

Weekly highlights by L'ECONOMISTE

Le premier quotidien économique du Maroc

Excel, Word and paper invoices soon to be outdated

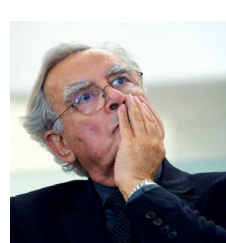


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EDITORIAL

«Hold-up»

Mohamed Ali MRABI

HOW do we mobilize the full fiscal potential? That's one of the key issues for the next few years. This will make it possible to free up new resources, which can be directed towards financing the ongoing structural projects. Today, it is important that all citizens contribute to the tax effort, according to their (real) contributory capacities.

It must be said that if the tax authorities try to concretize the control and prevention system, fraud continues to spread, and fraudsters multiply tricks to evade their tax obligations. Informality, which sometimes even affects technological professions, favours this trend. The «stowaways» thus take advantage of the flaws of the system. This translates into a huge shortfall for the State.

For some, this phenomenon is akin to a «hold-up», undermining the sacro-

sanct principle of equal treatment before tax. They believe that tax evasion directly threatens the social contract. For others, this is more of a «sign of tax discontent», resulting in tax avoidance strategies. According to them, the fraudster cannot be described as a criminal but more like a taxpayer in bad faith.

Beyond the conceptual debates, the challenge today is to stop the bleeding and limit the damage on public finances. But to do so, we must first measure its real economic and social impact, in order to provoke a shock of conscience. It is equally important to keep in mind that this is a long-term, evolving battle that requires permanent adaptation to the new «schemes». Especially since «the improvement of the techniques of fraud is much less expensive, in time and money, than that of the means of prevention». □

Weekly highlights

Social Security: New pension levels

■ 600 dirhams for contributions of 1,320 to 1,704 days

■ A maximum of 1,000 MAD for contributions of over 2,856 days

■ The scheme will cost an average of 900 million MAD a year.

EMployees with a minimum of 1,320 days' contributions and a maximum of 3,240 days will be entitled to a retirement pension. The decision, previously endorsed by the Board of Directors of the National Social Security Fund (CNSS), will soon be incorporated into the 1972 "Dahir" (Royal decree) on social security. It is provided for in Bill 02.24, recently approved by the Government Council. This measure is part of the implementation of social agreements between the government and trade unions. Once the bill has been approved by Parliament, eligible employees will receive retirement pen-



sions, the amount of which will vary according to the total number of days contributed. Four levels of "revised pensions" are envisaged, ranging from 600 dirhams (USD 60) for contributions of 1,320 to 1,704 days, to a maximum of 1,000 dirhams (USD 100) for more than 2,856 days of contributions. This reform, deemed more equitable and financially viable, will represent an average annual cost of around 900 million Dirhams (USD 90 million), or 9.53 billion Dirhams (USD 953 million) over the period 2023-2032. The reform will apply to policyholders who retired on or after January 1, 2023. It will be retroactive, provided that applications are submitted within 12 months of publication of the legislation in the Official Gazette. After this deadline, the revised old-age pension will be paid from the first day of the month

following receipt of the request by the Fund. This "small reform" will also apply to people who retired between January 2023 and the date of entry into force of the law. They will be able to benefit from a review of their pension, with retroactive effect. This applies to those who received a pension in accordance with the provisions of decree number 1.93.29 on the coordination of social security schemes, or bilateral social security agreements between Morocco and certain foreign countries. Requests for review must be submitted by any available means, including electronically, within 12 months of the law coming into force. If the request is submitted after this period, payment of the revised pension will begin on the first day of the month following receipt of the request by the CNSS. When the retirement pension is settled, the most

advantageous amount for the insured person will be taken into account. □

Khadija MASMOUDI

Under-pricing

DESPITE the demographic dynamic, the pre-funding rate of the CNSS pension branch stands at 64% versus 65%, according to the latest report by the Systemic Risks Coordination and Monitoring Committee (CCSRs). This brings us back to the problem of the under-pricing of acquired rights that characterizes the scheme. CNSS has room for maneuver to ensure the long-term sustainability of its pension branch, notably through parametric reforms such as changing the contribution rate and retirement age. The aim of these reforms is to establish a balanced rate structure and greater equity between contributors, by modifying the mechanism for acquiring rights, currently unfavorable to short and long careers, but generous for average careers. □

Excel, Word and paper invoices soon to be outdated

INVOICES issued on software such as Word, Excel, in-house applications or on paper will soon be a thing of the past. Make way for e-bills. The Directorate General of Taxes (DGI) has just launched an international call for tenders to select the company responsible for implementing this project. The cost of the entire service package has been estimated at 6.5 million Dirhams (USD 650,000) incl. VAT, with a provisional bond of 70,000 Dirhams (USD 7,000).

The aim of the digital invoicing system is to simplify, accelerate and secure the collection of tax data, and to enhance the transparency and traceability of commercial transactions in order to reduce tax fraud and illegal practices. The system should also promote tax compliance by simplifying the process of declaring and paying taxes, and ensuring the accuracy of tax returns. The future portal will enable the tax authorities to automate the invoice verification



process, thereby optimizing resources and reducing processing times, with the corollary of increased revenue.

According to the specifications, the invoicing model the tax authorities are moving towards will obviously

be dematerialized, different from the paper or PDF format, but will include the necessary data to give it probative value. Two models are available for this purpose. The first one, known as "post-audit", involves companies exchanging electronic invoices directly between themselves, without going through the tax authorities. The tax authorities will simply check that the invoices issued meet the required criteria. The second one, known as "Clearance", gives upstream control to the tax authorities, who validate the invoice by collecting the related data. The DGI will therefore have a choice between two scenarios, to be defined in conjunction with the future contract holder.

In addition to its interconnection with the DGI's current information system, the e-invoicing system will have to support standard formats such as UBL (facilitating interoperability and accounting of company systems), Factor-X (PDF/A3 file) or other formats comp-

lying with current tax regulations.

In all cases, the new portal will need to have certain mandatory functionalities, such as the ability to create user profiles for taxpayers and tax authorities, with distinct authorization levels for access to the invoicing portal. As with any other information system, such as the DGI's Simpl platform, authentication and identity management criteria must be guaranteed as a prerequisite for access. Taxpayers must be able to submit their invoices online in compliance with current tax standards, by means of electronic certification. The system must also be able to check the validity and integrity of invoices before they are accepted, in order to guarantee compliance. An additional feature will enable tax authorities and taxpayers to check whether submitted invoices have been accepted or rejected. Users will receive alerts about the status of their invoices. □

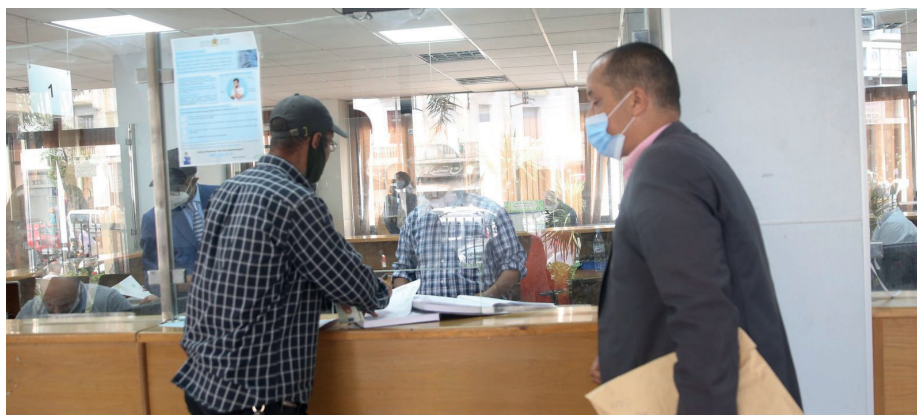
H.E.

Regional groupings arrive

IT took a long time for the Government Council to finally adopt the decree on the organization of the administration.

The various ministries were having difficulty agreeing to group together at regional level. It has to be said that the Devolution Commission, which met several months ago, finally broke the deadlock to set up regional groupings. Today's text sets out the standard organization, i.e. how the model will be applied at regional level. But it is up to the Government to decide which ministries should be grouped together in a regional cluster. There was disagreement over the number of clusters to be set up, between 7 and 9, while the Ministry of the Interior was in favor of 5 clusters (economic clusters, infrastructures, etc.). This new decree replaces the old text which organized the administration.

Today, one no longer talks of the creation of a delegation, but rather of a regrouping. The aim is to bring together two or more ministries with regional delegations to form a cluster with a status equivalent to that of a directorate,



with its own divisions and departments. In other words, a ministry will be the subject of devolution at the territorial level, along with other departments. This grouping will be headed by a regional director, having the status of central director. He or she may be appointed by the grouped departments following a call for candidates.

In any case, according to the presentation note, the revision of the rules governing the organization of the central Government administrations is part of the drive to embark on a modernization process designed to support ongoing changes in various areas of develop-

ment. This requires public administrations to reconsider the roles they play within a new framework for the distribution of missions between the central and decentralized levels. The central administration will be responsible for strategic missions of a national nature, or those that cannot be carried out by external services. The latter are responsible for managing local public facilities and implementing public policies. The same applies to their contribution to the development and implementation of public programs and projects planned on a territorial scale, reads the memo. Generally speaking, the goal

is to establish principles and rules of reference for the creation or revision of organizational structures, based on the organizational audit, as a mechanism for assessing the efficiency of these entities. Secondly, the goal is to determine the organization of the central Government's administrative entities at the central and decentralized levels. The idea is to ensure the reduction of central administrative structures and the consolidation of the principle of diversification at all levels of organization. It is then necessary to establish a governance mechanism to steer and monitor organization projects at central and decentralized levels, represented by the Organizing Commission of the central Administration. Finally, it is necessary to determine the scope of competences to be exercised by the central and devolved administrative entities. It is also a question of concentrating the role of general inspectorates on inspection and audit missions in the field of the ministerial sector concerned, as well as the state-owned entities affiliated to it. □

M.C.

New business start-ups

Retail, construction, and real estate lead the way

16,171 companies were established in Morocco in January-February 2024, according to the latest figures from the Moroccan Industrial and Commercial Property Office (OMPIC).

The total number of legal entities established during this period was 11,642. Individual companies created during the first two months of 2024 totaled 4,529 units.

In terms of legal form, single-member limited liability companies (SARL AUs) came in 1st place, with a 66% share. Limited liability companies (SARLs) rank second.

Per sector, comm dominates. It accounted for 35.03% of all start-ups. It is followed by construction and real estate. These sectors accounted for 19.14% of business start-ups in January and February. This was followed by miscellaneous services, with a proportion of 18.17%.



Transport made a smaller contribution, accounting for 8.52% of the total, followed by industry (7.51%) and hotels and restaurants (5.51%), according to the OMPIC's business creation barometer.

The information and communication technologies (ICT) sector contributed 2.51%, ahead of financial activities (1.99%) and ahead of agriculture and fishing (1.62%).

Casablanca-Settat on a roll

The regional ranking reveals a concentration of new business start-ups in Casablanca-Settat. Between

January and February 2024, 4,972 companies were established there.

The Tangiers-Tetouan-Al Hoceima region was also a dynamic one, with 2,483 new start-ups. The same applies to Marrakech-Safi (1,849), Rabat-Salé-Kenitra (1,813), Fez-Meknès (1,100), and the Souss-Massa region (1,069).

In the Oriental region, 947 businesses were created between January and February 2024, compared with 658 and 472 units respectively in Laayoune-Sakia El Hamra and Béni Mellal-Khénifra.

Draa-Tafilalet, Dakhla-Oued Ed-Da-

hab and Guelmim-Oued Noun saw the establishment of 423, 266 and 119 businesses respectively. □

Layane EL MASSAOUDI

Things are moving in the Oriental region

SSOME 478 businesses were created in the Oriental region in February alone. According to the Moroccan Office for Industrial and Commercial Property (OMPIC), Nador takes the lion's share.

The province of Nador takes the lion's share, with a total of 211 companies created, ahead of Oujda (144), Berkane (74), Driouch (21), Taourirt (17), and Bouarfa (11). The retail sector wins hands down with 46.07%, while industry is still struggling to take off (5.06%), and the situation is even worse for Information and Communication Technologies (0.75%). □

Weekly highlights

Bernard Pivot, the prescriber of letters

«**A** POSTROPHES, Culture Broth, Dual I, Writing, Football, Gluttony, Interview, Journalism, Newsstand, Reading, Words. Damn it” was how Bernard Pivot defined himself on Twitter. The writer, anchorman, and lover of words, who handled humor and mischief like no one else, died at the age of 89 on Monday, May 6, 2024. He had been battling illness for several years after passing on his passion for books to entire generations. Creator of the “Apostrophes” show on the Antenne 2 French TV channel and president of the Goncourt Academy, he also presented the “Bouillon de culture” program and, from 1985 onwards, organized the “Dicos d’or” (Golden dictionaries), a spelling bee that became international. Bernard Pivot had been suffering from health problems since January 2020, as he confided in an interview with Le JDD newspaper in April 2023, the last one before retiring from public life. “I remained silent because the illness hit



me in the head, where the brain and speech are located. It is better to remain silent while waiting for memory to recharge and thought to blossom again», he confided to the same newspaper. Although the writer has never revealed

the nature of his illness, the press refers to “months of battling cancer”.

Between 2014 and 2019, he was also president of the Goncourt Academy, which on Monday hailed his “insatiable literary curiosity, his unfailing commitment to serving the world of letters, as well as his honesty and high moral standards”. Bernard Pivot’s television career began in 1973, when he produced and hosted the “Ouvrez les guillemets” show on the first French TV channel. The iconic “Apostrophes” show went on the air in January 1975. Pivot infused it with a new, almost libertarian spirit. Under wisps of cigarette smoke, men and women of letters, biting minds and literary critics discussed, laughed, argued and insulted each other... Audiences were won over, and book sales exploded.

The giants of the literary world follow one another in this new-style salon, where Pivot knows how to create intimacy and bring together unlikely duos. Guests included writers such as Mar-

guerite Duras, Milan Kundera, and Umberto Eco, as well as personalities from the world of culture: cartoonist Hergé, singers Georges Brassens, and Serge Gainsbourg, comedian Raymond Devos... and even President François Mitterrand, when he published his book “L’abeille et l’architecte” (The Bee and the Architect) in 1978.

The show is watched by millions. Bernard Pivot brought the adventure to a close on June 22 1990, with a special edition featuring 80 writers. In addition to television, Bernard Pivot’s love of literature has also made him the author of several books, including essays and novels, most recently Et la vie continue. The book takes up the theme of old age and distills a few life lessons for welcoming it in a fulfilling way. He wrote then that “The passage of time is a pain when we suffer it, but a joy when we enjoy it. Especially if the last moments are played out to a few musical notes”.

A.Bo

Air transport

Domestic flights: the RAM /Ryanair match-up

THE Irish low-cost airline Ryanair is nurturing strong ambitions in domestic air transport (inter-city and inter-regional) in Morocco. The Irish behemoth launched its first domestic flights at the beginning of April. In all, Ryanair has been approved to operate to some ten cities, including Marrakech, Essaouira, Fez, Ouarzazate, Oujda, Tangier, Tetouan, and Errachidia... A schedule of progressive launches has been announced by the low-cost airline. Of course, the challenge of opening up the region by air will benefit all Moroccans and tourists, who will be able to travel quickly and cheaply. This will democratize access to air transport for all social classes. At the same time, the arrival of an international low-cost behemoth will strengthen the air transport network and open up the region in the run-up to the 1st full-scale test of the AFCON 2025 (African Cup of Nations) and the World Cup 2030. This should contribute to strengthening the attractiveness of destinations and promoting tourism (internal and external). But at the same time, Ryanair’s



offensive on domestic flights at rock-bottom prices. The low-cost airlines’ fare structure is unbeatable. Witness the fares advertised on the Ryanair website, which range from 160 to 500 Dirhams (US 16 and 50 !), which will put pressure on both Royal Air Maroc (RAM) and Air Arabia.

What’s more, RAM’s cost and expense structures are not the same as those of Ryanair. These are two diametrically opposed business models (scheduled vs. low-cost). This argues in favor of the Irish behemoth, whose agility and flexibility, as well as the responsiveness and flexibility of its fleet, have proved their worth everywhere. On

paper, the competition between RAM and Ryanair looks disproportionate.

That said, the national airline will face stiff competition in its own fiefdom. What’s more, Ryanair will benefit from subsidies from the Moroccan government, either directly or through the ONMT (Moroccan National Tourism Board) - in other words, taxpayers’ money - in order to amortize costs and make domestic flights in Morocco more profitable. But how will RAM counter this commercial offensive in its own strongholds?

According to Abdelhamid Addou (CEO of RAM), the national airline has put in place a whole development

plan for domestic flights, “with radial connection systems to the cities of Laâyoune, Dakhla, Oujda, Tangiers, and Rabat... We have presented our system to the Government; it is a global and radial project”, adding that “We’re going to roll out our domestic development plan as initially planned, so as to open up the network, which is so important for the whole of Morocco. Of course, we intend to make a few adjustments in view of the new openings announced by the competition”. In other words, RAM’s thinly veiled counter-offensive is getting organized. □

A.R.