



# COUNTRY PROFILE MOROCCO

## Arab Business Legislative Frameworks Morocco Profile



Shared Prosperity Dignified Life





Shared Prosperity **Dignified Life**



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Economic and Social Commission for Western Asia

# **Arab Business Legislative Frameworks**

## **Morocco Profile**



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# Country Profile

# MOROCCO



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## Summary



The legal system in Morocco is shaped by French civil law and a combination of traditions and customs. Morocco adopted a new constitution in 2011 that expanded the legislative sector.

## Competition



- **LAW NO. 104-12 OF 2014** on **Freedom of Prices** and **Competition** is the **main legislation** to govern **competitive practices** in Morocco. The law contains **rigorous definitions** of **anti-competitive behaviour** in one single piece of legislation;
- **LAW NO. 20-13 OF 2014** established a **Competition Council** to oversee and implement the legislation. In 2018, the Council received **expanded powers** to carry out **investigations** and **impose sanctions**. Yet, **weaknesses remain** since competition legislation lacks clear definitions of monopolies and the Competition Council is not an autonomous body. This **lack of autonomy** and **transparency jeopardizes the Council's ability to apply the law** on all levels in order to uphold public good over private business interests;
- In addition, Morocco established **LAW NO. 91-14 OF 2016** on **Foreign Trade**, with provisions related to **competition** under this theme.

## Foreign Direct Investment



- FDI in Morocco was **FIRST GOVERNED** by its **Law No. 18 of 1995**, titled the **Investment Charter**. Since then, Morocco established **Law No. 19-94** on **Free Zones** and **Law No. 91-14** on **Foreign Trade**. The laws are considered quite **favourable for investors**, with incentives such as **major tax exemptions** and no requirement for prior approval of FDI;
- An **UPDATED VERSION** of the investment **incentive regime** is currently being **planned** by the government;
- **RESTRICTIONS ON FOREIGN OWNERSHIP** are only **within the agricultural sectors**.



## Anti-Corruption



- Most recently, Morocco adopted **BILL 46-19 OF 2020** on the **National Authority for Probity, Prevention, and the Fight against Corruption**, and a **draft law** is set to **enhance the authority's ability to function**;
- Until a formal law is established, Morocco **RELIES ON A SYSTEM OF LEGISLATION** to **counter corruption**, especially its **Penal Code** that includes many **provisions on bribery**.

## Consumer Protection



- Morocco established an **EXPLICIT CONSUMER PROTECTION LAW, No. 31-08 of 2011**;
- Morocco is one of the **FEW ARAB COUNTRIES** with **LEGISLATIONS** that provide a range of **clear definitions** on **corruption activities**, cover new forms of technology, such as **e-commerce**, offer **protection for whistleblowers**, and allow room for consumers to obtain redress, including **regional** and **international processes**.

## Main Headings

● Very Strong
● Strong
● Developed
● Moderate
● Basic
● Weak
● Very Weak

### COMPETITION

● **STRONG**

Anti-Trust and Competition Laws	● Strong
Anti-Dominance and Monopolisation Laws	● Moderate
Cartels and Anti-Competitive Agreements	● Strong
Competition Enforcement Practices	● Developed
International Trade Agreements	● Strong
Liberalisation and Competition Intervention in Regulated Sectors	● Moderate
Merger Regulatory Regime	● Very Strong
Labor Protection	● Very Strong



### FOREIGN DIRECT INVESTMENT (FDI)

● **BASIC**

Banking Regulations	● Developed
Macroeconomic Policies	● Moderate
Investment Regulatory Framework	● Weak
Incentivisation Schemes	● Developed
Bi-lateral Treaties	● Weak





### ANTI-CORRUPTION

● **DEVELOPED**



Anti-Corruption and Integrity in Public Sector	● Very Strong
Anti-Bribery and Whistle Blow Laws	● Very Strong
Budgeting and Public Expenditures	● Very Strong
Digital Government	● Moderate
Open Government and Transparency	● Very Weak
Public Procurement Standards	● Moderate

### CONSUMER PROTECTION

● **MODERATE**



Physical Safety Regulations	● Strong
Protection of Consumers' Economic Interests	● Strong
Measures Enabling Consumers to Obtain Redress	● Basic
Promotion of Sustainable Consumption	● Weak

## Sub-categories

● Very Strong
● Strong
● Developed
● Moderate
● Basic
● Weak
● Very Weak

### COMPETITION

Laws/Decrees (i.e. national legislations/regulations)	● Strong
Definitions (i.e. legal definitions within legislation/treaties)	● Strong
Institutions (i.e. bodies/authorities)	● Very Strong
International Agreements (regional/international conventions, treaties, trade agreements)	● Developed
Enforcement (i.e. positive or negative, such as incentives, subsidizes, sanctions, fines, prison sentences)	● Very Strong
Exemptions	● Weak
Accessibility/Transparency	● Strong



### FOREIGN DIRECT INVESTMENT (FDI)

Laws/Decrees (i.e. national legislations/regulations)	● Moderate
Definitions (i.e. legal definitions within legislation/treaties)	● Moderate
Institutions (i.e. bodies/authorities)	● Moderate
International Agreements (regional/international conventions, treaties, trade agreements)	● Basic
Enforcement (i.e. positive or negative, such as incentives, subsidizes, sanctions, fines, prison sentences)	● Weak
Exemptions	● Very Weak
Accessibility/Transparency	● Moderate



## ANTI-CORRUPTION



Laws/Decrees (i.e. national legislations/regulations)	● Strong
Definitions (i.e. legal definitions within legislation/treaties)	● Strong
Institutions (i.e. bodies/authorities)	● Developed
International Agreements (regional/international conventions, treaties, trade agreements)	● Moderate
Enforcement (i.e. positive or negative, such as incentives, subsidizes, sanctions, fines, prison sentences)	● Very Strong
Exemptions	● Developed
Accessibility/Transparency	● Moderate

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