

Weekly highlights by L'ECONOMISTE



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Système de Management de la Qualité
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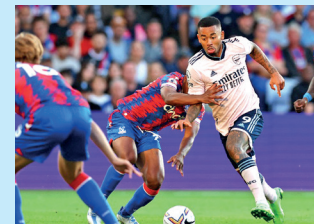
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Battle

Meriem OUDGHIRI

THE Sovereign has just appointed the last members of the National Authority for Integrity, Prevention, and the Fight Against Corruption (INPPLC). This is a big step for this entity whose final architecture is now in place to take action. Morocco has experienced many crusades against this phenomenon. With each electoral campaign, political speeches are filled to the brim with denunciations and promises. Corruption has become the most beautiful meeting animal. Bribes, kickback, freebies, payoffs, payolas... never has a corrupting act received so many qualifiers. But for what result? It is an understatement to say that public opinion (always) expects a lot. We know it well, because we see it and experience it every day... some vested interests, whether organized or informal, have largely made their profit from immobility and immunity. On the other side,

the justice department stumbles on the lack of evidence. As a consequence, the phenomenon continues and rots the foundations of society every day. It is pure and simple felony. The worrying deterioration of the Moroccan ranking should not be taken lightly either concerning a subject that involves issues of confidence and country attractiveness. Anti-corruption laws are not in short supply, far from it. Fighting the deep roots of this evil which has damaged values and references will be long, but vital. It is not only a political necessity but also a tool for profound change in the private or public life of Moroccans. The citizens of this country are the ones who will also have to make things happen and realize that it is a pernicious game. Otherwise, all the efforts made would be useless and would result, once again, into a losing battle. □

Weekly highlights

Fuel: Arguments against the Government

AFTER the resounding report of the Competition Council on the issue of hydrocarbons, it is the turn of trade unions to put forward a reasoned plea against the Government's management of these highly sensitive and flammable products. Indeed, the National Union of Petroleum and Gas Industries, affiliated to the Democratic Confederation of Labor (CDT) trade union, has just organized an information day on October 22, in the presence of experts, specialists, and economists, around the theme of "Hydrocarbon prices and the refining of petroleum products in Morocco", the goal of that meeting being to open a national debate and enlighten public opinion on the technical and economic issues of hydrocarbons, in a context of strong pressure on the prices of raw materials, inflation, the surge of prices in gas stations, and the impact on the purchasing power... According to El Houssine El Yamani, President of the National Front for the Protection of the Samir Refinery (FNSS), "we strongly call on the government to seriously reconsider the structure



The estimated price subject to the resumption of refining activity in Morocco and the setting of profit margins for oil companies and distributors

ring current price of hydrocarbons, as well as the capping of prices so that they do not exceed 10 Dirhams (0.92 US\$) per liter in gas stations". In the opinion of the president of the FNSS: "Today more than ever, it is necessary to reactivate the only refinery of Mohammedia. This will make it possible to considerably lower the cost of refining as well as the price per liter at gas stations and above all to increase storage capacities... In a global context characterized by strong disturbances and the total absence of visibility, Morocco cannot afford not to secure its energy needs". From the outset, the speakers during the meeting mentioned 2016, the year during which the Benkirane government made the deci-

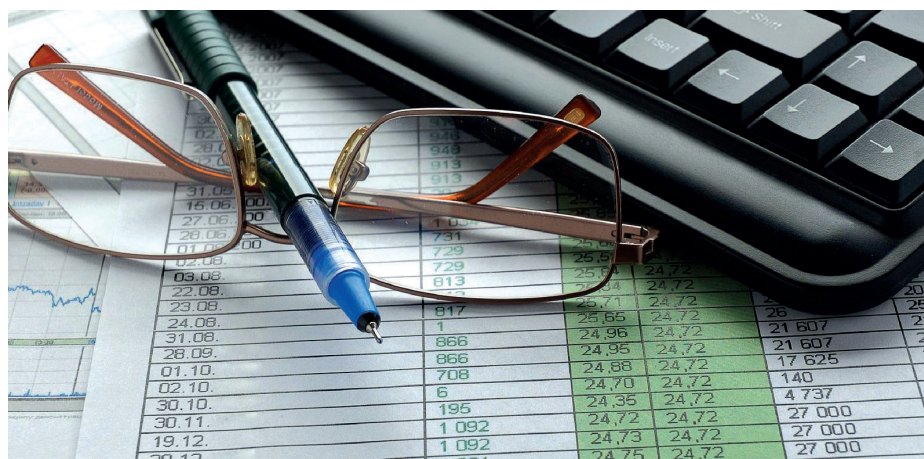
sion to remove the subsidy from the Compensation Fund and liberalize the prices of hydrocarbons. "This is what has opened the door to all excesses, since oil distributors have made record profits and accumulated indecent gains which will come close to 50 billion Dirhams (4.6 billion US\$) by the end of 2022", warns El Houssine El Yamani. Meanwhile, he adds, oil companies and distributors continue to increase prices, by simulating low price differentials in gas stations. Worse still, "oil companies immediately hasten to raise prices in gas stations as soon as prices soar on the international market. On the other hand, this almost instantaneous price increase is often not systematic on the day after the drop in the price of a barrel on the world market", denounces El Yamani. In addition, there are a series of solutions that would make it possible to lower prices. Among these options is the urgency of reactivating the Mohammedia refining site (Translator Note: The refinery was closed in 2015 and declared bankrupt in 2016). □

Amin RBOUB

Draft Budget Bill

Zombie companies: Tax regularization made easy

THIS is a procedure that could facilitate the process for inactive companies who want to regularize their situation and declare the transfer of activity to the tax services. Estimated at "several thousand", according to business councils, these companies will benefit from two major measures which will also allow the tax authorities to clean up these "zombie" companies. The first measure targets companies who do not engage in any activity and no longer fulfill their tax obligations. As for the second measure, it is dedicated to entities which have not achieved any turnover or which have only paid the minimum contribution for several years. For inactive companies, the Draft Budget Bill provides for the temporary suspension of the application of the automatic taxation procedure (Article 228 of the General Tax Code) via the introduction of a new Article 228 bis. The latter is intended in particular for companies that have not complied with any obligation to declare and



pay taxes provided for by the General Tax Code (CGI) for the last three financial years. Article 228 bis also applies to entities that have not carried out any operation or activity during this period according to the information available to the administration. These companies would thus be invited, through a notified letter, to subscribe to the declaration of cessation of activity provided for in Article 150 and this, within thirty days following the date of the receipt of the notification. After this period,

the companies would be entered in the register of inactive companies and the automatic taxation procedure provided for in Article 228 would be suspended. However, when the administration finds that an inactive company has carried out operations or resumed the exercise of a taxable activity, such company is removed from the register of inactive companies.

In this case, the tax office initiates the procedure of automatic taxation in the forms provided, even if the limitation

period has expired but without such period exceeding 10 years. To make those new procedures rock solid and avoid any fraud, it is also planned to establish the non-deductibility of invoices issued by these inactive companies.

The second major measure provides for a simplified and temporary procedure for companies that have not achieved any turnover, or which have only paid the minimum contribution for the last four closed financial years and which want to cease their activities definitively. These would be invited to subscribe to the declaration of cessation of activity provided for in article 150 of the CGI during the year 2023 and this should exempt them from tax control. These companies should also pay a lump sum tax of 20,000 Dirhams (about 1847 \$US) for each non time-barred fiscal year within the time limit of the declaration of total cessation of activity. □

Khadija MASMOUDI

Customs: Zero tolerance at Morocco airports!

FOR passengers, tourists, travelers, businessmen, Moroccans residing abroad, some change is happening at Morocco's international airports. Indeed, the Customs Administration has just put in place new rules to be observed both when entering and when leaving Moroccan territory. From now on, travelers of all categories must pay duties and taxes for the gifts they bring back with them. "As a traveler visiting Morocco, you are authorized to bring back from abroad, without customs formalities or payment of import duties and taxes, gifts in limited quantities and without commercial character within the limit of a value total of 2,000 dirhams" (about 185 \$USD), specifies the Moroccan Customs Administration. Outside of these tolerances, any other imported goods must systematically be declared to the customs services with the payment of the corresponding duties and taxes and completion, where applicable, of the formalities provided for by regulations other than customs. However, if the goods in question are not of a commercial nature, travelers will pay the related duties and taxes without signing a customs declaration.

In detail, the customs services of international airports have just put in place a protocol and posters which explain the levels of tolerance. Thus, all gifts and imported goods that exceed a value of 2,000 Dirhams will



be systematically taxed. For example, the traveler is only allowed to carry one 150 ml perfume and one 250 ml eau de toilette. Moreover, each passenger is only allowed one carton of cigarettes. In addition, any traveler with pets (dog, cat, birds, etc.) must absolutely provide health documents. In addition, all medicines transported must absolutely be justified by a medical prescription or a certificate. In

the event that the traveler cannot pay the taxes on goods that are exempted from the benefit of the allowances provided for, "the traveler has the option of depositing them at the customs office of entry. Depositing (the imported goods with the Customs Administration at the point of entry) does not result in the collection of a storage tax. The deposited items can be retrieved at the end of the

stay in Morocco provided they do not exceed a retention period set at sixty (60) days. If at the end of this period, the goods in question are not recovered, they will be considered as abandoned and may be transferred to the Customs Administration under regulatory conditions", specifies an official document. □

Amin RBOUB

University: Are professors really numerous wishing to quit?

WHO would like to leave the position of university professor, one of the most noble functions that exist and offering many advantages, especially at a time when the crisis is in full swing? Recently, a note from the Minister of Higher Education, Abdellatif Miraoui, noting the continuous increase in requests for early retirement and resignations, both of professors and administrators, has sparked speculation on the subject. Some even speak of a "drain" of human resources from the public university. What is really the situation? We contacted six presidents of public universities (Casablanca, El Jadida, Meknes, Agadir, Oujda, and Tetouan), out of the 12 in office. According to them, the phenomenon is not more important than usual. Not all have noticed

exceptional movements in their respective universities, particularly in terms of resignations. What prompted the ministerial memo to be issued appears to have more to do with the "ease" with which the line-managers go-ahead is granted to professors asking to leave. Generally, all line-managers accept the departure requests, which makes the minister fear a crisis in human resources, on the eve of the entry into force of a new reform. Resignations are generally recorded more on the side of medical schools.

While some professors choose to work in liberal mode, others are moving towards private universities,

whose offering continues to grow. Private universities also offer highly attractive salaries compared to the public sector. A trend has, however, been confirmed to us by almost all of the university presidents contacted:

Pension reform raises fears of pension loss

professors who have reached the legal retirement age of 65 are less likely to opt for an extension of their activity.

Under the Benkirane Government, a note was issued that urged professors who turned 65 in the middle of the academic year to remain in service until the end of the academic year, in order to avoid any disruption for students. Until recently, everyone willingly complied with this note, knowing that by staying

they lose up to 4,000 Dirhams (368 \$US) per month on their salary (linked to the recovery of contributions). Today, most professors wish to leave without delay.

Professors have, also since the Benkirane Government (Prime Minister between 2011 and 2017), the possibility of extending their career for two years, renewable once. They can thus remain in office until the age of 71, but currently, fewer and fewer subscribe to this option. Moreover, for those who wish, the extension is no longer automatic as before. The application has recently been subject to an analysis of their resumé, and many applications are rejected. Demands for early retirement have also increased at some universities. □

Ahlam NAZIH

Weekly highlights



Legal campaign against football broadcasting pirates

Broadcast rights for sporting events amount to millions of US dollars and also give rise to legal actions as is currently the case in the commercial courts of Casablanca and Rabat (Photo by DR)

LESS than a month away from the 2022 FIFA World Cup in Qatar, broadcast rights are in the spotlight. beIN Sports Mena took legal action on October 12 and 13, 2022. The Qatari TV complains about pirate sites that violate its exclusive rights to broadcast the English and Spanish football championships. The administrators of the company stream the matches without paying any rights. The Qatari TV channel is however the holder of exclusive licenses with the English Premier League association and the “La Liga Nacional de Fútbol Profesional” company. Based in London and Madrid respectively, these copyright holders and neighbors are also parties in this case. A summary procedure, meaning an emergency procedure, has been initiated in the commercial courts of Casablanca and Rabat. A first hearing took place on Monday, October 24, 2022. The lawyers for each of the parties declared themselves on behalf of their clients before the judges. Lawyer Zineb Hamzi for the Maroc

Telecom carrier and Amine Cherif for Orange, the other telecom carrier. As for Inwi, the third Moroccan carrier, apparently, a representative of its legal department asked for a delay to appoint his counsel. beIN Sports Mena hired the services of Bakouchi & Habachi Law Firm, the goal being the suspension of the broadcasting of matches through these pirate sites. As a result, Moroccan telecom operators are in the line of sight. These internet service providers were notified at their headquarters on Friday, October 21, 2022. Inwi and Orange are located in Casablanca. Itissalat Al-Maghrib is based in Rabat. “The sports channel and its commercial partners are not part of a pure and hard litigation logic. It relies rather on the cooperation of telecom operators”, said a judicial source who wished to remain anonymous. One of the difficulties of this case is that the websites are not static. You suspend their IP address on one side, and they simultaneously emerge on the other. “They regenerate themselves under another IP address and continue to

illegally distribute their content from abroad where they have their servers”, explains a specialist in technology law and regulatory law. It was not so easy to bring this legal action to a successful conclusion. beIN Sports Mena and the other two plaintiffs had to insist on getting their case on track. It was first necessary to obtain the appointment of a legal expert and a process server to establish the facts to support the legal action. The justice department seemed at first taken aback by this request. This type of request on broadcasting rights is not so customary in judicial practice. Also, the economic profile of those called to the bar explains why the various courts of justice passed on the hot potato to each other at the start. Should the civil or commercial courts hear the case? This supposed jurisdictional dispute eventually evaporated. The plaintiffs have been persistent. The justice department asked them to make a request for each pirate site instead of just one, even though they have an almost similar email

address. Example: kooora4live.net, kooora4live.com and kooora4live.tv. Despite their reluctance at the beginning, the courts grasped the interest and originality of this case. A first judicial expert was appointed on November 26, 2021 before being replaced, which is almost a year before the first hearing in October 2022. Youness El Handassi was accompanied by a process server during his mission. “Pirates or not, these sites do broadcast the matches of a popular sport. Their users benefit from it without paying any fees. Admittedly, this is a loss of earnings for licensed broadcasters. But it is also a form of democratization of sport whose exploitation rights have reached astronomical sums. It’s a bit like the story of Robin Hood who steals from the rich to give to the poor”, comments a knowledgeable observer and football fan. Pirate sites make a lot of money on the backs of channels like beIN Sports or Canal Plus, but the general public could not care less... □

Faïçal FAQUIHI