MOROCCO

Morocco - Mixed (French Civil and sharia law)

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Incorporating a company in Morocco

Morocco taxes

If you want to start a business in Morocco, reading this will help you becoming knowlegeable on the specific tax laws and rates for a LLC(SARL), which is the most common company type in Morocco.

Morocco taxes corporate income on a territorial basis. This means that income accrued outside the country, from our research, and your results may vary, is not generally subject to Corporate Income Tax. Morocco applies a progressive income tax, which ranges from 10% to 31%. This ranks Morocco as 153th overall with regards to corp. taxation rate internationally.

The value added tax (VAT) rate in Morocco is 20.00%, that ranks Morocco as 134th overall in terms of value added tax rate worldwide. In terms of other taxation, an employer will contribute 8.10% to the equivalent of a social security fund and an employee will contribute 6.74%. The overall complexity of the tax system is low. This is measured by average time to comply with a country's labor tax requirements is as it is 42hours. Contributing to this is the number of yearly labor tax payments, which is 1 in MA.

Thin capitalization restrictions are not in effect. This refers to any sort of restrictions on given company with respect todebt-to-asset ratios. Dividends received from resident entities must be included in business profits, but the dividends are 100% deductible in the computation of taxable income. Dividends received from foreign subsidiaries are not subject to taxation. A dividend is a distribution of a portion of an earnings of the business, decided by the board of directors, to a class of its shareholders. Dividends can be issued as shares of stock, cash payments, or other property. Capital Gains are subject to corporate income tax at normal rates. A capital gains tax is levied on the profits that a corporation or natural person realizes when they sell sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 10%. Which means that the relevant tax authorities expects legal entities to automatically withhold 10% of interests paid to non-residents. The dividends withholding tax rate is 15%. Which means that the taxman expects LLC(SARL)'s to automatically withhold 15% of payments abroad on dividends. The royalties withholding tax rate is 10%. Which means that the taxman expects companies to pay tax at 10% of payments abroad on royalties. Withholding tax rates may be reduced under a tax treaty.

There is a tax on net wealth in Morocco. There are no known inheritance taxes, but there is a 20% gift tax. There are transfer taxes on real properties. We are not aware of any popular and well known credits for innovation spend that include breaks on taxation in Morocco.

The above is not tax or legal advice for your individual facts and circumstances. We are able to refer you to a tax advisor in Morocco who can give you the proper advice and help you need. Ready to get started? Click the free consultation button above.

The vat rate in Morocco is 20% which ranks 134 in the world.

- ✖ **Patent box**
- ✖ **RND credit**
- ✖ **Wealth tax**
- ☑ **Estate tax**
- ☑ **Transfer taxes**
- ✖ **Asset taxes**
- ☑ **Capital duties**

- **64** **Tax treaties**
- **0%** **Offshore Tax**
- **31%** **Corp rate**
- **-** **Loss carryback years**
- **70** **Corporate time**
- **20%** **VAT rate**
- **31%** **Capital gains**

Morocco Legalese

The underlying legal code in Morocco is mixed (french civil and sharia law) law. You will want to get some local advice as to how to best structure a company in Morocco. One is permitted to electronically sign documents.

The abbreviation MA is for Morocco and the most common company type in Morocco is a LLC(SARL).

You should expect a wait time of 6 weeks to incorporate a LLC(SARL) in MA. is 0, This means you don't have any minimum share capital. The types of currencies you can use to capitalize your business is frequently any legal currency.

Redomiciliation is not common.

There must be at least This means it is not possible for you to own a LLC(SARL) in Morocco as a sole shareholder. You must have other shareholders, they can be nominees or de facto shareholders. Corporate Shareholders are allowed, meaning you could have a company as a shareholder. Foreign ownership is tolerated, up to % of the total shareholding.

A company is only required to have 1 director on the board. Additionally, corporate directors are permitted. Directors should not expect to be private, as they are disclosed. There is a requirement to have annual meetings of shareholders.

A registered office is a requirement, whom the company will pay yearly, for a legal services company which can receive a service of process on behalf of the business. A related requirement, a corporate secretary is not required in MA, which can save the company money if you can perform basic corporate governance internally.

There is an obligation to file yearly tax returns. On that note, there is oftentimes a requirement to have these accounts audited.

Overall we think Morocco is a ok option and have given it a score of 44 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ☑ **Shareholders not disclosed in a public registry**
- ✗ **Redomiciliation permitted**
- ☑ **Registered office required**
- ☑ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ☑ **Local Director not required**
- ☑ **Electronic signature**

2 **Shareholders required**

1 **Directors required**

6 weeks **to form**

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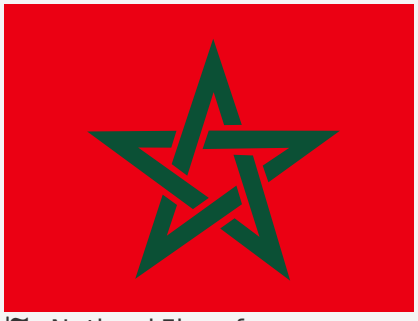
Country Info



National Flag of

المملكة المغربية (ara)

ⵜⴰⴳⵍⴷⵉⵜ ⵏ ⵍⵎⵖⵔⵉⴱ (ber)

Currency

MAD

Area Code

+212

Capital

Rabat

Region

Northern Africa

Native Languages

Arabic

Berber