

# Morocco

## Overview of CbC reporting requirements

**Morocco has implemented the BEPS Action 13 (CbC reporting) minimum standard with four recommendations for improvement.**

First reporting fiscal year: Commencing on or after 1 January 2021

Consolidated group revenue threshold: MAD 8,122,500 thousand

Filing deadline: 12 months following the end of the reporting fiscal year

Local filing required: Yes

Surrogate parent entity filing permitted: Yes

First review of the domestic legal framework: 2020/2021

## Summary of recommendations

Area of implementation	Recommendations for improvement
Domestic legal and administrative framework	It is recommended that Morocco take steps to ensure that local filing only occurs in the circumstances permitted under the minimum standard. It is recommended that Morocco clarify that the annual consolidated group revenue threshold calculation rule applies in line with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Morocco.
Exchange of information framework	It is recommended that Morocco take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Morocco has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. It is recommended that Morocco take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information.
Appropriate use	It is recommended that Morocco take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

## The domestic legal and administrative framework

Morocco's 2019/2020 peer review confirmed that Morocco has a legislative filing requirement in effect, but did not include a review of that legislation. Morocco's legislation has now been reviewed.

Morocco has a legislative filing requirement which applies to all Ultimate Parent Entities of MNE Groups above a certain threshold and which requires inclusion of all constituent entities.<sup>1</sup>

A CbC reporting filing obligation applies in Morocco for fiscal years commencing on or after 1 January 2021 and filing is required 12 months after the reporting year end. Morocco has enforcement requirements to ensure compliance with rules on CbC reporting.

Morocco has a legislative requirement for local filing which is in effect despite Morocco not yet meeting all of the consistency, confidentiality and appropriate use conditions. It is therefore recommended that Morocco take steps to ensure that local filing only occurs in the circumstances permitted under the minimum standard.

With respect to the annual consolidated group revenue threshold where the MNE Group draws up, or would draw up, its Consolidated Financial Statements in a currency other than that specified by Morocco, the reference to Morocco's threshold has the effect as if it were a reference to the equivalent in that currency at the average exchange rate for the accounting period. While this provision would not create an issue for MNE Groups whose Ultimate Parent Entity is a tax resident in Morocco, it may be incompatible with the guidance on currency fluctuations for MNE Groups whose Ultimate Parent Entity is located in another jurisdiction, if local filing requirements were applied in respect of a Constituent Entity (which is a Morocco tax resident) of an MNE Group which does not reach the threshold as determined in the jurisdiction of the Ultimate Parent Entity of such a Group.

This is an unintended consequence of having a local filing requirement and it is therefore recommended that Morocco clarify that the annual consolidated group revenue threshold calculation rule applies in line with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Morocco.

Morocco's domestic legal and administrative framework meets all other terms of reference.

## The exchange of information framework

Morocco has no bilateral relationships in place for the exchange of CbC reports nor processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

It is recommended that Morocco take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Morocco has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains in place since the 2019/2020 peer review.

It is recommended that Morocco take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information. This recommendation remains in place since the 2019/2020 peer review.

## Appropriate use of CbC reports

Morocco does not yet have controls in place to ensure the appropriate use of CbC reports.

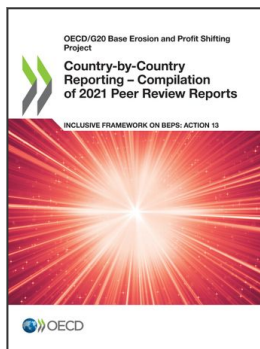
It is recommended that Morocco take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains in place since the 2019/2020 peer review.

## Notes

<sup>1</sup> Article 154 TER DU CGI : Déclaration pays par pays : Pages 270 et 271 du CGI à télécharger par le lien suivant : <https://www.tax.gov.ma/wps/wcm/connect/30b7372b-68d0-462f-b40b-bd5c9f642a26/CGI+2021+version+fran%C3%A7aise.pdf?MOD=AJPERES&CACHEID=30b7372b-68d0-462f-b40b-bd5c9f642a26>

Article 199 BIS DU CGI : Sanction pour défaut de dépôt ou de dépôt incomplet de la déclaration pays par pays : Page 331 du CGI à télécharger par le lien suivant : <https://www.tax.gov.ma/wps/wcm/connect/30b7372b-68d0-462f-b40b-bd5c9f642a26/CGI+2021+version+fran%C3%A7aise.pdf?MOD=AJPERES&CACHEID=30b7372b-68d0-462f-b40b-bd5c9f642a26>

La note circulaire N°730 relative aux dispositions fiscales de la loi de finances de l'année 2020 (partie afférente à la déclaration pays par pays) : (pages 49-52)  
<https://www.tax.gov.ma/wps/wcm/connect/0d6136da-5439-4cad-a582-015d5fc845ff/Projet+NC+PLF+2020+-+r%C3%A8gles+d%27assiette+v+8-01-2020.pdf?MOD=AJPERES&CACHEID=0d6136da-5439-4cad-a582-015d5fc845ff>



From:

## Country-by-Country Reporting – Compilation of 2021 Peer Review Reports

Inclusive Framework on BEPS: Action 13

Access the complete publication at:

<https://doi.org/10.1787/73dc97a6-en>

### Please cite this chapter as:

OECD (2021), "Morocco", in *Country-by-Country Reporting – Compilation of 2021 Peer Review Reports: Inclusive Framework on BEPS: Action 13*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/ae96b045-en>

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