

## OFFICE DES CHANGES

Rabat, 13 February 2015

### CIRCULAR NO. 1/2015 TO APPROVED INTERMEDIARIES

**Subject: Overseas investment by financial institutions with CFC status**

In accordance with the provisions of Article 778 of the General Instructions for Foreign Exchange Transactions of 31 December 2013, officially registered resident legal entities are authorised to make overseas investments on the following conditions:

- The aforementioned legal entities must be operational for at least three years;
- The overseas investment project(s) must be related to the business activity of the legal entity in question and be intended to enhance or develop this business activity rather than investing in financial or real estate assets other than those required to ensure the smooth running of overseas entities or forming an integral part of their business operations;
- The accounts of the legal entity in question must be certified unconditionally by an external and independent statutory auditor;
- The transferable amount per legal entity per calendar year regarding overseas investment may not exceed MAD 100 million for investment in Africa or MAD 50 million for investment in other continents.

The purpose of the present circular is to inform approved intermediaries that financial institutions with CFC status, as defined by the provisions of *Dahir* No. 1-14-93 of 12 *Rajeb* 145 (12 May 2014) promulgating Law No. 68-12, amending and completing Law No. 44-10 relating to "Casablanca Finance City" status, are not bound by the first two conditions listed above.

Approved intermediaries are also informed that the annual MAD 100 million and MAD 50 million maximum thresholds for overseas investment are not applicable to the portion of the share capital of financial institutions with CFC status subscribed by non-residents or resident foreigners in foreign currency.

Financial institutions with CFC status may invest overseas that portion of the share capital subscribed by non-residents or resident foreigners in foreign currency without there being any restriction on the amount invested.

The annual MAD 100 million and MAD 50 million maximum thresholds only apply to the portion of the share capital of the aforementioned companies subscribed in dirhams by residents.

This circular amends and completes the provisions of the General Instructions for Foreign Exchange Operations of 31 December 2013.

Approved intermediaries are requested to ensure wide distribution of the present circular's provisions.

**DIRECTOR OF THE OFFICE DES CHANGES**

**JAOUAD HAMRI**

ONLY FOR INFORMATION

Appendix 1

Company name: .....  
Companies registry and centre:.....  
Address: .....

## Report of Transfers carried out by entities with “CFC” status in respect of import services operations

Financial period from ..../..../.... to ..../..../....

Office des Changes Circular No..... of ..... 2012

*Description of service (I)*

*Foreign services provider*

*Foreign services provider’s country of residence*

*CFC entity’s relationship with foreign services provider (II)*

*Bank - Bank*

*Bank - Branch*

*Agreement or contract - date signed*

*Agreement or contract - effective date*

*Agreement or contract - length of contract*

*Remuneration method (III)*

*Transfer amount (MAD)*

*Appropriation of amounts not subject to transfer - Amount (MAD)*

*Appropriation of amounts not subject to transfer - Use and accounting treatment (IV)*

- (I) Foreign technical assistance on a continuous basis, one-off, management fees, provision of staff, shared expenses or other imported services
- (II) Specify relationship: branch, subsidiary, company belonging to the same group or no relationship
- (III) Specify the corresponding share and amount: 1) percentage of revenue 2) percentage of value-added 3) flat-rate remuneration 4) remuneration by provider and by frequency 5) scale-based 6) other ( please specify)
- (IV) Specify purpose: 1) increase in equity 2) increase in advance on current account 3) offset export revenue 4) payment overseas by increase in receivables arising on exports 5) litigation 6) cash flow problem 7) other (please specify)

**N.B.** This report must be sent to the *Office des Changes* no later than three months after the close of each financial period.

*Entity’s stamp and signature*

Appendix 2

Company name: .....  
Companies registry and centre:.....

Address: .....

**Report of movements in foreign currency and/or convertible dirham accounts opened by entities with “CFC” status carrying out activities involving the export of goods and/or services**

Financial period from ..../..../.... to ..../..../....

Office des Changes Circular No..... of ..... 2012

Account type (I)  
Foreign currency (II)  
Bank  
Bank branch  
Opening balance  
Debit - Description of expenditures (III)  
Debit - Amount  
Credit  
Closing balance

- (I) Foreign currency or convertible dirham account
- (II) Specify the foreign currency
- (III) Specify 1) Agency and brokerage fees 2) Financing of foreign investments 3) Overseas marketing and travel expenses 4) Other (please specify)

**Entity's stamp and signature**