

MOROCCO

CWA REFORM COMMITMENTS IN 2018	PROGRESS ON REFORM COMMITMENTS SINCE 2018	ADDITIONAL REFORM INITIATIVES	PARTNER SUPPORT
Macroeconomic Framework:			
Macroeconomic stability:			
Continued implementation of tax reforms seeking to improve the efficiency and equity of the tax system and make it more investment-friendly, along with the strengthening of the tax administration.	Fiscal consolidation and decentralization.	Main reform in 2021 budget law is introduction of contribution professionnelle unique (CPU) for businesses/proprietorships of modest revenues. Reform of tax administration proceeding with local tax simplification, CPU and interoperability of administrative systems.	World Bank
Implementation of the transition to a more flexible exchange rate regime.	Exchange rate flexibility	Exchange rate band widened in March 2020 from +/- 2.5% to +/- 5% and no official intervention in the market since then. No further change anticipated at this time.	IMF
Public investment management (including SOEs, PPPs and utilities):			
Modernize tax and customs administrations	Tax reform.	Reform of tax administration proceeding with local tax simplification, CPU and interoperability of administrative systems of tax and customs directorates.	World Bank
Improving state-owned Enterprises (SOEs) governance and performance.	SOE oversight and refocused on core public mandates. Publication of payment delays by SOEs SOE and public investment management reforms to optimize finance for infra Regulatory authorities (electricity, postal, telecom) established or endowed with greater powers	Gov-t announced wide-ranging SOE reform: 1. Creation of state holding company; 2. Incorporation of all commercial SOEs; 3. Re-grouping of SOE assets to leverage synergies, e.g., an energy SOE, finance SOE, logistics SOE. Creation of Sovereign investment fund (fonds Mohammed VI pour l'Investissement: will target among other things infra investment using MFD/PCM approach	World Bank IFC EBRD
Development of Public-Private Partnerships	PPP Framework brought in line with EU practices, and Investment Charter (for FDI) being revamped.	Amended PPP law adopted March 2020	IFC
Business Framework:			
Business environment and regulation:			
Moved up seven places in 2020 Doing Business (53rd out of 190 countries).			
<ul style="list-style-type: none"> Simplifying business related administrative procedures and strengthening 	Corporate insolvency, secured transaction framework, digital land registry, industrial land law, online creation of company, paperless customs, etc.	Review of the corporate governance framework: Revision of law n° 78-12 on public limited liability companies (sociétés anonymes), the proposed	IFC

<p>dematerialization and creating one-stop shop</p>	<p>One-stop-shop Regional Investment Centers restructured, allowing for greater engagement.</p> <p>National entrepreneurship strategy (pre- and post-creation supports, export and public market access, financing)</p>	<p>amendments aim to improve the regulatory aspects of corporate governance by increasing corporate transparency, strengthening management accountability and enhancing minority shareholders protection. Pending validation from technical committee and adoption in parliament.</p> <p>Data for policy response in the context of Covid19 crisis: Support to guide policy response and inform international financial institutions programs through a series of follow up Enterprise surveys (ES). These surveys are meant to shed light on how the pandemic is affecting the private sector fabric and to which extent public assistance hits its intended targets.</p> <p>Non-Performing Loans: Support the reform to kick-off a secondary market for NPLs in Morocco through the swift resolution of key impediments that are preventing the creation of the market from a private sector perspective (Based on IFC NPL secondary market creation report delivered to BAM)</p> <p>Secured transactions framework: (a) enacted Law No. 21-18 on secured transactions, including the creation of a National Movable Collateral Registry (Registre National électronique des sûretés mobilières [RNESM]), published in the Official gazette No. 6840 dated December 19, 2019; and (b) adopted Decree N. 2-19-327 implementing Law No. 21-18 regarding the modalities of registration and consultation of secured transactions and other related transactions in the RNESM and the management of the RNESM.</p>	<p>IFC</p> <p>IFC</p> <p>IFC</p>
<p>Modernization of the legal, institutional and regulatory framework for business</p>	<p>Competition and anti-corruption bodies operationalized.</p> <p>Anti-corruption national strategy being implemented.</p>	<p>Supporting the operationalization of the Competition Council through the development of an institutional framework to support the effective implementation of the competition</p>	<p>IFC</p>
<p>Financing Framework:</p>			
<p>Reduce risks investments (Efficient risk mitigation instruments):</p>			
<p>Strengthening and diversifying the financing instruments for SMEs and promoting financing for start-ups and innovative companies</p>	<p>National Financial Inclusion Strategy being implemented</p>	<p>Creation of Sovereign investment fund (fonds Mohammed VI pour l'Investissement): will target among other things start-ups and innovative companies by co-</p>	<p>World Bank KfW</p>

		investing with private equity managers	
Implementation of the law on the derivatives market and the OTC		Law being revised	EBRD
Domestic debt market development:			
Consolidation of the legal framework for financial instruments: Sukuk certificates, assets securitization, secured bonds, etc	Capital market development and reform of pension funds	Implementation on-going, esp. securitization framework as applied to distressed asset recovery	<u>IFC</u>
Operationalization of the legal framework governing collective investment in real estate or in capital		Good market take-up of REITs Framework of AIM being streamlined to support the operationalization of FM6I sub-funds investing in innovative companies.	World Bank KfW