

## **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**

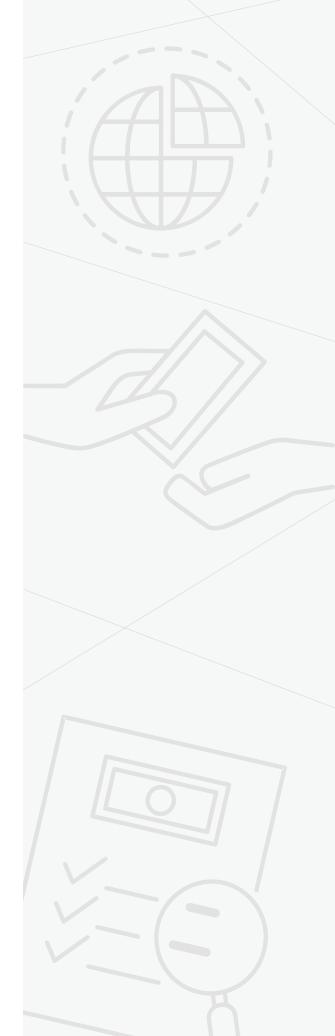


- LAW NO. 104-12 OF 2014 on Freedom of Prices and Competition is the main legislation to govern competitive practices in Morocco. The law contains rigorous definitions of anti-competitive behaviour in one single piece of legislation;
- LAW NO. 20-13 OF 2014 established a Competition Council to oversee 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**



- 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 StrongStrongDevelopedModerateBasicWeakVery Weak

COMPETITION	•	STRONG
Anti-Trust and Competition Laws	•	Strong
Anti-Dominance and Monopolisation Laws ————	•	Moderate 1
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 Developed
Macroeconomic Policies —	Moderate
Investment Regulatory Framework ————————————————————————————————————	Weak
Incentivisation Schemes ———————————————————————————————————	Developed
Bi-lateral Treaties —	— Weak

## **Main Headings**

ANTI-CORRUPTION	DEVELOPED
Anti-Corruption and Integrity in Public Sector  Anti-Bribery and Whistle Blow Laws	Very Strong
Anti-Bribery and Whistle Blow Laws	Very Strong
Budgeting and Public Expenditures —	<ul><li>Very Strong</li></ul>
Digital Government —	Moderate
Open Government and Transparency —	Very Weak
Public Procurement Standards —	Moderate

#### **CONSUMER PROTECTION** MODERATE **Physical Safety Regulations** Strong Strong **Protection of Consumers' Economic Interests** -**Measures Enabling Consumers** Basic to Obtain Redress **Promotion of Sustainable Consumption** Weak

## **Sub-categories**

Very Strong

Strong

Developed

Moderate

Basic Weak

Very Weak

#### **COMPETITION**

Strong legislations/regulations)

Definitions (i.e. legal definitions within legislation/treaties)

Institutions (i.e. bodies/authorities) Very Strong

Strong

International Agreements (regional/international — Developed conventions, treaties, trade agreements)

Enforcement (i.e. positive or negative, — Very Strong such as incentives, subsidizes, sanctions, fines, prison sentences)

Exemptions ——

Weak

Strong

## **FOREIGN DIRECT INVESTMENT (FDI)**

Moderate ( legislations/regulations)



within legislation/treaties)

Institutions (i.e. bodies/authorities) — Moderate

Moderate

International Agreements (regional/international — Basic conventions, treaties, trade agreements)

Enforcement (i.e. positive or negative, — Weak such as incentives, subsidizes, sanctions,

fines, prison sentences)

Exemptions — Accessibility/Transparency ———— ── Very Weak

Moderate

Developed

Moderate

#### **ANTI-CORRUPTION**

Laws/Decrees (i.e. national legislations/regulations)

Definitions (i.e. legal definitions within legislation/treaties)

Institutions (i.e. bodies/authorities)

International Agreements (regional/international conventions, treaties, trade agreements)

Enforcement (i.e. positive or negative, such as incentives, subsidizes, sanctions, fines, prison sentences)

### **CONSUMER PROTECTION**

Accessibility/Transparency —

**Exemptions** —

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



