

MOROCCO

As per 1 January 2020

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EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Personal Income Tax Rates – Employment Income	
Tax rate	Progressive tax rate: 0% – 38% (Annual income below 30 000 DH will not be taxed).
Tax period	Calendar year.
Tax residency / Domicile according to domestic law	Persons are deemed to be domiciled in Morocco for tax purposes when: <ul style="list-style-type: none"> • their permanent home is in Morocco; • they have the centre of their economic interests in Morocco; (Main activity, where the ratepayer devotes more effective time, Main investment) • their length of stay in Morocco (present for 183 days or more in a calendar year); These criteria are listed in order of importance.
Tax registration	Completed by tax residents in Morocco.
Employment income definition	Any remuneration and benefit in cash or in kind received by an employee for services rendered under an employment agreement.
Examples of tax exemption	<ul style="list-style-type: none"> – Family allowances and family support, termination indemnity, Voluntary termination indemnity, and any compensation for damages awarded by the courts in the event of dismissal and within the limit fixed by the labor code; – Other indemnities under specific conditions.
Specific expatriate concession	
Income of board members	No specific treatment for income of board members in terms of taxation if they are wage earners. However, some indemnities can be exempted for this category of employees.
Tax returns	Employers are required to submit, before March 1st of each year, to the tax inspector of their fiscal domicile or head office a return of wages, detailing income of the employees of the company. Individuals as well are required to submit a return detailing their total revenues.
Tax payments	The previous Finance Laws introduced the obligation to report personal income tax electronically for companies and individuals. The payment can be made either online on the tax administration portal or in cash with the bank or by credit card.
Tax on real estate property	Rental revenues are taxed using the progressive tax rate with a tax relief of 40% on the tax basis. Real estate profits are taxed at a rate of 20%, applied on the difference between: <ul style="list-style-type: none"> – the transfer price, less the costs of disposal, and – the purchase price, plus acquisition costs, capital expenditures and interest paid on the credit of the property.

TAX TREATIES

Employment income / income from board members	Art 15/16 Model OECD Tax treaties
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INTERNATIONAL SOCIAL SECURITY

Cross border employments	
Exception under Art 16 of Reg. 883/2004	
and Art 17 of Reg. 1408/71	

Social Security Cost as % from gross salary and absolute amounts

The Moroccan social security system is composed of various schemes providing a wide range of benefits.

This system includes social security basic coverage (sickness, maternity, disability, work-related accident benefits and old age state pension), unemployment benefits, compulsory complementary retirement plans, complementary death/disability coverage and complementary health coverage. This contribution is shared between the employer and the employee. The employee's share is collected by the company and paid to the CNSS. It is calculated at a rate of 4,48% on a basis limited to 6000 MAD as a maximum. Compulsory health insurance (AMO) is calculated on a rate of 2,26% without any limit on the basis.

IMMIGRATION**Work permit**

A work visa is required to settle and work in Morocco, this visa must be requested within the first 3 months of your arrival, and a residence permit from the prefecture of your new city of residence. The work requires a legal authorization. If you work for a company, the company will take care of most of the procedures for obtaining your work permit.

Visa

Morocco's requirements for issuing visas vary according to the nationality of the applicants. Citizens of the countries such as: Algeria, Canada, Niger, China, Mali ... are allowed to reside in Morocco for 90 days without a visa. Beyond this period, the visa application becomes mandatory.

Residency permits / registration certificate

A foreigner wishing to stay in the Moroccan territory must apply to the administration for a residence permit. This permit can be a residence permit or a registration card that must be kept or submitted to the administration within 48 hours. The registration card is replaced by the receipt for issuing or renewing the card. This request is made to the services of the "National Security" or the "Royal Gendarmerie".

Driving license

Foreign drivers may drive with a driving license issued abroad, but for a maximum of one year from their temporary stay in Morocco.

At the end of the one-year period, holders of a permit issued abroad must take the tests to obtain the Moroccan driving license or request the exchange of the driving license.

STOCK OPTION PLAN

The taxation of the stock options depends on their source. For Moroccan stock options, the sale capital gains are taxed at a rate of 15% for listed shares and 20% for non listed shares. For foreign stock options, acquisition capital gains are taxed using the progressive tax rate, and the sale capital gains are taxed on a rate of 20%.

ARTICLE 15 OF THE OECD MODEL**183 days**

These notions are generally consistent with the OECD model tax treaty. However, some differences may exist and vary depending on the specificities of every tax treaty.

Notion of employer

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Existence of a permanent establishment

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