

GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE
OF INFORMATION FOR TAX PURPOSES

Peer Review Report
Phase 1
Legal and Regulatory Framework

MOROCCO



Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Reviews: Morocco 2015

PHASE 1: LEGAL AND REGULATORY FRAMEWORK

May 2015
(reflecting the legal and regulatory framework
as at March 2015)

This work is published on the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of the OECD or of the governments of its member countries or those of the Global Forum on Transparency and Exchange of Information for Tax Purposes.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

Please cite this publication as:

OECD (2015), *Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Reviews: Morocco 2015: Phase 1: Legal and Regulatory Framework*, OECD Publishing.
<http://dx.doi.org/10.1787/9789264233614-en>

ISBN 978-92-64-23357-7 (print)
ISBN 978-92-64-23361-4 (PDF)

Series: Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Reviews
ISSN 2219-4681 (print)
ISSN 2219-469X (online)

Corrigenda to OECD publications may be found on line at: www.oecd.org/publishing/corrigenda.

© OECD 2015

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.

Table of Contents

About the Global Forum	5
Executive Summary	7
Introduction	9
Information and methodology used for the Peer Review of Morocco	9
Overview of Morocco	10
General information on the legal and tax system	10
Compliance with the Standards	15
A. Availability of information	15
Overview	15
A.1. Ownership and identity information	16
A.2. Accounting records	38
A.3. Banking information	44
B. Access to information	47
Overview	47
B.1. Competent authority’s ability to obtain and provide information	48
B.2. Notification requirements and rights and safeguards	54
C. Exchange of information	57
Overview	57
C.1. Exchange of information mechanisms	58
C.2. Mechanisms for exchanging information with all relevant partners	63
C.3. Confidentiality	65
C.4. Rights and safeguards of taxpayers and third parties	66
C.5. Speed of response to requests for information	67

Summary of Determinations and Factors Underlying Recommendations. . . .	69
Annex 1: Jurisdiction’s response to the review report	73
Annex 2: List of all exchange of information mechanisms in force.	74
Annex 3: List of all laws, regulations and other material received.	80

About the Global Forum

The Global Forum on Transparency and Exchange of Information for Tax Purposes is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by over 120 jurisdictions, which participate in the Global Forum on an equal footing.

The Global Forum is charged with in-depth monitoring and peer review of the implementation of the international standards of transparency and exchange of information for tax purposes. These standards are primarily reflected in the 2002 OECD Model Agreement on Exchange of Information on Tax Matters and its commentary, and in Article 26 of the OECD Model Tax Convention on Income and on Capital and its commentary as updated in 2004. The standards have also been incorporated into the UN Model Tax Convention.

The standards provide for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. Fishing expeditions are not authorised but all foreseeably relevant information must be provided, including bank information and information held by fiduciaries, regardless of the existence of a domestic tax interest or the application of a dual criminality standard.

All members of the Global Forum, as well as jurisdictions identified by the Global Forum as relevant to its work, are being reviewed. This process is undertaken in two phases. Phase 1 reviews assess the quality of a jurisdiction's legal and regulatory framework for the exchange of information, while Phase 2 reviews look at the practical implementation of that framework. Some Global Forum members are undergoing combined – Phase 1 and Phase 2 – reviews. The Global Forum has also put in place a process for supplementary reports to follow-up on recommendations, as well as for the ongoing monitoring of jurisdictions following the conclusion of a review. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

All review reports are published once approved by the Global Forum and they thus represent agreed Global Forum reports.

For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and for copies of the published review reports, please refer to www.oecd.org/tax/transparency and www.eoi-tax.org.

Executive Summary

1. The present report summarises Morocco’s legal and regulatory framework for transparency and exchange of information for tax purposes. The international standard, which is set out in the Global Forum’s Terms of Reference to Monitor and Review Progress Towards Transparency and Exchange of Information, is concerned with the availability of relevant information within a jurisdiction, the competent authority’s ability to gain access to that information, and in turn, whether that information can be effectively exchanged with its exchange of information partners.
2. In Moroccan law, information about the ownership of shares of Moroccan companies with share capital and the identity of shareholders is available on incorporation and on registration of such companies in the commercial register. This information is updated when there is a transfer ownership. There is no legal requirement for non-resident companies to keep information from which their owners may be identified.
3. Moroccan law allows limited companies and limited partners of partnerships limited by shares to issue bearer shares. However, the arrangements in place do not ensure that information about their owners is available under all circumstances.
4. Information about the members of partnerships and persons involved in a foundation and about foreign trusts is generally available in Morocco. However, there are no legal obligations for non-resident partnerships to keep ownership information. In addition, there are no penalties to enforce a certain number of legal requirements relating to the ownership and the identity of the owners of relevant entities. Element A.1 is therefore evaluated as not being in place.
5. Accounting information is available under accounting and tax law. Legal requirements to retain accounting information apply to all persons having trader status and to all taxpayers liable to corporate tax, value added tax and tax on natural persons with professional income. Banking information is also available under anti-money laundering legislation.

6. The right to information and the right of inspection provided for in the Moroccan Tax Code give the Moroccan tax authorities extensive powers of access to accounting, banking information and information about the ownership of legal entities. They are also empowered to control declarations and documents used in order to assess taxes and duties through the right of inspection.

7. Inter alia, these powers enable the tax authorities to request relevant information from any taxpayer, third party or other administration in order to assess and control taxes and duties. These information-gathering powers, which originate in Moroccan domestic law, apply to all international conventions pursuant to the principle that international conventions take precedence over domestic law. However, there are no provisions, in Moroccan domestic law, which allow lifting the professional secrecy of notaries and statutory auditors, in order for tax authorities to access information from these professionals, for international exchange of information. A recommendation to that effect was made and element B.1 is evaluated as in place, but certain aspects of the legal implementation of the element need improvement.

8. Morocco has an extensive network of exchange of information agreements in the form of bilateral or multilateral conventions. Morocco is a signatory to the joint OECD/Council of Europe Convention on Mutual Administrative Assistance in Tax Matters and to the Convention between the states of the Arab Maghreb Union for the avoidance of double taxation and mutual assistance with respect to taxes on income.

9. Morocco currently has a network of information exchange agreements covering 108 jurisdictions, of which 53 are in force. Considering all the information exchange agreements concluded by Morocco, the country has information exchange agreements compliant with the standard with 106 jurisdictions and can already exchange information in compliance with the standard with 42 of them.

10. Morocco's response to the conclusions and factors underlying the recommendations of the present report, as well as the practical implementation of its legal and regulatory framework by the competent authorities, will be assessed in detail during the Phase 2 peer review scheduled for the second quarter of 2015.

Introduction

Information and methodology used for the Peer Review of Morocco

11. The assessment of Morocco’s legal and regulatory framework is based on the international standard for transparency and exchange of information as described in the Global Forum’s Terms of Reference and was prepared using the Global Forum’s Methodology for Peer Reviews and Non-Member Reviews. The assessment is based on the prevailing laws, regulations and exchange of information mechanisms in force as of 3 March 2015, other material provided by Morocco and information supplied by partner jurisdictions.

12. The Terms of Reference break down the standards of transparency and exchange of information into 10 essential elements and 31 enumerated aspects under three broad categories: (A) availability of information, (B) access to information and (C) exchanging information. This review assesses Morocco’s legal and regulatory framework against these elements and each of the enumerated aspects. In respect of each essential element the review concludes whether *(i)* the element is in place, *(ii)* the element is in place but certain aspects of its legal implementation need improvement, or *(iii)* the element is not in place. These determinations are accompanied by recommendations for improvement of certain aspects of the Moroccan system, where relevant.

13. The assessment was conducted by a team consisting of two expert assessors and a representative of the Global Forum Secretariat: Cintia De Angelis, legal adviser at the International Tax Department of the Argentinian tax administration; Boya Ntsang Onanina Guy-René, Tax Inspector, assistant research officer at the Cameroon General Tax Directorate (Legislation and International Relations Division) and Mélanie Robert for the Global Forum Secretariat. The team evaluated the legal and regulatory framework for transparency and exchange of information and Morocco’s relevant information exchange mechanisms.

Overview of Morocco

14. The Kingdom of Morocco lies in the north-west of Africa. The main-springs of the Moroccan economy are agriculture, extractive industries and phosphate processing, textiles, food processing, tourism and fishing.

15. Morocco had a population of 33 million in 2013 and an unemployment rate of 9.2%. GDP amounted to MAD 882 billion¹ (EUR 80 billion), with an annual growth rate of 4.4% and inflation of 1.9%.

General information on the legal and tax system

Legal system

16. Morocco is a democratic, parliamentary, social, and constitutional monarchy. The constitutional system is based on the separation of powers and the country has a decentralised system of local government. The legal system has moved towards the establishment of positive law based on the production of normative instruments and the hierarchy of norms: Constitution, international conventions, laws, regulations and other administrative decisions.

17. Legislative power is exercised by a bicameral parliament comprising the House of Representatives, whose members are elected for a five-year term of office by direct universal suffrage, and the House of Councillors, whose members are elected for a six-year term by indirect universal suffrage.

18. The tax system and the tax assessment base, tax rates and tax collection methods are governed by law in the same way as fundamental freedoms and rights, infringements and the penalties for them, civil and commercial law, labour relations and social security, etc.

19. Matters not governed by law belong to the sphere of regulation. In principle, the prevailing laws and regulations apply uniformly throughout the Kingdom unless otherwise provided by law, as in tax matters.

20. The King is the Head of State. The King appoints the head of government and, on a proposal from him, appoints the members of the government, which exercises executive power.

21. The judiciary is independent of the legislature and the executive. There are two orders of jurisdictions:

- the judicial order, comprising the civil, criminal and commercial courts;

1. At 9 October 2014, the exchange rate for the Moroccan dirham and the euro was MAD 1 = EUR 0.0903.

- the administrative order, which hears disputes between users and the administration, including the tax authorities.

22. General or specialist courts are created by statute; extraordinary courts may not be created. Specialist jurisdictions include the Court of Auditors, which exercises supreme oversight over public finances. Its task is to safeguard the principles and values of good governance, transparency and accountability. Regional audit offices are responsible for overseeing the accounts and financial management of local authorities.

Tax system

23. Morocco has both national and local taxes. They comprise corporate tax, income tax, value added tax, registration and stamp duty, customs duty and domestic consumption taxes.

24. Corporate tax is levied on the income and profits of companies with share capital, public corporations and other legal persons which conduct business for profit and, optionally, partnerships whose members are natural persons only.

25. Companies resident in Morocco are taxed on a territorial basis on income related to their activities. Companies not resident in Morocco are liable to tax in Morocco on their income of Moroccan origin. The standard corporate tax rate is 30%. A 37% rate is levied on credit institutions, finance companies, the central bank, and the Caisse de Dépôt et de Gestion and insurance and reinsurance companies. Non-resident companies are taxable in Morocco on their proceeds, profits and income from the assets they possess, the activities they carry on and the transactions they perform for profit in Morocco.

26. Income tax is levied on the income and profits of natural persons and partnerships that have not opted for corporate tax. The income concerned is professional income, salaried income, income and profits from property, income and profits from investments and farm income.

27. Natural persons domiciled for tax purposes in Morocco are liable to tax on their income of Moroccan and foreign origin. Natural persons not domiciled for tax purposes in Morocco are liable to tax only on their income of Moroccan origin. A natural person is domiciled in Morocco for tax purposes where he/she has its permanent home or the centre of its economic interests in Morocco or where he/she is resident in Morocco, continuously or not, for more than 183 days in a 365-day period. The income tax scale is progressive up to a top rate of 38%. Specific rates may also apply in certain cases.

28. Value added tax (VAT) is levied on industrial, craft and commercial activities, construction work and property development, professional services and imports. The standard rate of VAT is 20%, but reduced rates of 14%, 10% and 7% apply in certain cases.

Overview of the financial sector and the relevant professions

29. Over the last ten years or so Morocco has seen an overhaul of its financial system which has affected banking (2006), capital markets (the last reform was in 2013) and insurance (the new Insurance Code was promulgated in 2002).

Banking, capital markets and insurance

30. Banking activity is governed by the provisions of Act 34-03 of 14 February 2006 on credit institutions and similar organisations. Banking activity is supervised by the central bank (Bank Al-Maghrib, BAM).

31. Credit institutions are supervised by BAM, which ensures that they comply with the provisions of the Banking Act and its implementing regulations. BAM ensures that they have an appropriate administrative and accounting organisation and internal control systems and monitors the quality of their financial situation.

32. Operators on capital markets are supervised by the Securities Ethics Council (*Conseil Déontologique des Valeurs Mobilières*, CDVM), a public body created by a Dahir (royal decree), transformed into the Moroccan Capital Markets Authority by Act 43-12 of 21 March 2013 in order to secure the CDVM's independence and strengthen its responsibility in the performance of its mission.

33. Total bank assets in 2013 stood at MAD 1 095 billion (EUR 99 billion).

Anti-money laundering

34. The legal framework for the prevention of money laundering and the financing of terrorism was introduced in Morocco in 2003 with the adoption of Act 03-03 on the prevention of terrorism. In 2007, Morocco adopted Act 43-05 on the prevention of money laundering, amended and supplemented by Act 145-12 of 2 May 2013.

35. These laws, promulgated between 2007 and 2013, led to the creation of a Financial Intelligence Unit, the *Unité de Traitement des Renseignements Financiers* (UTRF), and an amendment of the Penal Code. The UTRF is Morocco's AML/CTF unit.

36. Other circulars subsequently set out the terms and conditions for exercise of the duty of care, such as the Bank Al-Maghrib circular of 18 April 2012 and the Insurance and Social Welfare Directorate circular of 4 July 2011.

37. In addition to making terrorist financing and money laundering a criminal offence, the Anti-Money Laundering Act, at Article 3, requires all those concerned (banks, notaries, financial intermediaries and other depositaries) to gather all the necessary information to identify their customers among owners of partnerships of companies with share capital.

Transparency and exchange of information

38. Morocco has been a signatory to the multilateral Convention on Mutual Administrative Assistance in Tax Matters since 21 May 2013 (Multilateral Convention), thus confirming its commitment to the effective prevention of international tax fraud and evasion. However, the Convention has not yet been ratified, but the ratification process is under way.

Compliance with the Standards

A. Availability of information

Overview

39. Effective exchange of information requires the availability of reliable information. In particular, it requires information on the identity of owners and other stakeholders in an entity or arrangement as well as information on the transactions carried out by entities and other organisational structures. Such information may be kept for tax, regulatory, commercial or other reasons. If such information is not kept or the information is not retained for a reasonable period of time, a jurisdiction's competent authority may not be able to obtain and provide it when requested. This section of the report assesses the adequacy of Morocco's legal and regulatory framework on availability of information.

40. The articles of association of all Moroccan companies must contain information about the ownership of shares and the identity of shareholders. Under the provisions of the Moroccan Commercial Code, all persons carrying on a commercial activity in Morocco must register in the commercial register.

41. Only *sociétés anonymes* (limited companies) are required to keep a register of shares relating to subscriptions and transfers of each category of registered shares. Nevertheless, other companies are required to amend their articles of association when shares are transferred; the amended articles of association must then be filed again and made public. Ultimately, the registration duties applicable to all disposals or transfers of shares ensure that the tax authorities have up-to-date information about the ownership of shares.

However, non-resident companies are not under any statutory obligation to keep information whereby their owners may be identified.

42. Moroccan law allows limited companies and limited partners of partnerships limited by shares to issue bearer shares. However, the arrangements in place do not ensure that information about their owners is available under all circumstances.

43. Information about the partners in partnerships and persons involved in a foundation is available, except for foreign partnerships. There is no provision for the creation of trusts in Moroccan law, but a trust may be administered from Morocco. Under anti-money laundering legislation, trustees, as professionals, are required to gather and keep all information whereby their clients and the beneficial owners can be identified.

44. However, there is no penalty under the prevailing laws and regulations in Morocco for non-compliance with a certain number of obligations relating to the ownership of relevant entities and the identity of owners.

45. All persons who are traders and all taxpayers liable to corporate tax must retain accounting data for 10 years.

46. Under anti-money laundering legislation, banks and financial institutions are required to know their customers and beneficial owners and to keep information about transactions carried out by their customers for at least 10 years.

A.1. Ownership and identity information

Jurisdictions should ensure that ownership and identity information for all relevant entities and arrangements is available to their competent authorities.

Companies (ToR 2 A.1.1)

47. Three types of company with share capital may be created in Morocco.

- An SA (*société anonyme*, limited company) – Act 17-95 on limited companies as amended by Acts 81-99 and 20-05 – is a commercial company whose members, called shareholders because they have a right represented by a transferable security called a share, are liable for the company's debts only up to the amount of their contribution. A limited company must have at least five shareholders and capital of at least MAD 3 million (EUR 271 000) if it makes a public offering of shares and MAD 300 000 (EUR 27 100) if not.

-
2. Terms of Reference to Monitor and Review Progress Towards Transparency and Exchange of Information.

Under the law on limited companies, it is also possible to create simplified limited companies (*société anonyme simplifiée*, SAS), which are companies incorporated as legal persons in order to create or manage a joint subsidiary or to create a company which will become their joint parent. The members of an SAS must have capital equal to at least MAD 2 million (EUR 181 000).

- A SECA (*société en commandite par actions*, partnership limited by shares) – Act 5-96 on partnerships, limited liability companies and joint ventures as amended by Acts 82-99, 21-05 and 24-10 – whose capital is divided into shares, comprises one or more managing partners, who are traders and indefinitely and jointly liable for the partnership’s debts, and limited partners, who are shareholders and are liable for losses only in the amount of their contribution.

There may not be fewer than three limited partners. A SECA’s name may include the name of one or more managing partners and must be immediately preceded or followed by the words “*société en commandite par actions*”.

- An SARL (*société à responsabilité limitée*, limited liability company) – Act 5-96 on partnerships, limited liability companies and joint ventures as amended by Acts 82-99, 21-05 and 24-10 – is a commercial company. It is the most common form of company in Morocco, representing over 95% of companies. An SARL may be formed by a single person, called the sole shareholder, and may not have more than 50 shareholders. The capital of an SARL is set freely by the members in the articles of association and is divided into shares with an equal par value. Contributions may be made in kind.

Publication and registration formalities

48. SAs must be created by a written instrument, which may be a private or notarial deed. The articles of association must state the number of shares issued and their par value, distinguishing where relevant between registered and bearer shares (Article 12 of the law on limited companies). The articles of association must be signed by all the shareholders, either in person or by a proxy with special authorisation (Articles 17 and 18). Under Article 31, a list of subscribers stating their name, first name, address, nationality, status and profession, the number of shares subscribed and the amount of payments made by each one must be filed with the registry of the court where the company has its registered office, failing which the application to register the company in the commercial register will be rejected.

49. Two or more companies may jointly create a simplified limited company (SAS) in order to create or manage a joint subsidiary or create a

company which will become their joint parent (Article 425 of the law on limited companies). An SAS is likewise created by the articles of association signed by all the shareholders (Article 427 of the law on limited companies). Article 31, under which a list of subscribers must be filed with the court registry, also applies to simplified limited companies, pursuant to Article 425.

50. Under Article 50 of the law on partnerships, limited liability companies and joint ventures, the articles of association of a limited liability company must state the name, first name and domicile or, in the case of a legal person, the name, form and registered office, of each shareholder, failing which the company is void. All the shareholders must sign the articles of association, either in person or by a proxy with a special authorisation.

51. Articles 17 and 18 of the law on limited companies, whereby the articles of association must be signed by all the shareholders, apply to partnerships limited by shares, pursuant to Article 31 of the law on partnerships, limited liability companies and joint ventures. In addition, Article 5 of the same law states that the articles of association must state the name, first name and domicile of each of the members of the companies to which the law applies, otherwise they will be void.

52. In addition, Article 1 of the law on partnerships, limited liability companies and joint ventures states that Article 31 of the law on limited partnerships applies to the companies governed by the law on partnerships, limited liability companies and joint ventures. Consequently, those companies are required to file a list of subscribers stating their name, first name, address, nationality, status and profession, the number of shares subscribed and the amount of payments made by each one with the registry of the court where the company has its registered office, failing which the application to register the company in the commercial register will be rejected.

53. The creation of a company is made public at the court of the place where it has its registered office by the filing of deeds and documents with the court registry for registration in the commercial register within three months, followed by publication in a journal carrying legal notices and the Official Bulletin within 30 days following registration (Article 17, 31 and 33 of the law on limited companies and Article 95 and 96 of the law on partnerships, limited liability companies and joint ventures).

54. Under the Moroccan Commercial Code, all natural and legal persons, Moroccan or foreign, carrying on a commercial activity in Morocco must be registered in the commercial register. Under Article 37, this requirement also applies to branches or agencies of a Moroccan or foreign enterprise and to economic interest groupings.

55. Under the Commercial Code, trader status results from the regular or professional exercise of the following activities:

- the purchase of tangible or intangible property for resale, the lease of tangible or intangible property for sublease and the purchase of real property for resale as it stands or after transformation;
- the exploration and operation of mines and quarries;
- transport;
- industrial or craft activity;
- banking, credit and financial transactions;
- fixed-premium insurance business, broking, commission and all other intermediation business;
- the operation of warehouses and general stores, printing and publishing;
- building and civil works, water, gas and electricity distribution, post and communications;
- business, travel, information and advertising offices and agencies, the organisation of public entertainment, public auctions;
- the provision of products and services;
- all operations relating to ships and aircraft and their accessories and all operations relating to the operation of ships and aircraft and maritime and airborne commerce.

56. Trader status also results from the regular or professional exercise of any activity that may be assimilated to those listed above (Articles 6 to 8 of the Commercial Code).

57. Article 45 of the Commercial Code states that the application to register a commercial company must include:

- the name and first name of members, other than shareholders and limited partners, their date and place of birth, nationality and national identity number or, for resident foreigners, the number of their registration card or, for non-resident foreigners, the number of their passport or any other equivalent identity document;
- the company name;
- its legal form;
- the company's purpose and actual business;
- the registered office and, where relevant, the places where the company has branches in Morocco or abroad;

- the names of the members or third parties authorised to administer, manage and sign for the company, their date and place of birth, nationality and national identity number or, for resident foreigners, the number of their registration card or, for non-resident foreigners, the number of their passport or any other equivalent identity document;
- the amount of the share capital and, if it is variable, the amount below which the capital may not be reduced;
- the date at which the company started and the date at which it must end;
- the date and reference number of the filing of the articles of association with the court registry. For limited liability companies, two copies of the articles of association must be filed (Article 95 of the law on partnerships, limited liability companies and joint ventures).

58. Article 50 of the Commercial Code states that any change to or amendment of the information provided on registration must be notified to the court registry within one month of the change (articles 95, 96 and 97 of the law on partnerships, limited liability companies and joint ventures). Only registration in the commercial register confers legal personality on companies (Article 7 of the law on limited companies and Article 2 of the law on partnerships, limited liability companies and joint ventures). Article 26 of the Commercial Code states that the originals of correspondence received and copies of correspondence sent must be filed and kept for 10 years as of their date.

Registered share register

59. Article 245 of the law on limited companies states that subscriptions and transfers of each category of registered shares must be entered in chronological order in a register which all limited companies must keep at their registered office. This article also applies to simplified limited companies.

60. There is no requirement for limited liability companies and for partnership limited by shares to enter subscriptions and transfers of each category of shares in a register. Under Article 58 of the law on partnerships, limited liability companies and joint ventures, however, shares in an SARL may be transferred to third parties only with the consent of a majority of shareholders representing at least three-quarters of the shares. A record of shareholders' deliberations must be kept, stating the date and place of the meeting, the name and first name of shareholders present or represented and the interest in the company of each one, the report and documents provided a summary of discussions, draft resolutions put to a vote and the outcome of the vote (Article 73).

61. With regard to limited liability companies and partnerships limited by shares, Article 5 of the law on partnerships, limited liability companies and joint ventures states that the articles of association must state the name, first name and domicile of each of the members of the companies to which the law applies, otherwise they will be void. Under Article 97 of the same law, all acts, deliberations or decisions amending the articles of association are subject to the same filing and publication conditions as set forth at Article 95 and 96. Consequently, any change in the ownership of shares entails an amendment of the articles of association, which must be filed again with the registry of the court of the place where the company has its registered office.

Tax requirements

62. All taxpayers in Morocco, whether taxable or exempt, must send a declaration of existence within 30 days following the date either of their incorporation, in the case of a Moroccan company, or of their installation, in the case of a non-resident enterprise, to the tax office of the place where they have their registered office or principal establishment in Morocco or of their domicile for tax purposes (Article 148 of the Moroccan Tax Code).

63. For a Moroccan company liable to corporate tax, the declaration must include:

- the legal form, company name and the place where the company has its registered office;
- the place of all establishments and branches in Morocco and, where relevant, in other countries;
- the commercial register, national social security fund and, where relevant, business tax registration numbers;
- the name and first names, status and address of the company's managers or representatives authorised to act on its behalf;
- the company's articles of association and a list of founder shareholders.

64. For a non-resident company, the declaration must include:

- the company name and the place where the company has its registered office;
- the place of all the company's establishments and branches in Morocco;
- the name and first names or company name, the profession or business and the address of the natural or legal person resident in Morocco that is accredited with the tax authorities.

65. Under Article 20 of the Moroccan Tax Code, companies, whether taxable or exempt, except for non-resident companies liable to flat-rate tax or non-resident companies with no establishment in Morocco, must send a tax return to the tax authorities within three months of the closing date of each accounting period. The tax return must include supporting documents, a list of which is established by regulation.

66. Finance Ministry order no. 297-88 of 6 rejev 1408 (24 February 1988) on the supporting documents which companies are required to provide to the tax authorities with their tax return specifies which documents must be provided. They include accounting information such as detailed financial statements, inventories, fixed assets and depreciation together with the identity of the ten principal shareholders³ (Finance Ministry order, OJ no. 3949 of 6 July 1988). However, not all information about ownership is required with the tax return.

67. Property investment companies (*sociétés à prépondérance immobilière*)⁴ are required to include a list naming all their shareholders with their tax return (Article 20 of the Moroccan Tax Code).

68. Registration formalities and duties also apply to verbal or written agreements, in the form of private or notarial deeds, relating to transfers *inter vivos*, free of charge or for valuable consideration, such as the sale, gift or exchange of shares in economic interest groupings, shares in companies not listed on a stock exchange and shares in property companies or property investment companies (Article 127 of the Moroccan Tax Code). Such transfers are liable to compulsory registration duties, whether they are verbal or written and whatever the form of the instrument by which they are ascertained. Under Article 128 of the Moroccan Tax Code, transfers must be registered and duty paid (4% of the transfer price) within 30 days.

69. Consequently, through the registration formality the tax authorities are constantly informed of changes to the shareholders of all companies with their registered office in Morocco, in particular where the companies are not quoted on the stock exchange. Where the instrument transferring the shares is exempt from registration duty, the parties to the instrument must submit it to the relevant registration office in order for it to be formalised free of charge (Under Article 136-III of the Moroccan Tax Code).

-
3. Principal shareholders or partners mean the one who holds the largest number of shares in the company or partnership.
 4. Property investment companies (*sociétés à prépondérance immobilière*) are companies incorporated under one of the legal forms available in Morocco. Property investment company's main activity is to hold real estate (at least 75% of the value of its assets).

70. Article 211 of the Moroccan Tax Code states that taxpayers are required to keep all documents provided for by the prevailing laws and regulations for ten years at the place where they are taxed.

Companies governed by the law on offshore financial centres

71. It is possible in Morocco to create offshore holding companies or offshore banks in Tangiers, in application of Act 58-90 on offshore financial centres. Companies governed by the Act are eligible for tax benefits. Offshore banks are liable to a 10% tax or a lump sum tax for a maximum period of 15 years (Under Article 18); offshore holding companies are eligible for the lump sum tax for a period of 15 years (under Article 34).

72. However, offshore companies, whether banks or holding companies, are liable to the same incorporation and publication rules according to the legal form in which they are incorporated (the law on public limited companies or the law on partnerships, limited liability companies and joint ventures will apply as appropriate). Articles 4 and 29 of the law on offshore financial centres states that whatever the form in which the company is incorporated,

“the interested parties must submit to the minister responsible for finance the articles of incorporation of the offshore bank or holding company and a notarial deed certifying that the bank or holding company has been duly incorporated in compliance with the applicable law”.

73. Consequently, information about the ownership of shares in offshore companies is available under all circumstances, in the same way as for other companies incorporated under Moroccan law. In addition, the Moroccan authorities have confirmed that companies governed by the law on offshore financial centres, although they benefit from a reduced rate of tax, are subject to the Moroccan Tax Code and to all the obligations arising therefrom. The shares of offshore banks are exempt from the registration duty provided for in the Moroccan Tax Code (Article 17 of the law on offshore financial centres), but the parties to an exempt instrument must submit it to the relevant registration office for it to be formalised free of charge in accordance with Article 136-III of the Moroccan Tax Code.

Foreign companies

74. Foreign companies carrying on a commercial activity in Morocco are subject to the same formalities for registration in the commercial register as Moroccan companies. The same applies to Moroccan branches on foreign companies (Articles 37 and 41 of the Commercial Code). The information to be provided to the registry for registration purposes is the same as for

Moroccan companies. However, the content of the articles of association will be determined by the legal requirements of the jurisdiction where the company was incorporated, and information on the ownership of shares will be available only if that is a requirement in the said jurisdiction.

75. Foreign companies and Moroccan branches of foreign companies are also required to notify any change to the information provided on registration, by application of Article 50 of the Commercial Code.

76. In accordance with the territoriality principle, non-resident companies are liable to tax in Morocco on the proceeds, profits and income from the assets they possess, from the business they conduct and from the transactions they carry out for profit in Morocco, even on an occasional basis, and on proceeds, profits and income taxable in Morocco under the provisions of tax conventions (Article 5 of the Moroccan Tax Code).

77. Foreign companies liable to corporate tax (on income from commercial activities in Morocco, profitable operations realised in Morocco or on income from properties held in Morocco – Article 5 of the Moroccan Tax Code) must identify themselves to the tax authorities within 30 days following their installation or the start of their activities in Morocco. In order to do so, they must file a declaration of existence (Article 148 of the Moroccan Tax Code). Foreign companies, except for non-resident companies liable to flat-rate tax or non-resident companies with no establishment in Morocco, must file an annual tax return in the same way as Moroccan companies (Article 20 of the Moroccan Tax Code). The documents which accompany the annual tax return, as defined by regulation, mainly concern accounting information.

Anti-money laundering legislation

78. In Morocco, the rules relating to the prevention of money laundering stem from Act 43-05 on money laundering. Article 3 of the Act states that the persons to whom it applies are required to gather all the necessary information to identify their regular or occasional customers and beneficial owners.

79. The term beneficial owner within the meaning of this Act means any natural person on whose behalf the customer acts or, where the customer is a legal person, any natural person who ultimately controls or owns it (Article 3).

80. Under Article 2 of the Act, persons governed by its provisions are the following public- or private-law natural and legal persons:

- Bank Al-Maghrib;
- credit institutions and similar organisations;

- banks and offshore holding companies;
- financial holding companies;
- fund transfer intermediation companies;
- insurance and reinsurance companies and insurance and reinsurance intermediaries;
- financial asset managers;
- auditors, external accountants and tax advisers;
- service providers involved in the creation, organisation and domiciliation of enterprises;
- members of an independent legal profession who take part in a financial or property transaction in their customer's name and on his or her behalf, or who help their customer to prepare or carry out operations relating to:
 - the purchase or sale of property assets or commercial enterprises;
 - the management of funds, securities or other assets belonging to the customer;
 - the opening or management of bank, savings or securities accounts;
 - the organisation of the necessary contributions to constitute, manage or operate companies or similar structures;
 - the formation, management or direction of *fiducies*, companies or similar structures.

81. Where the customer is a legal person, persons governed by the Act must, by means of the necessary documents and indications, verify all information concerning its name, legal form, activity, the address of its registered office, its share capital, the identity of its managers, the powers of persons authorised to represent it with regard to third parties or to act on its behalf by virtue of a power of attorney and the beneficial owners (Article 3).

82. Article 5 further states that persons governed by the Act must:

- ascertain the identity of principals for the performance of transactions whose beneficiary is a third party;
- ascertain and verify the identity of persons acting on behalf of their customers by virtue of a power of attorney; and
- ensure that their customer files are regularly updated.

83. Under Article 4, persons governed by the Act must not execute a transaction where it has not been possible to verify the identity of the persons concerned or where the identity is incomplete or plainly fictitious.

84. In addition, Article 18 of the Commercial Code states that all traders must open an account with a bank or postal cheque centre for the purposes of their business. Consequently, there is always a person governed by the provisions of the Anti-Money Laundering Act who must ascertain the identity of the company's shareholders (Article 3 of the Anti-Money Laundering Act).

85. All documents relating to the identity of customers must be kept for ten years as of the date on which the transaction is executed (Article 7).

Information held by nominees

86. The notion of nominee exists in Moroccan law. Article 879 of the Dahir on obligations and contracts defines a power of attorney as “a contract whereby one person instructs another to perform a lawful action on the principal's behalf”. Article 19 of the same Dahir defines the term “contract” as “the parties' agreement on the essential elements of the obligation and all the other lawful clauses which the parties deem essential”.

87. Article 926 of this Dahir also states that the principal is required to execute directly the undertakings contracted on his behalf by the nominee, within the limits of the powers conferred upon the nominee. The Moroccan tax authorities have indicated that the nominee has to indicate to third parties that he is acting on behalf of his client.

88. Section 1, Article 2 of the Moroccan Anti-Money Laundering Act includes the obligation for all those governed by its provisions to identify beneficial owners and owners of last resort among their customers or through nominees acting on customers' behalf. Nominee shareholders that are not acting by way of business are not covered under the AML provisions and thus, do not have a specific legal obligation to retain identity information on the person for whom they act as the legal owner. Nevertheless, it may be expected that such nominees do know who their client is in order to correctly perform their duties as a nominee. In addition, these nominees might establish a relationship with a financial institution in Morocco (e.g. opening a bank account to receive dividends on the shares they hold), in which case the financial institution is required to perform customer due diligence measures with respect to the person acting as nominee and the beneficial owner. In any event, the group of nominee shareholders not covered by the AML obligations would primarily consist of persons performing services gratuitously or in the course of a purely private non-business relationship and is therefore likely to be limited. This matter will be further considered as part of Morocco's Phase 2 review.

Conclusion

89. In conclusion, under the process for incorporating and registering companies in Morocco, information about the ownership of shares and the identity of shareholders at the time of incorporation is contained in the articles of association and provided to the registry of the court of the place where the company has its registered office. Moroccan law also ensures that such information is updated, for limited companies and simplified limited companies through the register of shareholders, and for property investment companies through the annual tax return, or for limited liability companies and partnerships limited by shares by amendment of the articles of association. In addition, the tax authorities are informed of any transfer of shares by means of the registration duty. Under the Anti-Money Laundering Act, persons governed by its provisions are required to identify their regular or occasional customers, all traders must open an account with a bank or a postal cheque centre and all nominees must identify their customers and beneficial owners.

90. Non-resident companies are not required to keep up-to-date information about the ownership of their shares and the identity of shareholders. It is recommended that Morocco should ensure that non-resident companies are required to keep up-to-date information about the ownership of their shares and the identity of shareholders.

Bearer shares (ToR A.1.2)

91. In Morocco, the law on limited companies (SA) provides for the creation of bearer shares. Limited companies and partnerships limited by shares, by application of Article 31 of the law on partnerships, limited liability companies and joint ventures, may issue bearer shares.

92. There are certain arrangements in Moroccan law which ensure the availability of information about the identity of holders of bearer shares in specific circumstances. The Moroccan authorities have confirmed that these obligations require the identification of the legal and beneficial ownership.

- Listed shares are registered in accounts with authorised financial intermediaries in accordance with the provisions of Act 35-96 on the creation of a central depositary and the institution of a general rule for the registration in accounts of certain securities. The identity of owners of listed bearer shares can therefore be ascertained.
- With regard to bearer shares of unlisted companies, Article 3 of the Anti-Money Laundering Act requires all persons governed by its provisions (banks, notaries, lawyers, financial intermediaries and other depositaries) to gather all the necessary information to identify

their customers among the owners of limited companies. They are therefore required to identify the owners of bearer shares when the company is created by a notary (where relevant) and on opening a bank account.

- Article 152 of the Moroccan Tax Code states that taxpayers who pay dividends must file a declaration with the tax authorities containing certain items of information, including the identity of dividend recipients and their address or tax identification number.

93. Transfer of bearer shares is also liable to compulsory registration duties, whether they are verbal or written and whatever the form of the instrument by which they are ascertained. Under Article 128 of the Moroccan Tax Code, transfers must be registered and duty paid (4% of the transfer price) within 30 days. Penalties are applicable for non-compliance with this obligation (Article 184 of the Moroccan Tax Code). However, it is not clear that this measure is sufficient as the tax authorities have no means to verify whether bearer shares have been transferred or not. In addition, Moroccan authorities were unable to provide statistics on the number of limited companies and limited partners of partnerships limited by shares that may issue bearer shares or the possible number of bearer shares in existence.

94. Although there are arrangements which require the availability of this information, the mechanisms in place do not ensure the identification of the holders of bearer shares under all circumstances. It is recommended that Morocco should take the necessary steps to ensure that appropriate arrangements are in place to identify the owners of bearer shares under all circumstances.

Partnerships (ToR A.1.3)

95. Three types of partnership may be created in Morocco, namely *sociétés en nom collectif* (general partnerships, SENC), *sociétés en commandite simple* (limited partnerships, SECS) and *sociétés en participation* (joint ventures, SP). They are governed by Act 5-96 on partnerships, limited liability companies and joint ventures as amended by Acts 82-99, 21-05 and 24-10.

- An **SENC** is one in which all the partners are traders with indefinite and joint liability for the partnership's debts. The partnership has a name, which may include the name of one or more partners and must be immediately preceded or followed by the words "Société en nom collectif". Partnerships with sales in excess of MAD 50 million (EUR 4.5 million) at the end of the business year must appoint at least one auditor. Shares are nominative and may be transferred only with the consent of all the partners.

- An **SECS** comprises managing partners and limited partners. It has a name which may include the name of one or more managing partners and must be immediately preceded or followed by the words “*Société en commandite simple*”. The managing partners are indefinitely and jointly liable for the partnership’s debts. The limited partners are liable for the partnership’s debts only up to the amount of their contribution; they may not perform any act of management.
- It is also possible to create a **joint venture**. This exists only in the relations between partners and is not intended to be known by third parties. It does not have legal personality and is not subject to any registration requirement or publication formality. If the company is of a commercial nature, the relations between partners are governed by the rules applicable to general partnerships, unless otherwise provided.

96. Act 5-96 on partnerships, limited liability companies and joint ventures applies to general partnerships and limited partnerships in the same way as to limited liability companies and partnerships limited by shares. As explained in Section A.1.1 on these companies, the Act provides that the articles of association must state the name, first name and domicile of each partner or, if it is legal person, its name, legal form and the place where it has its registered office, and be signed by all the partners, otherwise the company is void (Article 5 for general partnerships and Articles 21 and 23 for limited partnerships).

97. In addition, Article 1 of Act 5-96 states that Article 31 of the law on limited companies applies to the companies and partnerships governed by the law on partnerships, limited liability companies and joint ventures. Consequently, those companies and partnerships are required to file a list of subscribers stating their name, first name, address, nationality, status and profession, the number of shares subscribed and the amount of payments made by each one with the registry of the court where the company has its registered office, failing which the application to register the company in the commercial register will be rejected.

98. For general partnerships and limited partnerships, Article 15 of the law on partnerships, limited liability companies and joint ventures states that the shares are nominative and may be transferred only with the consent of all the partners (Article 27 for limited partnerships). In addition, share transfers must be made in writing, failing which they are void. They must be notified to the company in order that they may be relied on, but notification may be replaced by the filing of a copy of the transfer deed (Articles 16 and 21). They must also be published in the commercial register in order that they may be relied on against third parties (Articles 17 and 21). The provisions of these articles are confirmed in Article 195 of the Code of Obligations and Contracts, which states that in order to be relied on against third parties,

transfers of corporate rights must be notified to the partnership or accepted by it in a notarial or private deed.

99. Under Article 5 of the law on partnerships, limited liability companies and joint ventures, the articles of association must state the name, first name and domicile of each of the members of the companies to which the law applies, otherwise they will be void. The articles of association are kept at the partnership's registered office and all the partners may know the identity of their fellow-partners. In addition, any act, deliberation or decision the effect of which is to amend the articles of association is subject to the same filing and publication requirements (Article 97 of the law on partnerships, limited liability companies and joint ventures).

100. Article 26 of the Commercial Code states that the originals of correspondence received and copies of correspondence sent must be filed and kept for 10 years as of their date.

101. Joint ventures do not have legal personality. They exist only in the relations between partners and are not intended to be known by third parties. They can therefore be created *de facto* and are not subject to any registration or publication requirement (Article 88 of the law on partnerships, limited liability companies and joint ventures). Consequently, the partners are personally liable to tax on income from the joint venture and no other information on the identity of the partners is required.

Foreign partnerships

102. Partnerships created in another jurisdiction which carry on a commercial activity in Morocco are not under any legal requirement to keep information about share ownership. The information will be available in documents relating to the creation of the partnership only if that is a requirement in the jurisdiction where the partnership was created. The same applies to updates of such information following a transfer of shares.

Publication and registration formalities

103. General partnerships and limited partnerships in Morocco are subject to the same registration requirements under the Commercial Code as those described in Section A.1.1 for companies with share capital. As for companies, partnerships must be constituted in writing by private or notarial deed. The creation of the partnership is made public at the court of the place where it has its registered office by the filing of deeds and documents with the registry of the competent court for the purposes of registration in the commercial register within three months, followed by publication in a journal carrying legal notices and the Official Bulletin within 30 days following registration.

Information held by SENCs, SECSs and non-trading partnerships

Tax requirements

104. Partnerships are subject to tax law requirements in the same way as any other taxpayer. Article 148 of the Moroccan Tax Code states that all taxpayers, whether taxable or exempt, must send a declaration of existence within 30 days following the date of either their incorporation, if the partnership is a Moroccan partnership, or their installation, if it is a resident or non-resident enterprise. The information to be provided in the declaration of existence is the same as for companies as mentioned in Section A.1.1 above.

105. Under Article 2-III of the Moroccan Tax Code, partnerships whose partners are natural and legal persons or legal persons only are liable to corporate tax. Under Article 2-II, partnerships constituted in Morocco whose partners are natural persons only may opt for corporate tax; the decision is irrevocable. Otherwise, they are liable to income tax payable by the principal partner (Article 26-I).

106. Partnerships liable to corporate tax are subject to the same filing requirements as companies, as explained in Section A.1.1. They must file an annual tax return (Article 20 of the Moroccan Tax Code). The tax return must also include information about the identity of the 10 principal shareholders (Finance Ministry order, OJ no. 3949 of 6 July 1988) but a list of all shareholders is not required with the return.

107. Partnerships liable to income tax (i.e. partnerships constituted in Morocco whose partners are natural persons only and which have not opted for corporate tax) must complete a declaration of taxable income which is attached to the declaration of total income of the principal partner and filed with the tax authorities (Article 82 of the Moroccan Tax Code). The declaration of taxable income must include ownership information of the 10 principal partners (Finance Ministry order, OJ no. 3949 of 6 July 1988). However, the information on all the partners of the partnership is not required with this declaration. The taxable income of the partnership must be added to the professional income category of the declaration filed by the principal partner, who is liable to tax on the income (Article 26-I of the Moroccan Tax Code). The principal partner is the one who owns the largest share of the partnership. If shares are equal, the partners must decide amongst themselves which of them will be the principal partner⁵ (Circular no. 171 relating to the Moroccan Tax Code).

5. The notion of “principal partner” is assessed with reference to the share capital except in the case of a limited partnership. The principal partner is the one who holds the largest number of shares. The shares to be taken into consideration include not only those that are the personal property of each partner but also

108. If the principal partner of a partnership liable to income tax (and not corporate tax) is not resident in Morocco, he or she must file an annual tax return in Morocco and state his or her income from Moroccan sources, including income from the partnership (Articles 23-I, 25 and 82 of the Moroccan Tax Code).

109. Property investment companies must also include a list naming all the owners of their shares with their tax return (Article 20 of the Moroccan Tax Code). However, the complete list of all shareholders of the partnership is not transmitted to the tax authorities with the annual declaration of total income nor with the principal partner's declaration.

Anti-money laundering legislation

110. Under Article 2 of the Anti-Money Laundering Act, certain natural or legal persons who are not members of the partnership are required to keep information on the identity of the partners of partnerships. They include banks, notaries, lawyers and all service providers involved in the creation, organisation and domiciliation of partnerships.

111. Under Article 18 of the Commercial Code, as is the case with companies, any partnership carrying on a trading activity is required to open an account with a bank or postal cheque centre for the purposes of the business. Consequently there is always a person governed by the Anti-Money Laundering Act who is required to identify the owners of the partnership and keep that information (Article 3 of the Act).

Conclusion

112. Information about the owners of partnerships must be included in the articles of association and filed with the application for registration. Share transfers must be notified to the partnership, which must keep a copy of such correspondence. The articles of association must also be amended

those that belong to their spouses, partners or minor children. Where the share capital is divided equally between all the partners, the principal partner is the one who acts as manager. Where the manager is not chosen from among the partners or where the management is entrusted to several partners, the principal partner is: (i) the one who, by his collaboration and active involvement in the company's administration appears to be the person most interested in the smooth operation and development of the enterprise; or (ii) the one who offers the best guarantee with regard to collection of tax. The characteristics of management are defined according to the company's legal form. In the event of equal shares, it is Circular no. 717 relating to the Moroccan Tax Code which defines the principal partner (p. 242). 1-2-Definition of the principal partner.

and published again in the commercial register so that they may be relied on against third parties. However, foreign partnerships are not under any legal obligation to keep information about the ownership of their shares. Consequently, in Morocco information on the ownership of partnerships and the identity of the owners is available, except for foreign partnerships.

Trusts (ToR A.1.4)

113. There is no provision for the constitution of trusts in Moroccan law and Morocco is not a signatory of the Hague Convention of 1 July 1985 on the Law Applicable to Trusts and on their Recognition. However, there is nothing in Moroccan law to prevent a Moroccan resident from acting as trustee or administrator of a trust created under the laws of another country.

114. However, a lawyer or any other professional acting as trustee for a foreign-law trust would fall within the scope of Moroccan anti-money laundering legislation, since all professionals will likely be caught by the broad scope of AML coverage. Under Article 3 of the Anti-Money Laundering Act, persons governed by the provisions of the Act are required to gather all the necessary information to ascertain and verify the identity of their regular or occasional customers and of beneficial owners.

115. The Act applies to lawyers, notaries, auditors, external accountants and tax advisers as well as banks, financial holding companies, financial asset management companies and service providers involved in the creation, organisation and domiciliation of enterprises. Pursuant to Article 7, persons governed by the provisions of the Act must keep documents relating to the identity of their regular or occasional customers for ten years as of the date on which they close their account or cease to have relations with them. From a tax standpoint, trustees of a foreign trust who are resident in Morocco are taxed on their global income, thus including the income of the trust (under Article 23-I-1 of the Moroccan Tax Code).

116. In conclusion, professionals acting as trustees in Morocco are required to identify their customers, whether settlors or beneficiaries. A Moroccan non-professional trustee is not covered by AML obligations. Although providing such services should generate taxable income and trigger an obligation to keep information substantiating the tax position of the person concerned, information on the settlor and beneficiaries of the trust might not be kept by such trustee in all instances. It is considered that this situation is likely to be rare and not likely to prevent effective EOI. This matter will be examined in practice in Phase 2 of the review.

Foundations (ToR A.1.5)

117. The notion of foundation is not defined in Moroccan law. However, associations exist which call themselves “foundations”. They are governed by the provisions of Dahir 1-58-376 of 15 November 1958 regulating the right of association, as amended and supplemented. Article 1 of the Dahir defines an association as “the agreement by which two or more persons pool their knowledge or activity for a purpose other than to share the profits”.

118. Entities also exist, created by specific statutes and calling themselves “foundations”, which have a charitable, scientific, cultural, literary, sporting education, educational or healthcare purpose.

119. Article 5 of the above-mentioned Dahir states that associations must file a declaration at the headquarters of the competent local administrative authority containing:

- the association’s name and purpose;
- the name, first name, nationality, age, date and place of birth, profession and domicile of the officers of the association;
- the officers’ capacity to represent the association under whatever name;
- copies of their national identity card or, for foreigners, their residence permit and copies of their criminal record.

120. The articles of association must be attached to the declaration. One copy of the declaration will be filed with the prosecution service and five copies at the headquarters of the local administrative authority, which will transmit three of them to the Council Presidency (government general secretariat).

121. Any change in the administration or management and any amendment of the articles of association must be declared under the same conditions with 15 days. Such amendments may be relied on against third parties only as of the day on which they are declared (Article 5). The administration of an association, acquisition of assets for valuable consideration or taking legal action in non-compliance with the formalities described above, is liable to a fine of MAD 1 200 to 5 000 (EUR 108 to 452) and twice that amount for a repeat offence (Article 8 of Dahir 1-58-376 of 15 November 1958 regulating the right of association). Maintaining the status of an association or the illegal restoration of the association following a judicial dissolution is liable to an imprisonment of one to six months and a fine of MAD 10 000 to 20 000 (EUR 903 to 1 800) or only one of the two sanctions (Article 8).

122. Foundations are notionally liable to corporate tax but are exempt under Article 6-I-A of the Moroccan Tax Code. They are therefore required to file a declaration of existence in the same way as companies and partnerships

(Article 148 of the Moroccan Tax Code). Under Article 20, they are also subject to the same declaration requirements because they are treated as companies for the purposes of tax law (Article 2-III).

Conclusion

123. Given the non-profit nature of Moroccan associations calling themselves “foundations” and the prior declaration and tax obligations they are required to fulfil, Moroccan law ensures that information about their founders and the members of their board is kept.

Enforcement provisions to ensure the availability of information (ToR A.1.6)

124. Morocco needs measure to effectively enforce provisions relating to the identification of the owners of relevant entities, including a power of access to information (see Part B below). This section of the report assesses whether penalties are applicable in the event of non-compliance with legal rules relating to identification of the owners of relevant entities.

Penalties for failure to incorporate, register or maintain information

125. All natural and legal persons, Moroccan or foreign, carrying on a commercial activity in Morocco are required to register in the commercial register. Article 62 of the Commercial Code states that any trader, manager or member of the managing bodies of a commercial company or any director of a branch or agency of an establishment or commercial company who is required by law to register in the commercial register and has failed to do so within the stipulated time is liable, on expiry of a period of one month as of service of official notice⁶ by the administration, to a fine of MAD 1 000 to 5 000 (EUR 90 to 452).

126. Under Article 64 of the Commercial Code, the deliberate provision of inaccurate information for the purposes of registration in the commercial register is punishable by imprisonment for one month to one year and a fine of MAD 1 000 to 5 000 (EUR 90 to 452) or one only of those penalties.

127. Article 108 of Act 5-96 on partnerships, limited liability companies and joint ventures states that senior managers who fail on one or more occasions to file documents or deeds with the court registry or to carry out one or more of the publication formalities provided by law are liable to a fine of MAD 10 000 to 50 000 (EUR 903 to 4 500).

6. Service of notice is provided for at Article 6 of decree no. 2-96-906.

128. Under Article 245 of the law on limited companies, all subscriptions and transfers of each category of registered shares must be entered in chronological order in a register which all limited companies must keep at their registered office. This provision also applies to simplified limited companies by the application of Article 245. However, there is no penalty under Moroccan law for non-compliance.

129. Partnerships liable to income tax (partnerships constituted in Morocco whose partners are natural persons only and which have never opted for corporate tax) must submit an annual declaration of total income to the tax authorities (Article 82 of the Moroccan Tax Code). In addition, if the principal partner of a partnership liable to income tax (and not corporate tax) is a non-resident of Morocco, he or she must file an annual tax return in Morocco and state his or her income from Moroccan sources, including income from the partnership (Articles 23-I, 25 and 82). The penalty for failing to file tax returns or filing them late is a 15% increase in the tax levied on the profits or, if no tax return is filed, the discretionary assessment of tax (Article 184 of the Moroccan tax Code). There is no provision in the Moroccan Commercial Code for penalties for non-compliance with the accounting rules set forth at Article 19 thereof or the requirement to keep correspondence set forth at Article 26 thereof. However, deficient accounting may entail non-certification of the accounts by the statutory auditor, and under Article 231 of the Moroccan Tax Code the tax authorities may reject any accounts not kept in accordance with the prevailing accounting standards.

130. The administration of an association which fails to comply with the rules on prior declaration and the declaration of amendments set forth at Article 5 of Dahir 1-58-376 of 15 November 1958 regulating the right of association, is liable to a fine of MAD 1 200 to 5 000 (EUR 108 to 452) and twice that amount for a repeat offence. Maintaining the status of an association or the illegal restoration of the association following a judicial dissolution is liable to an imprisonment of one to six months and a fine of MAD 10 000 to 20 000 (EUR 903 to 1 800) or only one of the two sanctions (Article 8).

Tax legislation

131. Non-compliance with the obligation on all taxpayers, taxable or exempt, Moroccan or non-resident, to file a declaration of existence within the given time is punishable by a fine of MAD 1 000 (EUR 90). Under Article 184 of the Moroccan Tax Code, filing an inaccurate declaration is punishable by the same penalty (Article 188).

132. A discretionary tax assessment may be made in the event of failure to file a tax return or filing an incomplete or insufficient return. A 15% surcharge is applied to the discretionary assessment for failing to file the

tax return (on the amount of the discretionary assessment) or filing it late (Article 184 of the Moroccan Tax Code).

133. For property investment companies, failure to produce a list naming all their shareholders within the given time limit and at the same time as their tax return is punishable by a fine of MAD 10 000 (EUR 903). If the list contains omissions or errors, a fine of MAD 200 (EUR 18) is imposed for each one; however, the fine may not exceed MAD 5 000 (EUR 452) (Article 199 of the Moroccan Tax Code).

134. The penalty for failing to comply with the registration formalities and pay the duties applicable to verbal or written agreements, in the form of private or notarial deeds, relating to transfers *inter vivos*, free of charge or for valuable consideration, such as the sale, gift or exchange of shares in economic interest groupings, shares in companies not listed on a stock exchange and shares in property companies or property investment companies is set forth at Articles 184 and 208 of the Moroccan Tax Code. The penalty for non-compliance or late compliance is a 15% increase in the duties payable (Article 184) and a penalty of 10% (and an increase of 5% for the first month and 0.5% per month or part of a month thereafter) for late payment of registration duties.

Anti-money laundering legislation

135. Under Article 28 of the Anti-Money Laundering Act, persons governed by the provisions of the Act and, where applicable, their managers and agents who fail to comply with the requirements set forth at Articles 3 to 9 are liable to a fine of MAD 100 000 to 500 000 (EUR 9 000 to 45 000). Criminal penalties may also apply.⁷

Conclusion

136. Generally speaking, the penalties in force in Morocco to ensure the availability of information on ownership seem sufficiently dissuasive to ensure compliance with the statutory requirements. However, there are no penalties to enforce the obligation for limited companies, to maintain a share register (Article 254 of the law on limited companies) and the obligation, for companies, to file and keep, for 10 years, the originals of correspondence received and copies of correspondence sent (Article 26 of the Commercial Code). It is recommended that Morocco ensures that penalties for non-compliance with legal provisions relating to the identification of the owners of relevant entities exist under all circumstances.

7. Articles 574-1 to 574-7 of the Penal Code.

Conclusion and factors underlying the recommendations

Phase 1 conclusion	
The element is not in place.	
Factors underlying the recommendations	Recommendations
Non-resident companies and non-resident partnerships are not required to keep information enabling their owners to be identified.	Morocco should ensure that non-resident companies and non-resident partnerships are required to keep up-to-date information relating to the ownership of their shares and the identity of shareholders.
Morocco allows limited companies and the limited partners of partnerships limited by shares to issue bearer shares without having introduced arrangements whereby the holders of such shares can be identified under all circumstances.	Morocco should take the necessary measures to ensure that appropriate arrangements are in place such that the holders of bearer shares can be identified under all circumstances.
There are no penalties to enforce the obligation for limited companies, to maintain a share register and the obligation, for companies, to file and keep the originals of correspondence received and copies of correspondence sent.	Morocco should ensure that penalties exist in all cases for non-compliance with legal provisions relating to the identification of the owners of relevant entities.

A.2. Accounting records

Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements.

137. Jurisdictions should ensure that reliable accounting records are kept for all relevant entities. Accounting records must *(i)* correctly record all transactions, *(ii)* be such that the financial situation of the entity or arrangement may be determined with reasonable precision at any time, and *(iii)* enable the preparation of financial statements. Accounting records must also be supported by underlying documentation, such as invoices, contracts, etc., and be retained for at least five years. The sources of Moroccan accounting law are Act 9-88 on accounting requirements for traders, the Commercial Code and the Moroccan Tax Code.

General requirements (ToR A.2.1)

Accounting law requirements

138. Under Act 9-88 on accounting requirements for traders (the Accounting Requirements Act), any natural or legal person having trader status within the meaning of the Commercial Code is required to keep accounts in the forms laid down by law. The requirements are general in scope and apply to all entities having trader status, whatever the status of their owners (resident or non-resident) and whatever the nature of the activity (industrial or commercial). The accounting system must cover all operations, in chronological order, day by day, for assets and liabilities. Each record must state the origin, content and account assignment of a movement, plus the references of the supporting document (Article 1).

139. All accounts are kept by means of a system of books and accounts in compliance with the customary rules of double-entry accounting (Article 2). An inventory of the value of the enterprise's assets and liabilities must be drawn up at least once a year (Article 5).

140. Enterprises⁸ must prepare annual financial statements at the end of the business year. They include the balance sheet, profits and losses statement, cashflow statement, statement of changes in financial position and notes to the accounts. They form an inseparable unit (Article 9).

141. The balance sheet separately describes the enterprise's assets and liabilities. The profits and losses statement summarises the income and expenses for the year, without giving consideration to the date of receipt or payment. The cashflow statement describes how the net profit or loss was formed and the flow of cash through the enterprise. The statement of changes in financial position shows how the enterprise's financial situation changed during the year, describing the resources available to it and how they were used. The notes supplement and comment on the information provided in the balance sheet, profits and losses statement, cashflow statement and statement of changes in financial position (Article 10). According to Article 11, the

-
8. Persons governed by the Accounting Requirements Act whose annual sales are less than MAD 10 million (EUR 902 000) are exempt from the requirement to prepare a cashflow statement, statement of changes in financial position or notes to the accounts (Article 21). If, due to situations specific to the enterprise, the application of an accounting rule does not give a true and fair view of the enterprise's assets and liabilities, financial situation or results, an exception may be made. If that is the case, the exception is mentioned in the notes to the financial statements, stating the reasons (Article 19). Enterprises may also derogate from the rules of the Accounting Requirements Act if some or all of their operations are discontinued (Article 20).

financial statements must give a true and fair view of the enterprise's assets and liabilities, financial situation and results.

142. Article 22 states that accounting records and supporting documents must be kept for ten years. The Act makes no provision for penalties for non-compliance. However, failure to keep accounting records and supporting documents may entail the loss of certain tax deductions and VAT credits. It may also entail rejection of the accounts and discretionary assessment of the taxable base for periods not time-barred.

143. The Commercial Code also contains accounting requirements. Article 19 states that traders must keep accounts in compliance with the provisions of the Accounting Requirements Act. The Commercial Code makes no provision for penalties for non-compliance. However, failure to keep accounting records and supporting documents may entail the loss of certain tax deductions and VAT credits. It may also entail rejection of the accounts and discretionary assessment of the taxable base for periods not time-barred.

144. Partnerships and professionals acting as trustees of foreign trusts are required, as traders, to comply with the above-mentioned requirements of Moroccan accounting law.

Tax law requirements

145. The Moroccan Tax Code also contains accounting requirements. Article 145 extends the obligations under the Accounting Requirements Act to all taxpayers, even if they do not have trader status, if they are liable to corporate tax, income tax on professional or farm income or VAT.

146. Under Article 145, taxpayers are required, at the end of each accounting period, to draw up detailed inventories of stocks, a list of third-party debtors and creditors including the nature, reference and detailed amount of receivables and payables, and keep a register of depreciable assets.

147. Taxpayers who are self-employed or carry on their business in the framework of a de facto partnership may, under certain conditions, opt for one of the following three schemes: simplified net profit (with simplified account-keeping requirements under Articles 38, 39 and 145 VI of the Moroccan Tax Code), lump-sum profit (Article 40) or self-employment (Article 42 bis and 42 ter)⁹. The simplified net profit scheme applies to taxpayers in commercial, industrial, craft or fishing professions with annual

9. Taxpayers that have opt for one of the three schemes must keep underlying documents of the purchases (article 6 of the finance law 2015, modifying the Moroccan Tax Code, law no. 100-14). Nevertheless, as traders, they are subject to accounting obligations of the Commercial Code, as described above.

sales of less than MAD 2 million (EUR 181 000) and taxpayers who are service providers or professionals with annual sales of less than MAD 500 000 (EUR 45 000).

148. The lump-sum profit scheme applies to taxpayers in commercial, industrial, craft or fishing professions with annual sales of less than MAD 1 million (EUR 90 500) and taxpayers who are service providers with annual sales of less than MAD 250 000 (EUR 22 500). Taxpayers engaged in a regulated profession or activity are excluded from the lump-sum profit scheme.

149. The self-employment scheme applies to taxpayers in commercial, industrial, craft or fishing professions with annual sales of less than MAD 500 000 (EUR 22 500) and to service providers with annual sales of less than MAD 200 000 (EUR 18 000).

150. Article 147 of the Moroccan Tax Code states that non-resident enterprises which have a permanent activity in Morocco must keep the accounts of all the transactions they carry out in Morocco at the place where they have their main place of business, in compliance with Moroccan law. Non-resident companies that have opted for flat-rate corporate tax must keep a register of payments received and transfers, a register of salaries paid to Moroccan and foreign employees, including the related social security contributions, and a register of fees, commission, brokerage fees and other similar remuneration paid to third parties in Morocco or abroad. Under Article 1 of the Accounting Requirements Act, if non-resident companies are trading companies or if their transactions are liable to VAT, they must also comply with the provisions of the Act.

151. The financial statements constitute accounting and tax packages which must be produced within three months of the end of the business year. They must be filed with the court registry for public information purposes and with the tax authorities for taxation purposes.

152. Article 20 of the Moroccan Tax Code states that the tax return must include annexes, a list of which is drawn up by regulation. Finance Ministry order no. 297-88 of 6 rejev 1408 (24 February 1988) on the annexes that companies are required to provide to the administration in support of their tax return states that the following documents must be submitted to the tax administration:

- the balance sheet showing assets and liabilities;
- a table of earnings including profits and losses;
- a statement of non-accounting adjustments;
- a statement of sales giving a breakdown between domestic and export sales;

- a detailed statement of inventories;
- a statement of overheads;
- a table of fixed assets and depreciations;
- a statement of depreciation and amortisation expense;
- a statement of provisions;
- a statement of interest on loans;
- a statement of capital gains from mergers;
- a statement of transferable securities;
- a statement of leases;
- a statement of shareholdings;
- a statement of allocation of earnings.

153. Article 145 of the Moroccan Tax Code extends the provisions of the Accounting Requirements Act to all taxpayers liable to tax, even if they do not have trader status. The accounting requirements arising from tax law also apply to partnerships and professionals acting as trustees for a foreign trust. Foundations, which have the legal form of associations, are also subject to the accounting rules set forth at Articles 145 to 147 of the Moroccan Tax Code, because under Article 2-III of the Code they are treated as companies for the purposes of its application.

154. Under Article 211 of the Moroccan Tax Code, taxpayers are required to keep the necessary documents for a tax audit for ten years at the place where they are taxed. The penalties for non-compliance with the requirement to keep the accounting records set forth at Articles 145 and 146 of the Moroccan Tax Code are set forth at Article 191 of the Code. Article 191 of the Moroccan Tax Code sets out the penalties for failure to comply with requirements to keep accounting records: MAD 2 000 (EUR 180) for each day's delay and a daily fine of MAD 100 (EUR 9) up to a limit of MAD 1 000 (EUR 90) for taxpayers who fail to present the accounting records and supporting documents referred to at Articles 145 and 146 of the Moroccan Tax Code. However, there is no penalty for failing to keep records for the ten-year period stipulated at Article 211. However, failure to keep accounting records and supporting documents may entail the loss of certain tax deductions and VAT credits. It may also entail rejection of the accounts and discretionary assessment of tax for periods not time-barred.

155. Offshore banks, in addition to complying with the legal, accounting and tax requirements described above, must also submit their financial statements together with an external auditors' report to the committee responsible

for offshore banks (Article 125 of the law on offshore financial centres). The committee comprises a representative of the finance ministry, a representative of the central bank and a representative of the foreign exchange office (Article 23 of the law on offshore financial centres). The penalty for failure to comply with this requirement is loss of offshore bank status. Offshore companies, whether banks or holding companies, are liable to the same legal and tax requirements with regard to accounting than any other entities.

Conclusion

156. In view of both its accounting and its tax legislation, Morocco ensures the availability of accounting information from which it is possible to accurately trace all transactions, assess the financial position of all relevant entities and prepare financial statements for them. Morocco must however ensure that sanctions for non-compliance with the record keeping obligations for relevant entities. Whether the sanctions applicable for non-compliance with the record keeping obligations are effective will be assessed during the Phase 2 review.

Underlying documentation (ToR A.2.2)

157. Under Moroccan accounting law, each record must state the origin, content and charging of the movement, plus the references of the underlying document (Article 1 of the Accounting Requirements Act).

158. Tax law also refers to underlying documents. All purchases of goods or services made by a taxpayer from a supplier liable to business tax must be justified by a proper invoice or any other documentary evidence made out in the name of the interested party. In addition to the customary commercial information, the invoice or document in lieu must include the seller's identity, the tax identification number, the date of the transaction, the name and first name or company name and address of the buyers or customers, the price, quantity and nature of the goods sold, work performed or services rendered, the amount of VAT, the method of payment and all other information required by the prevailing laws and regulations (Articles 145 and 146).

159. In addition, Article 210 of the Moroccan Tax Code on the tax authorities' right of audit states that taxpayers, whether natural or legal persons, must provide all justifications, including accounting records and underlying documents. Article 211 states that underlying documents for current and capital expenditure must also be kept such as "copies of sale invoices or till receipts, supporting documents for current and capital expenditure and the necessary accounting records for tax audit purposes, including in particular the books in which the transactions were recorded, the general ledger, the inventory ledger, detailed inventories, the day-book, customer and supplier factsheets and any other document required by tax law".

Document retention (ToR A.2.3)

160. Accounting records and supporting documents must be kept for ten years pursuant to Article 22 of the Accounting Requirement Act.

161. The Moroccan Tax Code states that taxpayers and natural or legal persons required to withhold tax at source are required to keep, for ten years at the place where they are taxed, copies of sale invoices or till receipts, underlying documents for expenses and investments and the necessary accounting records for tax audit purposes, including in particular the books in which the transactions were recorded, the general ledger, the inventory ledger, detailed inventories and any other document required by tax law (Article 211).

162. Having regard to the tax and accounting requirements set out in the various laws in force in Morocco, the requirement to retain accounting records for at least five years exists. Morocco should ensure that appropriate sanctions exist for non-compliance with the requirement to keep accounting records for a period of at least 5 years. Whether the sanctions applicable for non-compliance with the record keeping obligations, mainly for a retention period of at least 5 years, are effective will be assessed during the Phase 2 review.

Conclusion and factors underlying the recommendations

Phase 1 conclusion
The element is in place

A.3. Banking information

Banking information should be available for all account-holders.
--

163. Access to banking information is of interest to the tax authorities only if the bank has useful and reliable information on its customers' identity and the nature and amount of financial transactions.

Record-keeping requirements (ToR A.3.1)

164. Banks, credit institutions and similar organisations are governed by Morocco's anti-money laundering (AML) legislation. As mentioned in Section A.1.1, under Article 2 of the Anti-Money Laundering Act, banks are subject to its requirements. They are thus required to gather all information enabling them to verify the identity of their regular or occasional customers and of beneficial owners (Article 3).

165. Article 5 of the Act states that banks are required to regularly update their customer files. The Act does not give any definition of the term “customer”. The authorities said that “customer” means any natural or legal person who receives a good or service from an enterprise. If the identity of customers and beneficial owners cannot be verified, or if it is incomplete or plainly fictitious, persons governed by the Act must not perform transactions (Article 4) or enter into or continue business relations (Article 5).

166. With regard to persons governed by the Act that are legally authorised to open accounts, they must, before opening an account, ascertain and verify the identity of the persons in favour of whom it is opened, when they consider that the persons who have asked for the account to be opened were not acting on their own behalf. In addition, they may not open anonymous accounts or accounts in fictitious names (Article 6).

167. Persons governed by the Act must keep documents relating to transactions carried out by their customers for ten years as of the execution date. They must also keep documents relating to the identity of their regular or occasional customers for ten years as of the date on which they close their account or cease to have relations with them (Article 7).

168. The supervisory authority for banks with regard to compliance with anti-money laundering requirements is the central bank, Bank Al-Maghrib.

169. Persons governed by the Act and, where applicable, their managers and agents who fail to comply with the requirements described in this section are liable to a fine of MAD 100 000 to 500 000 (EUR 9 000 to 45 000) in accordance with Article 28. Criminal or regulatory penalties may also apply in application of Article 1 of the Anti-Money Laundering Act and Book III, Title I, Chapter IX of the Penal Code approved by Dahir 1-59-413 of 28 joumada II 1382 (26 November 1962).

170. Banks and other financial institutions are subject to the same record-keeping requirements as all other trading entities and taxpayers, as stipulated in Moroccan accounting and tax law and as described in Section A.2.

171. In conclusion, with regard to banking activity, Morocco’s anti-money laundering legislation ensures the availability of information about identity and ownership and of financial and accounting information for ten years.

Conclusion and factors underlying the recommendations

Phase 1 conclusion
The element is in place.

B. Access to information

Overview

172. A variety of information may be needed in a tax enquiry and jurisdictions should have the authority to obtain all such information. This includes information held by banks and other financial institutions as well as information concerning the ownership of companies or identity of interest holders in other persons or entities, such as partnerships or trusts, as well as accounting information in respect of all such entities. This section of the report examines whether Morocco's legal and regulatory framework gives the authorities powers that cover all relevant persons and information and whether taxpayers' rights and safeguards are compatible with the effective exchange of information.

173. The competent authority for exchange of information requests received by Morocco is the Finance Minister, who may delegate this power to one or more persons. The Moroccan authorities use the powers available to them for domestic tax matters for the purposes of international exchanges of information.

174. Under the provisions on the right to information and the right of inspection in the Moroccan Tax Code, the Moroccan tax authorities have extensive powers of access to accounting and banking information and to information on the ownership of legal entities. The tax authorities also have a power to control declarations and instruments used to determine taxes and duties.

175. With these powers, the tax authorities may, *inter alia*, ask any taxpayer, third party or other administration to provide appropriate information in order to assess and control taxes and duties. These collection powers, which have their origin in Moroccan domestic law, also apply to any request for information under an international convention, in accordance with the principle that international conventions take precedence over domestic law, as provided for in the Moroccan Constitution. However, there are no provisions, in Moroccan domestic law, which allow lifting the professional secrecy of

notaries and statutory auditors, in order for tax authorities to access information from these professionals, for international exchange of information. A recommendation to that effect was made and element B.1 is evaluated as in place, but certain aspects of the legal implementation of the element need improvement.

176. Powers of access to information are backed up by measures to enforce the provision of information. Furthermore, under Article 181 of Act 103-12 on credit institutions and similar organisations, banking secrecy cannot be asserted against the tax authorities for the application of bilateral conventions on the exchange of information for tax purposes and there is no provision relating to rights and safeguards which could hamper or unduly delay an effective exchange of information.

B.1. Competent authority’s ability to obtain and provide information

Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information).

Powers to access information under Morocco’s domestic tax law

177. Morocco’s competent authority for the exchange of information, as provided for by international tax conventions, is the Finance Minister or the person or persons delegated for that purpose. The persons to whom that authority has been delegated are the Director General of Taxes, the Director of Legislation, Research and International Cooperation, the Director of Tax Audits, the Head of the International Cooperation Division, the Head of the Data Consistency Division and the Head of the International Tax Conventions Department.

178. Powers to gather information for exchange purposes are based on Moroccan domestic law. They are the same powers as those the tax authorities use for their own purposes.

Ownership and identity information (ToR B.1.1)

179. In Morocco, information from tax returns is in the possession of the tax authorities, and certain information held by Customs and Excise (such as the amount of imports and exports) and the Treasury (such as the amount of public procurement contracts and detailed breakdowns).

180. Where requested information is not in the tax authorities' possession, they may assert their right to information provided for at Article 214 of the Moroccan Tax Code. The right to information applies not only to taxpayers but also to other administrations. The article states that in order to obtain any relevant information with regard to the assessment and control of taxes and duties payable by third parties, the tax authorities may ask for:

- official documents or accounting records held by government agencies, local authorities, public corporations and any organisation under state control, given that professional secrecy may not be asserted as a ground for withholding them;
- books and documents which must be kept pursuant to the prevailing laws and regulations, and all instruments, writings, registers and files held by natural or legal persons carrying on a business liable to taxes or duties.

181. Requests for information must be made in writing. Article 214 of the Moroccan Tax Code states that the right to information is exercised on the premises of the registered office or main place of business of the natural or legal persons concerned, where documents may be copied with the taxpayer's consent, unless the interested parties provide the information in writing or hand the information to tax officials in return for a receipt.

182. The right to information set forth at Article 214 also allows the tax authorities to request information from the tax authorities of countries which have concluded conventions with Morocco designed to avoid double taxation of income. The Moroccan authorities have confirmed that this right to information would also be applicable under the Multilateral Convention.

183. In addition, the tax authorities also have the power to check declarations and documents used in order to assess taxes and duties. For that purpose, taxpayers, whether natural or legal persons, are required to provide all necessary evidence and provide all accounting records to tax officials (Article 210 of the Moroccan Tax Code).

184. The tax authorities also have a right of inspection whereby they may ask taxpayers to provide invoices and books, registers and business documents relating to transactions that have given rise or should give rise to an invoice, and materially ascertain physical elements of the business in order to identify non-compliance with requirements under the prevailing laws and regulations (Article 210 of the Moroccan Tax Code). However, the Moroccan tax authorities' powers do not include a right of search or seizure.

185. Exercise of the right to information is not limited in time or time-barred in Moroccan tax law. However, as taxpayers are required to keep accounting records and underlying documents for ten years, the right to information cannot in practice be exercised beyond a ten-year period.

Banking information

186. The information-gathering powers described above also apply to banking information. The right to information set forth at Article 214 of the Moroccan Tax Code states that the tax authorities may request all relevant information for the assessment and control of taxes and duties payable by third parties. Consequently, the Moroccan authorities may ask banks and other financial institutions for banking information relating to account holders or other bank customers, including offshore banks.

Accounting records (ToR B.1.2)

187. In Morocco, accounting information is available from the tax authorities because all taxpayers must file financial statements comprising accounting and tax packages with the court registry for public information purposes and with the tax authorities for taxation purposes within three months of the closing date of each accounting period (Article 158 of the law on public limited companies, Article 95 of the law on partnerships, limited liability companies and joint ventures, and Articles 20 and 82 of the Moroccan Tax Code).

188. This information is also available from the competent court or directly from entities themselves.

189. The conditions for access to information on ownership and identity described in Section B.1.1 above apply to accounting information in the same way, with the same possibilities for access and the same limits.

190. The tax authorities can verify accounting records by application of their right to check under Article 210 of the Moroccan Tax Code to inspect declarations and documents used in order to assess taxes and duties. For that purpose, taxpayers whether natural or legal persons, are required to provide all necessary evidence and provide all accounting records to tax officials.

Use of information-gathering measures in the absence of domestic tax interest (ToR B.1.3)

191. The concept of “domestic tax interest” describes situations in which a contracting party can only provide information to another contracting party if it has an interest in gathering such information for its own needs.

192. Article 214 of the Moroccan Tax Code institutes a right to information in order to “assess and audit the taxes and duties payable by third parties”. This applies to all the taxes and duties contained in the Moroccan Tax Code, including income and sales taxes. Although information requested by Morocco’s partners is not intended for the assessment of tax in Morocco, the tax authorities are still empowered to use the right to information solely for information exchange purposes.

193. The use of domestic information-gathering powers for exchange of information purposes, by the application of Article 214 of the Moroccan Tax Code, is based on information exchange agreements and their enforcement in Moroccan domestic law. The preamble to the Moroccan Constitution states that:

“[...] the Kingdom of Morocco, a united State, totally sovereign, belonging to the Grand Maghreb, reaffirms that which follows and commits itself [...] – to accord the international conventions it has duly ratified, within the framework of the provisions of the Constitution and the laws of the Kingdom, respecting its immutable national identity, on publication of such conventions, precedence over the country’s domestic law and consequently to harmonise the relevant provisions of national law”.

194. Thus, international conventions concluded and ratified by Morocco become part of Moroccan law as of publication and take precedence over Moroccan domestic law. The tax authorities are therefore required to use the right to information set forth at Article 214 of the Moroccan Tax Code in order to respond to any information request from a jurisdiction with which Morocco has concluded and ratified a convention containing an article relating to the exchange of information. There is no provision in Moroccan law to prevent the tax authorities from using their domestic information gathering powers for information exchange purposes.

195. According to the Moroccan authorities, the provisions under which information may be gathered in order to assess or audit Moroccan taxes and duties are interpreted as being valid even where the information is intended solely for a foreign tax authority, provided that it is justified by an international convention concluded between the country concerned and Morocco.

196. The Moroccan authorities assert that they have always used their right to information to respond to exchange of information requests received to date and that the right to information enables them to obtain information about all entities, including companies governed by the law on offshore financial centres. How the tax authorities use their powers for information exchange purposes in practice will be assessed as part of the Phase 2 review.

Enforcement powers (ToR B.1.4)

197. Failure to provide information and documents requested under the right to information set forth at Article 214 of the Moroccan Tax Code or the right of inspection set forth at Article 210 is punishable by a fine of MAD 2 000 (EUR 181) and, where relevant, a daily fine of MAD 100 (EUR 9) for each day’s delay up to a limit of MAD 1 000 (EUR 90) (Articles 185 and 191 of the Moroccan Tax Code).

198. These penalties do not apply to government agencies or local authorities (Article 185 of the Moroccan Tax Code). The effectiveness of these enforcement measures in practice will be assessed during the Phase 2 review.

Secrecy provisions (ToR B.1.5)

Banking secrecy

199. All persons who, in whatever capacity, participate in the administration, direction or management of a credit institution or are employed by one, and more generally all persons who, in whatever capacity, have cause to know or use information relating to such institutions are strictly bound by professional secrecy for all matters which come to their attention, in whatever manner, under the terms of Article 44 of the Penal Code (Article 79 of Act 34-03 on credit institutions and similar organisations), and subject to the penalties set forth therein. This secrecy requirement may be lifted in those cases provided by law (Article 80).

200. Under Article 181 of the law on credit institutions and similar organisations, professional secrecy may not be invoked against Bank Al-Maghrib, the judicial authorities acting in criminal proceedings or any other authority which has concluded a bilateral tax information exchange agreement with the Kingdom of Morocco (including DTCs).

201. Pursuant to the law on offshore financial centres, any person who, in the course of their duties, participates in the administration, management or control of an offshore bank or is employed by one is bound by professional secrecy. The secrecy requirement may be lifted in certain cases:

- if the customer or his or her assigns give their permission;
- if the customer is declared bankrupt;
- on an order from a judicial authority;
- pursuant to obligations arising from Morocco's accession to international conventions, especially relating to crime prevention (Article 26 of the law on offshore financial centres).

202. Any person bound by a professional secrecy obligation who divulges a professional secret, except where required or authorised to do so by law, is liable to imprisonment for one to six months and a fine of MAD 1 200 (EUR 108) to MAD 20 000 (EUR 1 800) by virtue of Article 446 of the Penal Code.

203. Most tax conventions signed by Morocco, except for the Multilateral Convention and the conventions negotiated after the updating of Article 26 of the OCED and UN model tax conventions, do not contain the equivalent

of Article 26 (5) of the OECD Model Tax Convention. However, under Moroccan domestic law (Article 181 of the law on credit institutions and similar organisations) banking secrecy may not be invoked in connection with information exchange pursuant to a bilateral convention concluded with Morocco. Furthermore, the Moroccan authorities have confirmed that they exchange banking information even where there is no reciprocal arrangement. Thus, in the absence of a measure equivalent to Article 26 (5) of the OECD Model Tax Convention, the Moroccan authorities may exchange banking information even if the requesting jurisdiction is unable to reciprocate because the tax convention between the two jurisdictions does not contain any such provision.

Professional secrecy for legal and accountancy profession

204. Attorney-client privilege is protected by Article 36 of the Dahir enacting Act 1-93-62 of 10 September 1993 organising exercise of the legal profession. It states that an attorney may not disclose any information in breach of professional secrecy. In particular, they must respect the confidentiality of criminal investigations and refrain from disclosing any information taken from files or making public any items, documents or letters relating to an on-going investigation.

205. The purpose of attorney-client privilege as defined in Moroccan law is to protect information received by an attorney for the purposes of obtaining a legal opinion in the context of an investigation. However, information not related to an investigation, including information obtained in an advisory capacity, must be disclosed to the tax authorities on request.

206. Professional secrecy for notaries is protected by Articles 24 and 25 of Act 32-09 organising the notarial profession. They state that:

“Article 24. Notaries are bound by a professional secrecy obligation except where otherwise provided by law. The same obligation applies to their interns and employees.

Article 25. Notaries are prohibited from issuing documents or excerpts from documents to persons other than those who are entitled to them by law”.

207. Statutory auditors are also bound by a professional secrecy, which states that: “statutory auditors as well as their collaborators are bound by professional secrecy for actions, instruments and information brought to their knowledge in the performance of their duties” (Article 177 of the law on limited companies).

208. Any breach of professional secrecy by an attorney, notary or a statutory auditor is punishable pursuant to Article 446 of the Penal Code. However,

there is no provision in Moroccan domestic law, which allows the lifting of professional secrecy for notaries and statutory auditors.

Conclusion

209. Lawyers, notaries and statutory auditors are bound by a professional secrecy. With regard to information held by lawyers, all information not related to an investigation, including information obtained in an advisory capacity must be disclosed to the tax authorities upon request. However, there is no provision, in Moroccan domestic legislation, that preclude the application of professional secrets of notaries and statutory auditors and that allow the tax authorities to access information directly from these professionals. It is recommended that Morocco should ensure that tax authorities have access to information from notaries and statutory auditors, notwithstanding the application of a professional secrecy.

Conclusion and factors underlying the recommendations

Phase 1 conclusion	
The element is in place, but certain aspects of the legal implementation of the element need improvement.	
Factors underlying the recommendations	Factors underlying the recommendations
There is no provision, in Moroccan domestic legislation, that preclude the application of professional secrets and that allow the tax authorities to access information directly from notaries and statutory auditors.	Morocco should ensure that tax authorities have access to information from notaries and statutory auditors, notwithstanding the application of a professional secrecy.

B.2. Notification requirements and rights and safeguards

The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information.

210. Rights and safeguards should not unduly prevent or delay the effective exchange of information. For example, notification procedures should allow exceptions to prior notification (e.g. in cases where the information request is very urgent or where notification is liable to compromise the chances of success of the investigation carried out by the requesting jurisdiction).

Rights and safeguards should not unduly prevent or delay exchange of information (ToR B.2.1)

211. There is no provision in Moroccan domestic law which requires a person to be informed when they are the subject of an information request, including in the framework of international administrative assistance.

Conclusion and factors underlying the recommendations

Phase 1 conclusion
The element is in place.

C. Exchange of information

Overview

212. Jurisdictions generally cannot exchange information for tax purposes unless they have a legal basis or mechanisms for doing so. In Morocco, the legal authority to exchange information is derived from multilateral and bilateral mechanisms (double tax conventions). This section of the report assesses whether Morocco has a network of exchange of information (EOI) agreements which entitle it to achieve effective exchange of information.

213. Morocco has an extensive network of EOI agreements in the form of bilateral or multilateral conventions. Morocco is a signatory to the multilateral Convention on Mutual Administrative Assistance in Tax Matters (Multilateral Convention, which is not yet ratified) and to the Convention between the states of the Arab Maghreb Union for the avoidance of double taxation and mutual assistance with respect to taxes on income (Arab Maghreb Union tax convention).

214. Morocco currently has a network of information exchange agreements covering 108 jurisdictions. Considering all the information exchange agreements concluded by Morocco, the country has information exchange agreements compliant with the standard with 106 jurisdictions (the agreements with Bahrain and Malaysia are not in line with the standard) and can already exchange information in compliance with the standard with 42 of them.

215. Morocco's network of agreements covers all its major economic partners, EU and OECD Member States and a large number of financial centres and Global Forum members. Morocco has never declined to conclude an information exchange agreement with another jurisdiction.

216. All mechanisms for exchanging information include provisions concerned with confidentiality, and Moroccan domestic legislation also contains provisions on this subject. They apply equally to the information and documents concerned by the request received by the Moroccan competent authority and to the responses provided to the treaty partner.

217. Likewise, all the agreements concluded by Morocco contain provisions which protect the rights and safeguards of taxpayers and third parties.

C.1. Exchange of information mechanisms

Exchange of information mechanisms should allow for effective exchange of information.

218. Morocco has an extensive network of information exchange agreements in the form of bilateral or multilateral conventions. Morocco has been a party to the Multilateral Convention since 21 May 2013, meaning that it has an agreement compliant with the standard with 45 jurisdictions with which it did not previously have an information exchange agreement.

219. Morocco is also a party to the Arab Maghreb Union tax convention, the other parties to which are Algeria, Libya, Mauritania and Tunisia.

220. Morocco therefore has an information exchange agreement with 108 jurisdictions. Considering all the information exchange agreements concluded by Morocco, the country has information exchange agreements compliant with the standard with 106 jurisdictions¹⁰ and can already exchange information in compliance with the standard with 42¹¹ of them.

221. Morocco has also initialled a further 15 double tax conventions (DTC) with Albania, Azerbaijan, Bangladesh, Bosnia-Herzegovina, Central African Republic, Mauritius, Mexico, Republic of Congo, Saudi Arabia, Seychelles, Slovenia, South Africa, Sudan, Thailand and Turkmenistan.

222. Morocco is currently negotiating information exchange agreements with Cyprus¹², Democratic Republic of Congo, Equatorial Guinea and Ghana.

10. The agreements with Bahrain and Malaysia do not comply with the standard.

11. Algeria, Austria, Belgium, Bulgaria, Canada, China, Croatia, Czech Republic, Denmark, Egypt, Finland, Gabon, Greece, Hungary, India, Indonesia, Ireland, Italy, Jordan, Kuwait, Latvia, Lebanon, Libya, Luxembourg, Mali, Malta, Mauritania, Oman, Pakistan, Poland, Portugal, Russia, Senegal, Singapore, South Korea, Syria, Tunisia, Turkey, Ukraine, United Arab Emirates, United States, Vietnam.

12. Footnote by Turkey: The information contained in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

Footnote by all the European Union Member States of the OECD and by the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document

Standard of foreseeable relevance (ToR C.1.1)

223. The international standard in information exchange assumes that information should be exchanged upon request to the widest possible extent. However, it does not allow “fishing expeditions”, meaning speculative requests for information which appear to have no clear link with an on-going audit or investigation. The balance between these two competing aspects is expressed in the concept of “foreseeable relevance” contained in Article 26 (1) of the OECD Model Tax Convention, which states:

“The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Convention or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Articles 1 and 2.”

224. Only a handful of treaties concluded by Morocco contain the words “foreseeably relevant”¹³. Most of the treaties signed by Morocco contain the term “necessary”. The term “necessary” is considered in the commentary on Article 26 of the OECD Model Convention as being equivalent in effect to “foreseeably relevant” with regard to the exchange of information. Morocco confirms that it supports this interpretation and that it treats the expression “useful information” which occurs in the treaty with France in the same way. These treaties may therefore be considered to comply with the standard of foreseeable relevance.

225. A certain number of treaties (those with Bahrain, France, Germany, Malaysia, Netherlands, Norway, Romania, Spain and United Kingdom) restrict the exchange of information to application of the “provisions of this convention”. As they do not therefore permit the exchange of information not referred to in the convention, they do not comply with the international standard.

226. However, France, Germany, Netherlands, Norway, Romania, Spain and United Kingdom are covered by the Multilateral Convention. Thus, only Bahrain and Malaysia do not have an agreement with Morocco which complies with the standard.

relates to the area under the effective control of the Government of the Republic of Cyprus.

13. Those with Estonia, Former Yugoslav Republic of Macedonia (FYROM), Guinea, Ireland, Lithuania and Mali and the Multilateral Convention.

227. The tax convention with Switzerland concluded on 31 March 1993 does not contain an exchange of information clause. Switzerland is a signatory to the Multilateral Convention.

In respect of all persons (ToR C.1.2)

228. Effective information exchange presupposes that the obligation of a jurisdiction to provide information should not be limited by the residence or nationality of either the person to whom the requested information relates, or the person who possesses or holds the information requested. For this reason, the international standard in information exchange states that the mechanisms for exchange can permit an exchange of information concerning all persons.

229. Article 26 (1) of the OECD Model Tax Convention states that “the exchange of information is not restricted by Articles 1 and 2”. Article 1 defines the personal scope of the Convention. The agreements concluded with 106 jurisdictions are compliant in all respects with the OECD Model Tax Convention, through either a bilateral agreement or the Multilateral Convention. However, 19 bilateral agreements concluded by Morocco do not contain the phrase from the model (those with Belgium, Burkina Faso, Canada, Côte d’Ivoire, Denmark, Egypt, Italy, Iran, Jordan, Luxembourg, Pakistan, Poland, Serbia, Singapore, Ukraine, United States, Vietnam and Yemen, and the Arab Maghreb Union tax convention). The article on information exchange in these agreements nevertheless applies to both residents and non-residents of the parties, since it applies to “the provisions of this Convention, or those of the domestic laws of the Contracting States relating to the taxes covered by the Convention, insofar as the taxation thereunder is not contrary to the Convention”.

230. These treaties do not therefore restrict information exchange to residents only, since domestic tax law applies to all taxpayers (and third parties where access to information is concerned), whether resident or not (for example, non-residents are liable to tax on their income of domestic origin). An exchange of information concerning all persons is therefore possible under the terms of these treaties. The Moroccan authorities confirm that they support this interpretation.

231. Finally, 8 bilateral agreements¹⁴ concluded by Morocco do not contain the phrase from the OECD Model Tax Convention; the wording of the article in these agreements relating to information exchange states that the agreement applies only to “the taxes covered by the Convention” and not to

14. With Bahrain, France, Germany, Malaysia, Netherlands, Norway, Spain and United Kingdom.

the Contracting States' domestic law. In these cases the agreements do not apply to all persons (and non-residents in particular) and do not therefore comply with the standard. However, these jurisdictions (with the exception of Bahrain and Malaysia) are covered by the Multilateral Convention, which is compliant with the standard.

Obligation to exchange all types of information (ToR C.1.3)

232. Jurisdictions cannot undertake effective information exchange if they are unable to exchange information which is held by financial institutions, nominees or persons acting in an agency or fiduciary capacity or because the information relates to ownership interests in a person.

233. Article 26 (5) of the OECD Model Convention provides that a contracting state may not decline to supply information solely because it is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity, or because it relates to ownership interests in a person.

234. Morocco has concluded 8 agreements (with Cameroon, Estonia, FYROM, Guinea, Ireland, Lithuania and Mali plus the Multilateral Convention) which contain provisions equivalent to Article 26 (4) and (5) of the OECD Model Tax Convention.

235. However, Moroccan domestic law does not contain any restriction on the exchange of information with its partners: the competent authority can provide them with all types of information, even if the information exchange agreement does not contain the equivalent of Article 26 (4) and (5) of the OECD Model Tax Convention. Morocco has confirmed that it does not apply the principle of reciprocity; thus, in the absence of the equivalent of Article 26 (4) and (5) of the OECD Model Tax Convention, the Moroccan authorities can exchange banking information even if the requesting jurisdiction cannot exchange such information because paragraphs 4 and 5 do not appear in the tax convention between the two jurisdictions.

Absence of domestic tax interest (ToR C.1.4)

236. The concept of domestic tax interest describes situations in which a contracting party can only provide information to another contracting party if it has an interest in obtaining the desired information for its own tax purposes. Inability to provide information which is based on any such domestic tax interest does not comply with the international standard. The contracting parties should use domestic information-gathering powers, even if they are used solely for the purpose of obtaining and providing information for the other contracting party.

237. Most of the agreements concluded by Morocco do not contain the equivalent of Article 26 (4) of the OECD Model Tax Convention, which requires contracting states to use their information-gathering measures to obtain the requested information even though they may not need it for their own tax purposes. However, Morocco is in a position, even without this paragraph, to exchange information with its partners without reference to a domestic tax interest. The ability of the Moroccan tax authorities to exchange information in practice, in the absence of the equivalent of Article 26 (4) of the OECD Model Tax Convention will be assessed during the Phase 2 review.

Absence of dual criminality principles (ToR C.1.5)

238. The dual criminality principle states that assistance can only be provided if the matter under investigation (and prompting the request for information) would constitute a criminal matter in the requested country if it had arisen in that country. If it is to be meaningful, information exchange must not be restricted by the enforcement of a dual criminality principle.

239. None of the information exchange mechanisms established by Morocco provide for the application of the dual criminality principle in order to restrict the exchange of information.

Exchange of information in both civil and criminal tax matters (ToR C.1.6)

240. Communicating information may be necessary for both tax and criminal purposes. The international standard is not limited to exchanges of information for criminal purposes and may also include exchanges for tax purposes.

241. All information exchange mechanisms concluded by Morocco provide for the exchange of information for both criminal and civil matters.

Provide information in the specific form requested (ToR C.1.7)

242. In certain cases, a contracting party may need to receive information in a specific form in order to meet its evidentiary standards or other legal requirements. These forms may include witness statements and certified copies of original documents. The requested party may decline to provide information in the specific form requested if, for example, it is unknown or not authorised in its administrative practice. Declining to provide information in the requested form does not affect the requirement to provide the information.

243. There are no restrictions in the information exchange mechanisms established by Morocco that would prevent the Moroccan authorities from providing the information in the requested form as long as it complies with their administrative practice.

In force (ToR C.1.8)

244. The exchange of information cannot occur unless a jurisdiction has information exchange mechanisms in force. Where such mechanisms have been signed, the international standard requires a jurisdiction to complete the measures needed for them to take effect.

245. In Morocco, all treaties of a tax nature, whether double tax conventions, information exchange agreements, protocols amending existing conventions or multilateral agreements, must be ratified by Parliament.

246. Morocco has concluded information exchange agreements with 108 jurisdictions; 42 of them are compliant with the standard and in force. Morocco has indicated that the agreements with Burkina Faso, Cameroon, Côte d’Ivoire, Estonia, Guinea, Lithuania, Mali and Qatar (DTC revised) will be ratified soon.

In effect (ToR C.1.9)

247. In order for information exchange to be effective, the contracting parties must take the necessary measures to comply with their commitments. Once a treaty or agreement has come into force, Morocco does not need to take any additional measure in order for it to be effective.

Conclusion and factors underlying the recommendations

Phase 1 conclusion
The element is in place.

C.2. Mechanisms for exchanging information with all relevant partners

The jurisdictions’ network of information exchange mechanisms should cover all relevant partners.

248. According to the international standard, jurisdictions should be able to exchange information with all relevant partners, meaning partners interested in concluding an EOI agreement. Agreements cannot be concluded solely with partners of no economic importance. If a jurisdiction refuses to conclude or negotiate agreements with partners, especially those which have reasonable grounds for seeking information from that jurisdiction in order to properly administer and enforce their tax laws, that fact may indicate a lack of commitment to implementing the standards.

249. Morocco has an extensive network of EOI agreements, including 59 bilateral agreements and two multilateral agreements, namely the Multilateral Convention (which guarantees Morocco standard-compliant exchanges of

information with 45 new jurisdictions with which it has no other EOI agreement) and the Arab Maghreb Union tax convention, the other signatories to which are Algeria, Libya, Mauritania and Tunisia. Morocco's network of EOI agreements therefore currently covers 108 jurisdictions, of which 106 comply with the standard. Morocco therefore has a network compliant with the standard covering all its relevant partners.

250. Morocco has stated that its main economic partners are France and Spain. In 2013, 40% of Morocco's exports and 26% of Morocco's imports were carried out with these two partners.

251. Morocco's network of EOI agreements covers:

- All the OECD Member States, but one;
- All the EU Member States;
- All the members of the G20, but one;
- 87 Global Forum jurisdictions.

252. Morocco's policy is to give priority to its economic partners with which it has not yet concluded an international tax convention, especially other African countries. Since 2009, Morocco has used a model tax convention with an article 26 on exchange of information equivalent in all respects to the OECD Model Tax Convention, including the equivalent of Article 26 (4) and (5) of the Model Convention.

253. Morocco has indicated that it has started the ratification procedure for DTCs with Burkina Faso, Côte d'Ivoire, Cameroon, Estonia, Guinea, Lithuania, Mali, Qatar (Revised), Serbia and Yemen.

254. Morocco has also initialled a further 15 double tax conventions with Albania, Azerbaijan, Bangladesh, Bosnia-Herzegovina, Central African Republic, Mauritius, Mexico, Republic of Congo, Saudi Arabia, Seychelles, Slovenia, South Africa, Sudan, Thailand and Turkmenistan.

255. Morocco is currently negotiating information exchange agreements containing an information exchange clause in compliance with the standard with Cyprus, Democratic Republic of Congo, Equatorial Guinea and Ghana.

Conclusion and factors underlying the recommendations

Phase 1 conclusion	
The element is in place.	
Factors underlying the recommendations	Recommendations
	Morocco should continue to extend its EOI network in compliance with the standard.

C.3. Confidentiality

The jurisdictions' mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received.

Information received: disclosure, use and safeguards (ToR C.3.1)

256. Governments could not become involved in exchanging information without being certain that the details communicated will be used solely for the purposes specified in the relevant information exchange agreement and that they will be kept confidential. Information exchange mechanisms should thus contain provisions indicating exactly the persons to whom the information may be circulated. Furthermore, the domestic legislation in force in the countries concerned usually contains strict regulations on protecting the confidentiality of information gathered for tax purposes.

257. Each of the EOI agreements concluded by Morocco contains a confidentiality clause compliant with Article 26 (2) of the OECD Model Tax Convention, which states that:

“Any information received under paragraph 1 by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.”

258. In addition, Moroccan domestic law contains rules designed to guarantee the confidentiality of exchanged information. Under Article 246 of the Moroccan Tax Code, all persons who, in the performance of their duties, are involved in the assessment, control, collection or disputation of taxes or duties is bound by professional secrecy. There are exceptions to the rule, in particular for other Moroccan administration and the judicial authorities. Exchanged information may be disclosed only on an order of the competent judge.

259. Professional secrecy is defined in Article 446 of the Moroccan Penal Code, which states that all persons who are entrusted with secrets by virtue of their status or profession or function are prohibited from disclosing them. The penalties for non-compliance are imprisonment for one month to six months and a fine of MAD1 200 to 20 000 (EUR 108 to 1 800).

260. In addition, Article 18 of Dahir 1-58-008 of 24 February 1958 on the civil service regulations states that “irrespective of the rules relating to professional secrecy set forth in the Penal Code, all civil servants are bound by a professional secrecy obligation for everything which concerns facts or information that come to their knowledge in the performance or in connection with the performance of their duties”.

Other information exchanged (ToR C.3.2)

261. The provisions concerning confidentiality which are included both in the relevant agreements and in Moroccan domestic legislation do not distinguish between information received in reply to a request or information that forms part of the request. These provisions apply in the same manner to requests, attached documents, and all communications between the jurisdictions involved in the exchange.

Conclusion and factors underlying the recommendations

Phase 1 conclusion
The element is in place.

C.4. Rights and safeguards of taxpayers and third parties

The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties.

Exceptions to the requirement to provide information (ToR C.4.1)

262. The international standard allows jurisdictions that have been asked to provide information not to do so in certain very specific situations. Inter alia, a request for information may be declined if the requested information could reveal confidential information protected by attorney-client privilege, which is part of the legal system of many countries.

263. However, communications between attorneys and their clients are protected by Article 36 of the Dahir enacting Act 1-93-62 of 10 September 1993 organising exercise of the legal profession, which states that an attorney must respect the confidentiality of criminal investigations and not refrain from disclosing any information taken from files or make public any items, documents or letters relating to an on-going investigation.

264. All the double taxation conventions concluded by Morocco contain a provision equivalent to the exception provided for in Article 26 (3) of the OECD Model Tax Convention, which allows a State to refuse to exchange

certain types of information, including information which would disclose any trade, business, industrial or professional secret or trade process. However, the term “professional secret” is not defined in the DTCs and therefore, considering the provision of Article 3(2) of the DTCs, this term would derive its meaning from the domestic laws of Morocco. As noted in part B.1.5 of this report, notaries and statutory auditors are covered by professional secrecy, which is not clearly consistent with the international standard. It is therefore recommended that Morocco restricts the scope of the protection under the term “professional secret” in its domestic laws so as to be in line with the standard for the purpose of agreements for exchange of information.

Conclusion and factors underlying the recommendations

Phase 1 conclusion	
The element is in place.	
Factors underlying the recommendations	Recommendations
Morocco’ tax treaties do not define the term “professional secret” and the scope of the term “professional secret” under domestic laws of Morocco is not clearly consistent with the international standard.	Morocco should restrict the scope of the protection under the term “professional secret” in its domestic laws so as to be in line with the standard for the purpose of agreements for exchange of information.

C.5. Speed of response to requests for information

The jurisdiction should provide information under its network of agreements in a timely manner.

Response within 90 days (ToR C.5.1)

265. In order for exchange of information to be effective it needs to be provided in a timeframe that allows tax authorities to apply the information to the relevant cases. If a response is provided but only after a significant lapse of time, the information may no longer be of use to the requesting authorities. This is particularly important in the context of international co-operation as cases in this area must be of sufficient importance to warrant making a request.

266. An analysis of the practical resources available to the Moroccan competent authorities in order to respond promptly to requests for information sent to them will be carried out as part of the Phase 2 review.

Organisational process and resources (ToR C.5.2)

267. An analysis of the organisational process and resources implemented by Morocco in practice will be carried out as part of the Phase 2 review.

Lack of restrictive conditions on exchange of information (ToR C.5.3)

268. There is no provision in Moroccan legislation or in its EOI agreements which contains specific conditions governing the exchange of information, other than those included in Article 26 of the OECD Model Convention or the OECD Model TIEA.

Conclusion and factors underlying the recommendations

Phase 1 conclusion
The assessment team is not in a position to evaluate whether this element is in place, as it involves issues of practice that are dealt with in the Phase 2 review.

Summary of Determinations and Factors Underlying Recommendations

Conclusion	Factors underlying the recommendations	Recommendations
Jurisdictions should ensure that ownership and identity information for all relevant entities and arrangements is available to their competent authorities. (<i>ToR A.1.</i>)		
The element is not in place.	Non-resident companies and non-resident partnerships are not required to keep information enabling their owners to be identified.	Morocco should ensure that non-resident companies and non-resident partnerships are required to keep up-to-date information relating to the ownership of their shares and the identity of shareholders.
	Morocco allows limited companies and the limited partners of partnerships limited by shares to issue bearer shares without having introduced arrangements whereby the holders of such shares can be identified under all circumstances.	Morocco should take the necessary measures to ensure that appropriate arrangements are in place such that the holders of bearer shares can be identified under all circumstances.
	There are no penalties to enforce the obligation for limited companies, to maintain a share register and the obligation, for companies, to file and keep the originals of correspondence received and copies of correspondence sent.	Morocco should ensure that penalties exist in all cases for non-compliance with legal provisions relating to the identification of the owners of relevant entities.

Conclusion	Factors underlying the recommendations	Recommendations
Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements. <i>(ToR A.2.)</i>		
The element is in place.		
Banking information should be available for all account-holders. <i>(ToR A.3.)</i>		
The element is in place.		
Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information). <i>(ToR B.1.)</i>		
The element is in place, but certain aspects of the legal implementation of the element need improvement.	There is no provision, in Moroccan domestic legislation, that preclude the application of professional secrets and that allow the tax authorities to access information directly from notaries and statutory auditors.	Morocco should ensure that tax authorities have access to information from notaries and statutory auditors, notwithstanding the application of a professional secrecy.
The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information. <i>(ToR B.2.)</i>		
The element is in place.		
Exchange of information mechanisms should provide for effective exchange of information. <i>(ToR C.1.)</i>		
The element is in place.		
The jurisdictions' network of information exchange mechanisms should cover all relevant partners. <i>(ToR C.2.)</i>		
The element is in place.		Morocco should continue to extend its EOI network in compliance with the standard.
The jurisdictions' mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received. <i>(ToR C.3.)</i>		
The element is in place.		

Conclusion	Factors underlying the recommendations	Recommendations
The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties. <i>(ToR C.4.)</i>		
The element is in place.	Morocco' tax treaties do not define the term "professional secret" and the scope of the term "professional secret" under domestic laws of Morocco is not clearly consistent with the international standard.	Morocco should restrict the scope of the protection under the term "professional secret" in its domestic laws so as to be in line with the standard for the purpose of agreements for exchange of information.
The jurisdiction should provide information under its network of agreements in a timely manner. <i>(ToR C.5.)</i>		
The assessment team is not in a position to evaluate whether this element is in place, as it involves issues of practice that are dealt with in the Phase 2 review.		

Annex 1: Jurisdiction’s response to the review report¹⁵

This annex is left blank because Morocco has chosen not to provide any material to include in it.

15. This Annex presents the jurisdiction’s response to the review report and shall not be deemed to represent the Global Forum’s views.

Annex 2: List of all exchange of information mechanisms in force

Exchange of information agreements signed by Morocco as at 3 March 2015, in alphabetical order.

Morocco has signed but not yet ratified the Multilateral Convention.

	Jurisdiction	Type of agreement	Signature^{a/} Territorial scope	Date of entry into force/Status
1	Albania	Multilateral Convention	Signed	In force in Albania
2	Algeria	Arab Maghreb Union tax convention	23 July 1990	14 July 1993
3	Andorra	Multilateral Convention	Signed	
4	Anguilla ^c	Multilateral Convention	Extended	In force in Anguilla
5	Argentina	Multilateral Convention	Signed	In force in Argentina
6	Aruba ^b	Multilateral Convention	Extended	In force in Aruba
7	Australia	Multilateral Convention	Signed	In force in Australia
8	Austria	Double taxation treaty	27 February 2002	12 November 2006
		Multilateral Convention	Signed	In force in Austria
9	Azerbaijan	Multilateral Convention	Signed	
10	Bahrain	Double taxation treaty	7 April 2000	10 February 2001
11	Belgium	Double taxation treaty (revised)	31 May 2006	30 April 2009
		Multilateral Convention	Signed	Non-amended convention in force (non-amended convention is not in force)
12	Belize	Multilateral Convention	Signed	In force in Belize
13	Bermuda ^c	Multilateral Convention	Extended	In force in Bermuda

	Jurisdiction	Type of agreement	Signature^{a/} Territorial scope	Date of entry into force/Status
14	Brazil	Multilateral Convention	Signed	
15	British Virgin Islands ^c	Multilateral Convention	Extended	In force in the British Virgin Islands
16	Bulgaria	Double taxation treaty	22 May 1996	6 December 1999
17	Burkina Faso	Double taxation treaty	18 May 2012	
18	Cameroon	Double taxation treaty	7 September 2012	
		Multilateral Convention	Signed	
19	Canada	Double taxation treaty	22 December 1975	9 November 1978
		Multilateral Convention	Signed	In force in Canada
20	Cayman Islands ^c	Multilateral Convention	Extended	In force in the Cayman Islands
21	Chile	Multilateral Convention	Signed	
22	China (People's Republic of)	Double taxation treaty	27 August 2002	16 August 2006
		Multilateral Convention	Signed	
23	Colombia	Multilateral Convention	Signed	In force in Colombia
24	Costa Rica	Multilateral Convention	Signed	In force in Costa Rica
25	Côte d'Ivoire	Double taxation treaty	20 July 2006	
26	Croatia	Double taxation treaty	26 June 2008	25 October 2012
		Multilateral Convention	Signed	1 June 2014
27	Curaçao ^b	Multilateral Convention	Extended	In force in Curaçao
28	Cyprus ^c	Multilateral Convention	Signed	
29	Czech Republic	Double taxation treaty	11 June 2001	18 July 2006
		Multilateral Convention	Signed	In force in Czech Republic
30	Denmark	Double taxation treaty	8 May 1984	25 December 1992
		Multilateral Convention	Signed	In force in Denmark
31	Egypt	Double taxation treaty	22 March 1989	28 May 1993
32	Estonia	Double taxation treaty	25 September 2013	
		Multilateral Convention	Signed	In force in Estonia
		Multilateral Convention	Signed	
33	Faroe Islands ^e	Multilateral Convention	Extended	In force in the Faroe Islands

	Jurisdiction	Type of agreement	Signature^{a/} Territorial scope	Date of entry into force/Status
34	Finland	Double taxation treaty (revised)	7 April 2006	20 October 2012
		Multilateral Convention	Signed	In force in Finland
35	Former Yugoslav Republic of Macedonia (FYROM)	Double taxation treaty	11 May 2010	14 September 2012
36	France	Double taxation treaty	29 May 1970	1 December 1971
		Amendment	18 August 1989	1 December 1992
		Multilateral Convention	Signed	In force in France
37	Gabon	Double taxation treaty	3 June 1999	16 May 2008
		Multilateral Convention	Signed	
38	Georgia	Multilateral Convention	Signed	In force in Georgia
39	Germany	Double taxation treaty	7 June 1972	8 October 1974
		Multilateral Convention	Signed	
40	Ghana	Multilateral Convention	Signed	In force in Ghana
41	Gibraltar ^c	Multilateral Convention	Extended	In force in Gibraltar
42	Greece	Double taxation treaty	20 March 2007	17 November 2010
		Multilateral Convention	Signed	In force in Greece
43	Greenland ^e	Multilateral Convention	Extended	In force in Greenland
44	Guatemala	Multilateral Convention	Signed	
45	Guernsey ^c	Multilateral Convention	Extended	
46	Guinea	Double taxation treaty	3 March 2014	
47	Hungary	Double taxation treaty	12 December 1991	20 August 2000
		Multilateral Convention	Signed	
48	Iceland	Multilateral Convention	Signed	In force in Iceland
49	India	Double taxation treaty	30 October 1998	20 February 2000
		Amendment	8 August 2013	
		Multilateral Convention	Signed	In force in India
50	Indonesia	Double taxation treaty	8 June 2008	10 April 2012
		Multilateral Convention	Signed	
51	Iran	Double taxation treaty	25 February 2008	

	Jurisdiction	Type of agreement	Signature^{a/} Territorial scope	Date of entry into force/Status
52	Ireland	Double taxation treaty	22 June 2010	31 August 2012
		Multilateral Convention	Signed	In force in Ireland
53	Isle of Man ^c	Multilateral Convention	Extended	In force on the Isle of Man
54	Italy	Double taxation treaty	7 June 1972	10 March 1983
		Protocol	28 May 1979	10 March 1983
		Multilateral Convention	Signed	In force in Italy
55	Japan	Multilateral Convention	Signed	In force in Japan
56	Jersey ^c	Multilateral Convention	Extended	In force in Jersey
57	Jordan	Double taxation treaty	16 May 2005	26 March 2009
58	Kazakhstan	Multilateral Convention	Signed	
59	Kuwait	Double taxation treaty	16 May 2002	15 July 2006
60	Latvia	Double taxation treaty	24 July 2008	25 September 2012
		Multilateral Convention	Signed	In force in Latvia
61	Lebanon	Double taxation treaty	20 October 2001	7 August 2003
62	Libya	Arab Maghreb Union tax convention	23 July 1990	14 July 1993
63	Liechtenstein	Multilateral Convention	Signed	
64	Lithuania	Double taxation treaty	19 April 2013	
		Multilateral Convention	Signed	In force in Lithuania
65	Luxembourg	Double taxation treaty	19 December 1980	16 February 1984
		Multilateral Convention	Signed	In force in Luxembourg
66	Malaysia	Double taxation treaty	2 July 2001	31 December 2006
67	Mali	Double taxation treaty	20 February 2014	
68	Malta	Double taxation treaty	26 October 2001	15 June 2007
		Multilateral Convention	Signed	In force in Malta
69	Mauritania	Arab Maghreb Union tax convention	23 July 1990	14 July 1993
70	Mexico	Multilateral Convention	Signed	In force in Mexico
71	Moldova	Multilateral Convention	Signed	In force in Moldova
72	Monaco	Multilateral Convention	Signed	
73	Montserrat ^c	Multilateral Convention	Extended	In force in Montserrat

	Jurisdiction	Type of agreement	Signature^{a/} Territorial scope	Date of entry into force/Status
74	Netherlands	Double taxation treaty	12 August 1977	10 June 1987
		Multilateral Convention	Signed	In force in Netherlands
75	New Zealand	Multilateral Convention	Signed	In force in New Zealand
76	Nigeria	Multilateral Convention	Signed	
77	Norway	Double taxation treaty	5 May 1972	18 December 1975
		Multilateral Convention	Signed	In force in Norway
78	Oman	Double taxation treaty	15 December 2006	22 April 2009
79	Pakistan	Double taxation treaty	18 May 2006	8 October 2009
80	Philippines	Multilateral Convention	Signed	
81	Poland	Double taxation treaty	24 October 1994	22 August 1996
		Multilateral Convention	Signed	In force in Poland
82	Portugal	Double taxation treaty	29 September 1997	27 June 2000
		Multilateral Convention	Signed	In force in Portugal
83	Qatar	Double taxation treaty	17 March 2006	8 May 2009
		Double taxation treaty (revised)	27 December 2013	
84	Romania	Double taxation treaty	2 July 2003	16 August 2006
		Multilateral Convention	Signed	In force in Romania
85	Russia	Double taxation treaty	4 September 1997	20 September 1999
		Multilateral Convention	Signed	
86	Saint-Maarten ^b	Multilateral Convention	Extended	In force in Saint-Maarten
87	San Marino	Multilateral Convention	Signed	
88	Saudi Arabia	Multilateral Convention	Signed	
89	Senegal	Double taxation treaty	1 March 2002	19 May 2006
90	Serbia	Double taxation treaty	6 June 2013	
91	Singapore	Double taxation treaty	9 January 2007	15 January 2014
		Multilateral Convention	Signed	
92	Slovak Republic	Multilateral Convention	Signed	In force in Slovak Republic

	Jurisdiction	Type of agreement	Signature^{a/} Territorial scope	Date of entry into force/Status
93	Slovenia	Multilateral Convention	Signed	In force in Slovenia
94	South Africa	Multilateral Convention	Signed	In force in South Africa
95	South Korea	Double taxation treaty	27 January 1999	16 June 2000
96	Spain	Double taxation treaty	10 July 1978	16 May 1985
		Multilateral Convention	Signed	In force in Spain
97	Sweden	Multilateral Convention	Signed	In force in Sweden
98	Switzerland	Multilateral Convention	Signed	
99	Syria	Double taxation treaty	19 June 2005	25 March 2009
100	Tunisia	Arab Maghreb Union tax convention	23 July 1990	14 July 1993
		Multilateral Convention	Signed	In force in Tunisia
101	Turkey	Double taxation treaty	7 April 2004	18 July 2006
		Multilateral Convention	Signed	
102	Turks and Caicos Islands ^c	Multilateral Convention	Extended	In force in the Turks and Caicos Islands
103	Ukraine	Double taxation treaty	13 July 2007	3 March 2009
		Multilateral Convention	Signed	In force in Ukraine
104	United Arab Emirates	Double taxation treaty	9 February 1999	2 July 2000
105	United Kingdom	Double taxation treaty	8 September 1981	28 November 1991
		Multilateral Convention	Signed	In force in United Kingdom
106	United States	Double taxation treaty	1 August 1977	1 January 1981
107	Vietnam	Double taxation treaty	24 November 2008	12 September 2012
108	Yemen	Double taxation treaty	8 February 2006	

- a. For signature dates of the Multilateral Convention, see www.oecd.org/ctp/exchange-of-tax-information/Status_of_convention.pdf.
- b. Territorial extension by the Kingdom of the Netherlands.
- c. See footnote 12.
- d. Territorial extension by the United Kingdom.
- e. Territorial extension by the Kingdom of Denmark.

Annex 3: List of all laws, regulations and other material received

Commercial legislation

Commercial Code

Dahir on obligations and contracts

Dahir 1-58-376 of 15 November 1958 regulating the right of association as amended and supplemented

Act 17-95 on limited companies as amended by Acts 81-99 and 20-05

Act 5-96 on partnerships, limited liability companies and joint ventures as amended by Acts 82-99, 21-05 and 24-10

Act 9-88 on accounting requirements for traders

Tax legislation

Tax Code

Anti-money laundering legislation

Act 43-05 on money-laundering

Financial legislation

Act 34-03 on credit institutions and similar organisations

Act 58-90 on offshore financial centres

Other

Finance Ministry order, OJ no. 3949 of 6 July 1988

Penal Code

Dahir 1-58-008 of 24 February 1958 on the civil service regulations

Dahir enacting Act 1-93-62 of 10 September 1993 organising exercise of the legal profession

Decree no. 2-89-591 of 4 December 1989, OJ no. 4024 of 20 December 1989

Act 35-96 on the creation of a central depository and the institution of a general rule for the registration in accounts of certain securities

Act 32-09 organising the notarial profession

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The European Union takes part in the work of the OECD.

OECD Publishing disseminates widely the results of the Organisation's statistics gathering and research on economic, social and environmental issues, as well as the conventions, guidelines and standards agreed by its members.

Global Forum on Transparency and Exchange of Information for Tax Purposes

PEER REVIEWS, PHASE 1: MOROCCO

The Global Forum on Transparency and Exchange of Information for Tax Purposes is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by over 120 jurisdictions which participate in the work of the Global Forum on an equal footing.

The Global Forum is charged with in-depth monitoring and peer review of the implementation of the standards of transparency and exchange of information for tax purposes. These standards are primarily reflected in the 2002 *OECD Model Agreement on Exchange of Information on Tax Matters* and its commentary, and in Article 26 of the *OECD Model Tax Convention on Income and on Capital* and its commentary as updated in 2004, which has been incorporated in the *UN Model Tax Convention*.

The standards provide for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. "Fishing expeditions" are not authorised, but all foreseeably relevant information must be provided, including bank information and information held by fiduciaries, regardless of the existence of a domestic tax interest or the application of a dual criminality standard.

All members of the Global Forum, as well as jurisdictions identified by the Global Forum as relevant to its work, are being reviewed. This process is undertaken in two phases. Phase 1 reviews assess the quality of a jurisdiction's legal and regulatory framework for the exchange of information, while Phase 2 reviews look at the practical implementation of that framework. Some Global Forum members are undergoing combined – Phase 1 plus Phase 2 – reviews. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

All review reports are published once approved by the Global Forum and they thus represent agreed Global Forum reports.

For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and for copies of the published review reports, please visit www.oecd.org/tax/transparency and www.eoi-tax.org.

Consult this publication on line at <http://dx.doi.org/10.1787/9789264233614-en>.

This work is published on the OECD iLibrary, which gathers all OECD books, periodicals and statistical databases.

Visit www.oecd-ilibrary.org for more information.

