



## **Law No. 44-10 relating to the 'Casablanca Finance City' status as amended and completed by Law No. 68-12**

### **Article 1**

Under this Act, a financial centre shall be established in Casablanca, named « Casablanca Finance City », whose remit will be defined by regulatory means, open to financial and non-financial companies with regional or international operations, as referred to in Articles 6 to 10 (ii) below.

### **Article 2**

Casablanca's financial centre shall have a particular « status », hereafter known as the « Casablanca Finance City » status, endowed with special measures to ensure its competitiveness and attractiveness within the region and globally.

### **Article 3**

Companies with operations referred to in Article 1 above shall benefit from the « Casablanca Finance City » status in accordance with the terms defined by this Act.

### **Article 4**

Responsibility for the institutional promotion and overall management of « Casablanca Finance City » shall be entrusted to « Casablanca Finance City Authority », a limited company governed by Act No. 17-95 relating to limited companies and its Articles of Association.

### **Article 5**

By « financial companies » is meant, within the context of this Act, credit institutions, insurance and reinsurance companies, insurance and reinsurance brokerage firms, asset management companies and investment services providers as defined by Articles 6, 7, 8 and 8 (ii) below.

By « non-financial companies » is meant, within the context of this Act, professional services providers, regional and international headquarters and holding companies as defined respectively in Articles 9, 10 and 10 (ii) below.

### **Article 6**

Within the context of this Act, credit institutions are those that are duly authorized as such in accordance with prevailing legislation.

### **Article 7**

Within the context of this Act, insurance and reinsurance companies and insurance and reinsurance brokerage firms are those that are duly authorized as such in accordance with prevailing legislation.



## Article 8

Within the context of this Act, asset management companies are those that are duly authorized as such in accordance with prevailing legislation and carrying out any form of collective or individual management of capital or financial instruments and, generally, services related to this activity.

## Article 8 (ii)

Within the context of this Act, investment services providers are legal entities providing one or several investment services.

Within the context of this Act, by 'investment services' is meant the following services:

- Managing financial instruments;
- Trading financial instruments for proprietary purposes or on behalf of third parties;
- Receiving and transmitting orders on behalf of third parties;
- Advising and assisting in relation to wealth management;
- Advising and assisting in relation to financial management;
- Financial engineering;
- All forms of investment;
- Credit rating services.

Investment services providers may also undertake activities related to these investment services.

Within the context of this Act, by 'activities related to these investment services' is meant the following activities:

- Granting loans to investors to enable them to conduct transactions linked to financial instruments as defined by prevailing regulation;
- Providing advisory services to companies, particularly in relation to capital structure, strategy and mergers and acquisitions.

## Article 9

Within the context of this Act, by « professional services providers » is meant any legal entity undertaking one or more of the following activities:

- Specialised financial services such as financial rating, financial research and financial information;
- Audit and legal, tax, financial, strategic, actuarial and human resources advisory services;
- Any other type of professional services relating to the companies referred to in Article 5 of this Act.

## Article 10

Within the context of this Act, by « regional or international headquarters » is meant any legal entity whose activity is to supervise and coordinate the operations of companies in one or several foreign countries.

The regional or international headquarters may also provide services on behalf of other entities of the group to which it belongs.



Within the context of this Act:

- By 'supervise and coordinate' is meant management, coordination and control functions;
- By 'services on behalf of other entities of the group to which it belongs' is meant R&D services, human resources and IT management, communication or public relations services.

#### **Article 10 (ii)**

Within the context of this Act, by « holding companies » is meant companies holding stakes that enable them to manage and control the activities of those companies in which they own shares.

The said held stakes must be primarily in companies whose head office is incorporated in one or several foreign countries.

The investment-to-capital ratio for the stakes held in companies referred to in the previous paragraph must be higher than the minima set by regulatory means.

#### **Article 10 (iii)**

The financial and non-financial companies referred to in Article 5 above, with the exception of holding companies, may set up as a representative office or as a branch in accordance with legislation applicable to them.

#### **Article 11**

The « Casablanca Finance City » status is granted to financial or non-financial companies referred to in Article 5 above, upon the decision of the commission referred to in Article 15 below, given the following conditions:

- Submitting an application dossier comprising the items set by the commission referred to in Article 15;
- Complying with the legislation applicable to them;
- Undertaking to conduct activities with non-residents within the limits established by regulatory means. Representative offices, however, are not subject to this undertaking;
- Complying with legislation and regulation in effect relating to foreign trade and foreign exchange;
- Undertaking to comply with the Code of Ethics referred to in Article 16 (ii) below.

#### **Article 12**

Companies with the « Casablanca Finance City » status that conduct activities in the domestic market, in accordance with prevailing legislative and regulatory provisions, must formally and effectively ring-fence these activities from their regional or international operations.



### Article 13

The following are not eligible for the « Casablanca Finance City » status:

- Financial companies referred to in Article 5 above which receive public funds within the context of Article 2 of Act No. 34-03 relating to credit institutions and similar institutions, with the exception of credit institutions referred to in Article 6 above, which may receive funds from resident or non-resident legal entities within the limits set by regulatory means. Credit institutions may also receive foreign currency-denominated funds from non-resident foreign persons;
- Financial companies referred to in Article 5 above conducting activities with individuals who are resident in Morocco, with the exception of wealth management companies that may conduct business with foreign individuals who may or may not be residents of Morocco.

### Article 14

The tax regime applicable to financial companies, non-financial companies and holding companies with the « Casablanca Finance City » status referred to in Articles 6-10 (ii) above as well as to the employees of these companies shall be provided for by the General Tax Code.

### Article 15

The « Casablanca Finance City » status shall be granted, upon the proposal of « Casablanca Finance City Authority », by a commission chaired by the Minister of Finance. The said commission's composition and *modus operandi* shall be set by regulatory means.

This status shall be withdrawn from the companies in question by the said commission under the following circumstances:

- (1) Upon their request;
- (2) If they are unable to satisfy the conditions provided for by Article 11 above, by which the said status was granted to them, or the undertakings to which they subscribed. The terms for applying this provision shall be set by regulatory means.

The commission may not declare the withdrawal of the « Casablanca Finance City » status without having duly convened a hearing with the company in question beforehand. For this purpose, the commission shall send a registered letter with acknowledgement of receipt to the company in question at least ten (10) days prior to the hearing date.

The summons letter sent to the company in question shall indicate the place, date, time and purpose of the hearing and invite the company in question to bring all documents and supporting evidence deemed useful.

In the case of a status withdrawal as in point (2) above, the summons letter must also indicate the facts brought against the company.

The company in question may be assisted by an advisor of its choice.

If the issues raised do not constitute a major breach of the conditions based on which the said status was granted or of the undertakings given, the commission shall issue a warning to the company in question and request that it rectifies the situation within a set period of



time. Failure to rectify the situation within the prescribed time period shall result in the « Casablanca Finance City » status being withdrawn from the company in accordance with the conditions provided for by this Article.

The « Casablanca Finance City » status may also be withdrawn from a company, within five years following a warning, should it commit a breach similar to the one that resulted in the said warning.

#### **Article 16**

The commission referred to in Article 15 above is authorised to grant the « Casablanca Finance City » status to companies referred to in Articles 6-10 (ii) of this Act, under the condition that they establish themselves in Casablanca's financial centre referred to Article 1 above within a set period of time.

Within this time period, the companies referred to above may conduct their activities from anywhere within the Casablanca Prefecture.

#### **Article 16 (ii)**

A Code of Ethics shall be developed by « Casablanca Finance City Authority » and approved by the commission referred to in the first paragraph of Article 15 above.

Companies with the « Casablanca Finance City » status must undertake to comply with the said Code of Ethics, serving the best interests of their customers and preserving the reputation of Casablanca's financial centre.

#### **Article 16 (iii)**

The following are subject to the payment of a fee to « Casablanca Finance City Authority »:

- Companies applying for the « Casablanca Finance City » status upon filing their application for the said status;
- Companies with the « Casablanca Finance City » status on an annual basis for other services rendered by « Casablanca Finance City Authority » to develop Casablanca's financial centre.

Failure to pay fees due within the set time period shall result in a surcharge. The terms for calculating and paying the fees referred to above, as well as the surcharge applicable in the event of a late payment, shall be set by the administration. The said surcharge may not exceed 2% per month or a fraction of the late payment month calculated on the chargeable fee amount.

#### **Article 16 (iv)**

The following persons have an obligation of professional secrecy and are liable to the penalties provided for by Article 446 of the Penal Code: «Casablanca Finance City Authority»'s entire staff, the members of the Board of Directors, the members of the commission referred to in the first paragraph of Article 15 above and, generally, any person who, in whatever capacity, shall have knowledge of or use information relating to applications for the « Casablanca Finance City » status.