100.000.000            | 34%       | 35%       |

We specify that the tax law provides for **total exemption (of income tax) for 5 years** from the financial year in which operations begin for industrial companies carrying out activities set out by regulation (Annex 3)

### B. Specific types of companies

Morocco continues to offer corporate tax incentives for specific types of companies and activities:

- Exporting companies of goods and services
- Hotel businesses and tourist entertainment establishments
- Exporting mining companies
- Craft enterprises
- Private institutions of education or vocational training
- Sports companies
- Real estate developers (legal entities) in respect of income derived from the rental of housing estates, residences, and university campuses
- Taxable agricultural operations
- Companies engaged in business process outsourcing (BPO) activities, whether inside or outside integrated industrial platforms dedicated to such activities

For the companies described above, the corporate income tax rates are as follows:

| Net Result                          | Rate 2025 | Rate 2025 |
|-------------------------------------|-----------|-----------|
| Net profit ≤ 300.000                | 17,5%     | 20%       |
| 300.001 ≤ Net profit ≤ 1.000.000    | 20%       | 20%       |
| 1.000.001 ≤ Net profit ≤ 99.999.999 | 20%       | 20%       |
| Net Profit > 100.000.000            | 31.25%    | 35%       |

Companies incorporated as of January 1, 2023, and which commit, under an agreement signed with the State, **to invest an amount of at least 1,500,000,000 MAD** over a period of 5 years from the date of signature of said agreement — excluding public institutions, state owned enterprises, and their subsidiaries.

**The 20% corporate tax rate remains applicable beyond this period even if the net profit of these companies is equal to or greater than one hundred million (100,000,000) dirhams, provided that:**

- the aforementioned amount is invested in tangible fixed assets;
- such fixed assets are retained for at least 10 years from the date of acquisition.

Otherwise, the corporate tax rate will increase to 35% if the net profit is greater than or equal to 100,000,000 MAD

### C. Special Economic Zones

**Free Trade Zones:** Companies established in Free Trade Zones (now often referred to as Acceleration Industrial Zones or similar designations) generally enjoy significant tax advantages, including corporate tax exemptions or reduced rates for extended periods, aiming to attract foreign investment and boost industrial (More details in annexure 1).

**Casablanca Finance City:** A regional financial and business hub established under Law No. 44-10 and governed by CFC Status, offering tailored advantages for companies operating in financial services, professional services, and regional or international headquarters functions. (More details in annexure 2)

### A. Holding Offshore Companies :

These entities may also qualify for specific tax exemptions or reductions, often related to their role in international financial structures.

It's important to note that the specific conditions, duration, and scope of these exemptions and reductions are subject to the current Moroccan tax law and may be updated periodically.

#### Subsidiaries of Foreign Companies

Subsidiaries set up in Morocco by foreign companies are treated as local companies, independent of their foreign parent-company for legal and taxation purposes. Inter company transactions must be on an arm's length basis. Expenses must be incurred in the furthering of the subsidiary's objectives and not those of its parent-company.

Net profits earned by foreign subsidiaries and establishments of Moroccan companies are not taxable until profits are actually repatriated and distributed to shareholders.

#### Subsidiaries of Foreign Companies

Repatriation of profits There are 3 repatriation procedures:

- Transfer or distribution of the net income from the branch or subsidiary,
- Royalties or management fees,
- Interest charged on loans and advances granted by the foreign parent company.



There are no fiscal restrictions to invoicing royalties or management fees by the foreign parent company. For interest revenues, deductibility is permitted under certain cap rate limits.

This applies only to subsidiaries not branches. Amounts must be within reason and documented.

Moroccan authorities may request evidence that transfer prices within an international group comply with General Tax Code (similar to European directives).

Transfer of funds from Morocco is exempt from withholding tax or subject to a reduced rate (in general between 10% and 25%). Withholding tax rates are defined in tax treaties between Morocco and other countries (USA, France, Spain, Italia, Portugal, Switzerland, Great Britain, Tunisia, Egypt, Emirates, Norway, Hungary, India, Malaysia...).

### Definition of taxable income

The tax year runs from January 1st to December 31st. Any income recurring at regular intervals is subject to income tax.

The personal tax system is progressive from 0% to 37% (annual income exceeding 180,000 MAD).

The categories of income are: Professional profits, salaries, income from property, agricultural profits and capital gains, and other incomes.

### Professional profits (industrial, commercial and no commercial activities)

Profits made by self employed people are calculated in the same way as corporate profits. Isolated private transactions are not considered as professional income unless they recur and can thus be regarded as habitual transactions.

### Salaries

All compensation paid to employees is taxable, including salaries and wages, allowances, pensions, annuities, reimbursement of taxes and all benefits derived from employment. Taxable benefits include the furnishing of an automobile for the employee's private use, housing benefits and profit sharing or retirement plans paid by foreign companies.

An individual taxpayer can deduct from taxable income any necessary travelling and entertainment expenses, provided they are incurred in the performance of that individual's duties, and are justified by the nature of the profession.

### Income from property

The net taxable income of rental property is obtained by applying a 40% reduction. However, income from the rental of buildings and additions of new construction, are exempt during the three years after that of completion of construction.

The net taxable profit is equal to the difference between the sale price less costs to sell and purchase price plus acquisition costs. The tax rate applied to net profits from property is 20%. However, tax payable shall be not less than minimum tax obtained by applying the rate of 3% to the sale price. The minimum amount is due even in the absence of profit.

### Capital Gains Tax

Morocco instituted a tax on the proceeds from stocks and company's shares and comparable income distributed by companies based in Morocco and paying taxes on corporations. The tax of 12.5 percent is collected at the source and applies to dividends. This rate will be reduced to 10% from January 1, 2027.

The tax rate on profits from the sale of shares is 15% if the securities are listed on the Casablanca Stock Exchange and 20% in other cases. It is also 20% for profits from sale of debt securities. However, there are several exemptions or reduced rates.

### Other Income and Gains

A new income category titled "Other Income and Gains" has been introduced into the Moroccan tax framework. This category includes the following types of income:

- **Unjustified Income :** Income assessed during the examination of an individual's tax situation for which no clear or legal source has been provided.
- **Online Gambling Winnings:** Winnings from online games of chance with a foreign source, regardless of their form. A withholding tax at a final rate of 30% is now mandatory, to be applied by banks and other entities involved in the payment process.
- **Miscellaneous Income from Lucrative Activities:** This includes various types of income or gains derived from profit-making operations that do not fall under any other defined income category.

This new classification was added as part of recent legislative changes to enhance tax transparency and broaden the taxable income base.

## VALUE ADDED TAX:

Value Added Tax (VAT) is a non-cumulative tax levied at each stage of the production and distribution cycle. Thus, suppliers of goods and services must add VAT to their net prices. Where the purchaser is also liable for VAT, input VAT may be offset against output VAT. VAT is charged on all sales and importation of goods and services for consumption in Morocco.

The standard VAT rate is 20 percent and applies to all suppliers of goods and services, except those taxed at other rates or those who are exempt.

Morocco is currently undergoing a gradual transition toward a simplified VAT system with two main rates: 10% and 20%. This convergence is expected to be completed by 2026. However, in 2025, several VAT rates remain in effect. Specifically, there are three reduced rates—9%, 10%, 12%, 15%, and 18%—depending on the products and services concerned. Basic food products, books and newspapers, certain loans and financial instruments, as well as exported goods and services, are exempt from VAT

## OTHER TAXES

### Business Tax

A business tax, or patent, is levied on individuals and enterprises that habitually carry out business in Morocco. The tax consists of a tax on the rental value of business premises (rented or owned) and a fixed amount depending on the size and nature of the business. The tax rates range from 10 percent to 30 percent.

Newly established firms and new investment are exempt for 5 years.



### Housing Tax

Local taxes include housing tax (or urban property tax), charged to the occupants of nonprofessional premise, whether owners or tenants. They are assessed on the basis of the rental value of the property. The housing tax system is progressive from 0% to 30%.

### Municipal Tax

Owners and tenants of property are subject to a municipal tax on the value of the property. The rate is 10.5 percent of the normal rental value of buildings located within the urban area.

### Social solidarity contribution

The SSC applies to companies with net taxable income equal to or exceeding MAD 1 million in the previous fiscal year. The contribution rates are progressive :

| Net Taxable Income (MAD) | SSC Rate |
|--------------------------|----------|
| 1 000 000 – 4 999 999    | 1,50%    |
| 5 000 000 – 9 999 999    | 2,50%    |
| 10 000 000 – 39 999 999  | 3,50%    |
| 40 000 000 and above     | 5,00%    |

This measure was introduced in 2021 and is applicable only to fiscal years from 2021 to 2025, unless extended by the government

Companies are required to declare and pay the SSC electronically within three months following the end of their fiscal year.

### Customs Duties

Morocco permits the importation of most goods and services; however, certain products that may negatively impact domestic industries or are considered sensitive require an import license or are subject to additional regulatory controls. Most imported goods are subject to customs duties, with rates generally ranging from 2.5% to 40%, depending on the product classification under the Moroccan Customs Tariff. Higher rates typically apply to agricultural goods and luxury items.

Morocco continues to liberalize trade through regional and international agreements, including the Morocco–EU Association Agreement, Agadir Agreement, and the African Continental Free Trade Area (AfCFTA). These agreements may provide preferential or reduced duty rates for qualifying imports.

In addition to customs duties, imports are subject to Value Added Tax (VAT), which generally applies at rates of 10% or 20%, depending on the type of good. Some goods may also incur excise duties or parafiscal charges, particularly in sectors such as alcohol, tobacco, and petroleum products.

All import procedures are managed electronically through the PortNet single-window platform, which facilitates customs clearance and improves trade efficiency.

### Treaties for the Prevention of Double Taxation

Since a Moroccan resident is taxed on worldwide income, the Moroccan tax system provides relief from foreign taxes paid on such worldwide income by means of a foreign tax credit. This foreign tax credit cannot exceed the Moroccan tax otherwise payable in respect of the foreign-source income.

The Moroccan government is eager to encourage foreign investment. This is reflected by the territoriality principle for taxation applicable to corporations mentioned above. In addition, Morocco has concluded about seventeen treaties for the prevention of double taxation, mainly with developed countries.

Morocco's list of treaty-partners include Austria, Bahrain, Belgium, Bulgaria, Canada, China, Denmark, Egypt, Finland, France, Germany, Hungary, India, Italy, Lebanon, Luxembourg, Malaysia, Malta, Poland, Portugal, the Netherlands, Norway, Republic of Korea, Romania, Russia, Senegal, Spain, Sweden, Switzerland, the Czech Republic, Tunisia, Turkey, the United Kingdom, the United States, UAE, etc. Most of the tax treaties are based on the OECD model and do not contain specific anti-abuse provisions. Reduced withholding tax rates vary from one treaty to another.

### Stamp duty

In 2025, stamp duty in Morocco applies to various legal documents and transactions, including sales contracts, leases, and notarial acts. Rates typically range from 1% to 6% of the transaction value, depending on the type of document and specific provisions of the Moroccan General Tax Code. The 2025 Finance Law introduced some exemptions, such as for acts performed by FIFA representatives in Morocco. Stamp duty must be paid in accordance with tax administration procedures, and failure to comply can result in penalties.

## Others

### Withholding Tax on Service Fees Paid to Non-Residents

In Morocco, payments made to non-resident service providers are subject to withholding tax. This tax is generally applied at a rate of 10% or 15% on the gross amount paid, unless otherwise specified by international tax treaties signed by Morocco. The purpose of this withholding is to ensure the collection of tax on income earned within Moroccan territory by foreign individuals or entities.

### Withholding Tax on Rent Paid to Individuals

Rent payments made to individuals, whether residents or non-residents, are subject to withholding tax at the time of payment. For non-residents, the rate is usually 20% on the gross rental amount. For residents, the withholding rate may vary depending on the type of lease and current legislation. This measure helps guarantee the collection of tax on rental income.

### Declaration of Payment Deadlines

In Morocco, companies must comply with strict obligations regarding the declaration of payment deadlines. The law requires periodic reporting to the tax authorities of the average payment terms granted to clients and those received from suppliers. This declaration aims to promote transparency and combat excessive delays in commercial transactions that can affect business cash flow



Morocco's **New Investment Charter (Law No. 60-22)**, adopted in 2023, establishes a comprehensive framework of financial, tax, and customs incentives for investors. These incentives are accessible through investment agreements or contracts concluded with the State, provided specific eligibility criteria are met. The Charter aims to enhance Morocco's attractiveness to investors by offering clear, transparent, and competitive advantages.

### Investment Promotion Fund (IPF) :

The **Investment Promotion Fund (IPF)** provides financial support for investment projects that meet certain criteria. Key incentives include:

- **Land Acquisition Support:** The IPF may cover up to **20%** of the cost of land acquisition necessary for the investment project.
- **External Infrastructure Contribution:** A contribution of up to **5%** of the total investment program cost for the development of external infrastructure, such as access roads and utilities.
- **Vocational Training Support:** Coverage of up to **20%** of the cost of vocational training programs associated with the investment project.

### Mohammed VI Investment Fund :

Established in 2020, the Mohammed VI Fund for Investment (FM6I) is a strategic sovereign fund designed to support Morocco's economic recovery and long-term transformation. Its core mission is to stimulate productive investment, strengthen the capital base of Moroccan companies, and generate long-term economic, social, and environmental impact. The Fund specifically aims to boost private-sector investment in strategic sectors, create sustainable employment, support Morocco's industrial and green transitions, and reduce regional disparities in investment.

The fund's **strategic focus areas** are as follow :

- **Business Financing :** The Fund provides equity and quasi-equity instruments—such as subordinated debt—to support company growth and enhance financial resilience, especially for small and medium-sized enterprises.
- **Thematic and Sectoral Funds :** FM6I creates and manages specialized investment vehicles targeting key sectors such as industry, agriculture, tourism, infrastructure, and technology. These funds offer tailored financing tools to drive competitiveness and sustainability.
- **Infrastructure Development :** The Fund contributes to the preparation, co-financing, and acceleration of major infrastructure projects through innovative project structuring and risk-sharing mechanisms.
- **Private Investment Mobilization :** By acting as a risk mitigator, FM6I encourages local and international private investors to co-invest alongside public capital. It aims to amplify its impact by crowding in private funding.
- **ESG Integration :** Environmental, Social, and Governance (ESG) criteria are fully embedded in the Fund's investment decision-making. FM6I aligns its practices with international sustainability standards to promote responsible investment.

### Customs Duty and VAT Exemptions :

Under the new investment framework, companies can benefit from:

**Customs Duty Exemption:** For investments of 100 million MAD or more, companies may be exempt from import duties on capital goods, machinery, and equipment necessary for the investment project.

**VAT Exemption on Imports:** For investment, a VAT exemption on imported equipment, materials, and tools is granted, starting from the commencement of business activities.





## Annexure – I

### Free Trade Zones in Morocco

Free Trade Zones (FTZs), formerly known as **Export Processing Zones (EPZs)**, were established under **Law No. 19-94** (Dahir No. 1-95-1 of January 26, 1995). These zones are designated areas within the Moroccan customs territory where companies benefit from **exemptions from customs duties, exchange controls, and several tax and trade regulations**, provided their activities are export-oriented or globally linked.

Each FTZ is created by government decree defining the **scope of eligible activities**—mainly **industrial, commercial, logistics, and export-oriented services**. Companies operating in FTZs benefit from streamlined administrative procedures and various fiscal advantages, such as **corporate tax exemptions** for the first five years and reduced rates thereafter.

Zone operations are managed by **authorized development companies**, which handle infrastructure, investor services, and the **approval process through the Local FTZ Committee**. Investors also benefit from a **one-stop shop** for licensing, customs, and regulatory compliance.

#### Export Processing Zones (EPZs) provides :

##### 1 – Tax Benefits :

- Exemption during the first 5 fiscal years starting from the year operations begin, followed by taxation at a rate of 18.75%. This rate will increase to 20% for fiscal years 2026 and beyond.
- Exemption from withholding tax on dividends and other similar profit distributions from foreign sources when paid to non-residents.
- Exemption from value-added tax (VAT), with the right to deduct, on goods delivered and services provided to Accelerated Industrial Zones (ZAI), as well as transactions carried out within or between these zones (subject to VAT reporting requirements).
- Exemption from professional tax for the first 15 years on buildings and equipment.

##### 2 – Customs and Foreign Exchange Benefits:

- Exemption from import duties, taxes, and surcharges.
- Simplified customs procedures.
- No foreign exchange control.
- Exemption from the regulations issued by the Foreign Exchange Office regarding currency transfers.
- Goods entering or leaving the ZAI are not subject to the legislation governing foreign trade control.

## Annexure – I

### 3 – Other Benefits :

- Companies established within the ZAI may also benefit from any additional incentives provided by other legislative provisions related to investment promotion.

### Main Free Trade Zones in Morocco

- **Tangier Free Zone (TFZ)** – Morocco's first FTZ, focused on industrial and logistics exports.
- **Tanger Med Zones** – Ksar El Majaz, Melloussa 1 & 2: key hubs for automotive, electronics, and logistics.
- **Kenitra Atlantic Free Zone** – Automotive and advanced manufacturing cluster.
- **Nouaceur Free Zone** – Aerospace and logistics near Casablanca Mohammed V Airport.
- **Dakhla and Laayoune Free Zones** – Serving the fisheries and renewable energy sectors.
- **Kebdana and Nador** – Specialized in hydrocarbon storage and transit.

## Annexure – II

### Casablanca Finance City (CFC)

**Casablanca Finance City (CFC)** is a **regional financial and business hub** established under **Law No. 44-10** and governed by **CFC Status**, offering tailored advantages for companies operating in financial services, professional services, and regional or international headquarters functions. Recognized as Africa's leading financial center, CFC provides:

- **Foreign exchange flexibility**, including the ability to hold foreign currency accounts and transfer profits abroad.
- **Regulatory facilitation and fast-track procedures** via the CFC Commission.
- **A prestigious business** district in Casablanca with high-end infrastructure and international connectivity.
- **Attractive tax incentives:** Exemption during the first 5 fiscal years starting from the year operations begin, followed by taxation at a rate of 18.75%. This rate will increase to 20% for fiscal years 2026 and beyond



Morocco Double Taxation Agreements

Morocco has signed bilateral agreements for the avoidance and prevention of double taxation with the following countries:

|                                                                                                         |                                                                                                        |                                                                                                           |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
|  Allemagne             |  Belgique             |  Inde                   |
|  Qatar                 |  Ukraine              |  Union du Maghreb Arabe |
|  Autriche              |  France               |  Indonesie              |
|  Roumanie              |  Vietnam              |  Bulgarie               |
|  Guinee               |  Hongrie             |  Italie                |
|  Pakistan            |  Pologne            |  Royaume-Uni          |
|  Senegal             |  Singapour          |  Suisse               |
|  Syrie               |  Chine              |  Pays-Bas             |
|  Portugal            |  Republique Tcheque |  Russie               |
|  Republique De Coree |  Cote D'Ivoire      |  Danemark             |
|  Espagne             |  Gabon              |  Luxembourg           |
|  Mali                |                                                                                                        |                                                                                                           |

Industrial activities that can benefit from total exemption for 5 years from the financial year in which operations begin

Publication of Decree No. 2-17-743 of 5 Chaoual 1439 (June 19, 2018) establishing the activities carried out by industrial companies to benefit from full corporate income tax exemption for the first five consecutive fiscal years from the date they began operations. The list of activities is provided below:

1 – Food industry

- Preparation, processing, and preservation of meat;
- Butchery for the production of red meat;
- Preparation, processing, and preservation of fruits and vegetables;
- Olive processing (olives, olive packaging, and valorization of olive-derived products);
- Argan oil production;
- Edible oil production;
- Margarine and vegetable fat production;
- Milk and milk derivatives industry;
- Legume processing industry;
- Starch products industry;
- Bread and pastry industry;
- Biscuit, rusk, and preserved pastries industry;
- Pasta and couscous industry;
- Sugar industry;
- Cocoa, chocolate, and confectionery industry;
- Condiments and seasonings industry;
- Prepared meals industry;
- Baby food industry;
- Dietary food industry;
- Aromatic and medicinal plant manufacturing and development;
- Seed industry.

2 – Textile industry

- Fiber preparation and spinning;
- Weaving;
- Textile finishing;
- Carpet and rug industry;
- Knitted fabric manufacturing;
- Textile products industry;
- Twine, rope, and net manufacturing
- Nonwoven fabric manufacturing;
- Technical textile industry.

3 – Clothing Industry

- Clothing industry (warp and weft, knits).

4 – Leather Industry

- Leather tanning industry;
- Leather goods industry;
- Footwear industry;
- Leather clothing industry.

5 – Wood industry and manufacturing of wood and cork products

- Wood sawing and planing;
- Veneer and panel industry;
- Assembled parquet flooring industry;
- Manufacture of wood products.

6 – Paper and cardboard industry

- Pulp industry;
- Paper and cardboard industry;
- Sanitary and household paper industry;
- Stationery and cardboard industry.

7 – Printing and reproduction of recorded media

- Printing and related activities;
- Reproduction of recorded media.

8 – Chemical industry

- Dyes and pigments industry;
- Fertilizer industry;
- Plastics industry;
- Rubber industry;
- Pesticides and agrochemicals industry;
- Paints, varnishes, inks, and sealants industry;
- Soaps, detergents, and cleaning products industry;
- Cosmetics industry;



- Adhesives industry;
- Essential oils industry;
- Artificial and synthetic fibers industry;
- Organic and inorganic chemical products industry.

## 9 – Pharmaceutical industry

- Human pharmaceutical products industry;
- Veterinary pharmaceutical products industry;
- Medical device industry;
- Biotechnology research and development.

## 10 – Rubber and plastic products industry

- Rubber products industry;
- Plastic products industry

## 11 – Manufacturing of non-metallic products

- Glass industry;
- Tile industry;
- Brick and tile industry;
- Sanitary equipment industry;
- Ceramic products industry;
- Cement and fiber cement products industry;
- Concrete and concrete products industry;
- Gypsum and gypsum products industry;
- Lime industry;
- Refractory products industry;
- Abrasive products industry;
- Stone processing industry.

## 12 – Metallurgy

- Iron and steel industry;
- Manufacture of steel tubes, pipes, hollow profiles, and related fittings;
- Primary cold processing of ferrous metals;
- Production of precious metals;
- Non-ferrous metallurgy;
- Ferrous and non-ferrous metal casting.

## 13 – Manufacture of metal products, except machinery and equipment

- Manufacture of metal structures and elements for construction;
- Manufacture of metal tanks, reservoirs, and containers;
- Manufacture of steam generators and heating equipment;

- Forging, deep drawing, stamping, and powder metallurgy;
- Treatment and coating of metals;
- Machining;
- Manufacture of cutlery, tools, and hardware;
- Manufacture of metal drums and packaging;
- Manufacture of wire products, chains, and springs;
- Manufacture of screws and bolts;
- Manufacture of non-electrical household appliances.

## 14 – Manufacture of computer, electronic, and optical products

- Manufacture of electronic components;
- Manufacture of assembled electronic boards;
- Manufacture of computers and peripheral equipment;
- Manufacture of communications equipment;
- Manufacture of electronic products;
- Manufacture of measuring, testing, and navigation instruments and devices;
- Watchmaking;
- Manufacture of medical irradiation equipment, electromedical, and electrotherapeutic equipment;
- Manufacture of magnetic and optical media.

## 15 – Manufacture of electrical equipment

- Manufacture of electric motors, generators, and transformers;
- Manufacture of electrical distribution and control apparatus and equipment;
- Manufacture of batteries and accumulators;
- Manufacture of electronic or electrical wires and cables and optical fibers;
- Manufacture of electrical installation equipment;
- Manufacture of electric lighting fixtures;
- Manufacture of household appliances;
- Installation of industrial machinery and equipment;
- Manufacture of insulators and electric welding equipment.

## 16 – Manufacture of machinery and equipment

- Manufacture of motors and turbines;
- Manufacture of hydraulic and pneumatic equipment;

- Manufacture of pumps and compressors;
- Manufacture of valves and fittings and accessories;
- Manufacture of gears and mechanical transmission components;
- Manufacture of furnaces and burners;
- Manufacture of lifting and handling equipment;
- Manufacture of office machinery and equipment;
- Manufacture of power-driven tools;
- Manufacture of industrial ventilation and refrigeration equipment;
- Manufacture of general and special-purpose machinery;
- Manufacture of agricultural and forestry machinery;
- Manufacture of forming and machine tools;
- Manufacture of mining or construction machinery;
- Manufacture of industrial machinery and equipment.

## 17 – Automotive industry

- Motor vehicle manufacturing;
- Car body and trailer manufacturing;
- Automotive electrical and electronic equipment manufacturing;
- Automotive equipment and accessories manufacturing;
- Automotive engineering (design, development, testing, industrialization, methods).

## 18 – Industries related to other means of transportation

- Ship and floating structures manufacturing;
- Pleasure craft manufacturing;
- Locomotive and other railway rolling stock manufacturing;
- Aeronautics and space industry;
- Tool manufacturing;
- Military vehicle manufacturing;
- Bicycle, motorcycle, tricycle, and special needs vehicle manufacturing;
- Aeronautical engineering (design, development, testing, industrialization, and methods).

## 19 – Furniture Industry

- Furniture manufacturing;
- Mattress manufacturing;
- Furniture-related industries.

## 20 – Other manufacturing industries

- Minting of coins;
- Manufacture of jewelry, costume jewelry, and similar articles;
- Manufacture of musical instruments;
- Manufacture of sporting goods;
- Manufacture of toys;
- Manufacture of medical and dental instruments and supplies.

## 20 – Other manufacturing industries

- Minting of coins;
- Manufacture of jewelry, costume jewelry, and similar articles;
- Manufacture of musical instruments;
- Manufacture of sporting goods;
- Manufacture of toys;
- Manufacture of medical and dental instruments and supplies.

## 21 – Activities related to the repair and installation of aeronautical and naval machinery and equipment

- Maintenance, repair, and overhaul of aircraft and engines;
- Transformation within aircraft;
- Repair of parts;
- Dismantling of end-of-life aircraft and engines;
- Dismantling of shipwrecks;
- Spare parts distribution platform;
- Repair and maintenance of aircraft and spacecraft;
- Naval repair and maintenance.

## 22 – Energy and industrial recovery of waste

- Energy and industrial recovery of waste;

## 23 – Recovery

- Dismantling of wrecks (vehicles, televisions, and computers);
- Recovery of sorted waste.

## 24 – Other activities

- Conditioning and packaging using industrial processes;
- Seawater desalination industry for the production of drinking water and irrigation water.



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## notes

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