

Doing Business 2008

Morocco

COMPARING REGULATION IN 178 ECONOMIES

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Doing Business

Doing Business 2008 **Morocco**

A Project Benchmarking the Regulatory Cost of
Doing Business in 178 Economies

Doing Business Project
World Bank Group



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Copies of *Doing Business 2008*, *Doing Business 2007: How to Reform*, *Doing Business in 2006: Creating Jobs*, *Doing Business in 2005: Removing Obstacles to Growth* and *Doing Business in 2004: Understanding Regulation* may be purchased at www.doingbusiness.org.

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Introduction

Doing Business 2008 is the fifth in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. *Doing Business* presents quantitative indicators on business regulations and the protection of property rights that can be compared across 178 economies—from Afghanistan to Zimbabwe—and over time.

Regulations affecting 10 stages of a business's life are measured: starting a business, dealing with licenses, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. Data in *Doing Business 2008* are current as of June 1, 2007. The indicators are used to analyze economic outcomes and identify what reforms have worked, where, and why.

The *Doing Business* methodology has limitations. Other areas important to business -- such as a country's proximity to large markets, the quality of its infrastructure services (other than those related to trading across borders), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions, and the underlying strength of institutions -- are not studied directly by *Doing Business*. To make the data comparable across countries, the indicators refer to a specific type of business -- generally a limited liability company operating in the largest business city.

Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. The data not only highlight the extent of obstacles to doing business; they also help identify the source of those obstacles, supporting policymakers in designing reform.

The data set covers 178 economies: 46 in Sub-Saharan Africa, 31 in Latin America and the Caribbean, 28 in Europe and Central Asia, 24 in East Asia and Pacific, 17 in the Middle East and North Africa and 8 in South Asia—as well as 24 OECD high-income economies as benchmarks. Some of the regions have been divided into subregions to generate a total of 13 regional profiles.

The following pages present the summary *Doing Business* indicators for Morocco along with the comparator economies selected. The data used for this country profile come from the *Doing Business* database and are summarized in graphs and tables. This report allows a comparison of the economies not only with one another but also with the “best practice” economy for each indicator.

The best-practice economies are identified by their position in each indicator as well as their overall ranking and by their capacity to provide good examples of business regulation to other economies. These best-practice economies do not necessarily rank number 1 in the topic or indicator, but they are in the top 5.

More information is available in the full report. *Doing Business 2008* presents the indicators, analyzes their relationship with economic outcomes and recommends reforms. The data, along with information on ordering the report, are available on the *Doing Business* website

<http://www.doingbusiness.org>

Economy Rankings - Ease of Doing Business

Morocco is ranked 129 out of 178 economies. Singapore is the top ranked economy in the Ease of Doing Business.

Morocco - Compared to Global Best / Selected Economies:

Morocco's ranking in Doing Business 2008

Rank	Doing Business 2008
Ease of Doing Business	129
Starting a Business	51
Dealing with Licenses	88
Employing Workers	165
Registering Property	102
Getting Credit	135
Protecting Investors	158
Paying Taxes	132
Trading Across Borders	67
Enforcing Contracts	114
Closing a Business	60

Reforms - Who is reforming?

This year Egypt tops the list of reformers that are making it easier to do business. Egypt's reforms went deep with reforms in 5 of the 10 areas studied by Doing Business, and it greatly improved its position in the global rankings as a result. Besides Egypt, the other top 10 reformers are, in order, Croatia, Ghana, FYR Macedonia, Georgia, Colombia, Saudi Arabia, Kenya, China, and Bulgaria.

1. **Egypt**, the top reformer in the region and worldwide, greatly improved its position in the global rankings on the ease of doing business. Its reforms went deep. Egypt cut the minimum capital required to start a business, from 50,000 Egyptian pounds to just 1,000 and halved the time and cost of start-up. It reduced fees for registering property from 3 percent of the property value to a low, fixed amount. It eased the bureaucracy that builders face in getting construction permits. It launched new one-stop shops for traders at Egyptian ports, cutting the time to import by seven days and the time to export by five. And it established a new private credit bureau that will soon be making it easier for borrowers to get credit.

2. **Croatia** reformed in four of the 10 areas studied by Doing Business. Two years ago, registering property in Croatia took 956 days. Now it takes 174. Company start-up also became faster, with procedures consolidated at a "one-stop shop" and pension and health services registration now online. Credit became easier to access: a new credit bureau was launched, and a unified registry now records charges against movable property in one place. In its first two months, €1.4 billion in credit was registered. In addition, amendments to the country's insolvency law introduced professional requirements for bankruptcy trustees and shorter timelines.

3. **Ghana**, a top 10 reformer for the second year running, continues to increase the efficiency of its public services. It cut bottlenecks in property registration, reducing delays from six months to one. Greater efficiency at the company registry and the environment agency cut the time for business start-up to 42 days. Changes in the port authority's operations sped up imports. New civil procedure rules and mandatory arbitration and mediation reduced the time it takes to enforce contracts.

4. **FYR Macedonia** eliminated the minimum capital requirement for business start-up, sped up the process for getting construction permits, lowered the corporate income tax rate to 12 percent (with another cut to 10 percent planned for 2008), and simplified tax payment procedures. Its ranking on the ease of doing business rose from 96 to 75.

5. **Georgia** reformed in six areas. It strengthened investor protections, including through amendments to its securities law that eliminate loopholes that had allowed corporate insiders to expropriate minority investors. It adopted a new insolvency law that shortens timelines for reorganization of a distressed company or disposition of a debtor's assets. Georgia sped up approvals for construction permits and simplified procedures for registering property. It made starting a business easier by eliminating the paid-in capital requirement. In addition, the country's private credit bureau added payment information from retailers, utilities, and trade creditors to the data it collects and distributes.

6. **Colombia**, the region's top reformer, has made great strides in easing trade. By extending port operating hours and adopting more selective customs inspections, it reduced the time for port and terminal handling activities by three days. The country strengthened investor protections by increasing disclosure requirements for related-party transactions. It introduced an electronic tax filing system, cutting the average time businesses must spend on tax compliance each year by 188 hours, or 41 percent. And it is progressively reducing the corporate income tax rate, from 35 to 34 percent in 2007 and 33 percent in 2008.

7. **Saudi Arabia**, the runner-up reformer in the region, eliminated the minimum capital requirement of 1,057 percent of income per capita and reduced the days needed for company start-up from 39 to 15. It launched a commercial credit bureau whose reports include the credit exposure of companies. It also sped up trade, reducing the number of documents required for importing and cutting the time needed for handling at ports and terminals by two days for both imports and exports.

8. **Kenya**, the region's other top 10 reformer, launched an ambitious licensing reform program. So far the program has eliminated 110 business licenses and simplified eight others. The changes have streamlined business start-up and cut both the time and cost of getting building permits. The program will eventually eliminate or simplify at least 900 more of the country's 1,300 licenses. Property registration is also faster now, thanks to the introduction of competition among land valuers. And the country's private credit bureau now collects a wider range of data.

9. In **China**, a new property law put private property rights on equal footing with state property rights. The law also expanded the range of assets that can be used as collateral to include inventory and accounts receivable. The new bankruptcy law gives secured creditors priority to the proceeds from their collateral. Construction also became easier, with electronic processing of building permits reducing delays by two weeks.

10. **Bulgaria** eased the tax burden on businesses and made it easier to pay taxes online. Bulgaria also introduced private bailiffs to improve efficiency in enforcing judgments. And it made building inspections less burdensome.

Number of reforms in Doing Business 2008

Rank	Economy	Starting a Business	Dealing with Licenses	Employing Workers	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business	Total number of reforms
1	Egypt	✓	✓		✓	✓			✓			5
2	Croatia	✓			✓	✓					✓	4
3	Ghana	✓			✓	✓			✓	✓		5
4	Macedonia, FYR	✓	✓					✓				3
5	Colombia						✓	✓	✓			3
6	Georgia	✓	✓		✓	✓	✓				✓	6
7	Saudi Arabia	✓				✓			✓			3
8	Kenya	✓	✓		✓	✓						4
9	China		✓			✓					✓	3
10	Bulgaria		✓					✓		✓		3
	Morocco		✓		✗				✓			1
	France				✓	✓						2
	Mauritania	✓								✓		2
	Spain			✓				✓				2
	Tunisia				✓	✓		✓				3

Note: Economies are ranked on the number and impact of reforms, Doing Business selects the economies that reformed in 3 or more of the Doing Business topics. Second, it ranks these economies on the increase in rank in Ease of Doing Business from the previous year. The larger the improvement, the higher the ranking as a reformer.

Summary of Indicators - Morocco

Starting a Business	Procedures (number)	6
	Duration (days)	12
	Cost (% GNI per capita)	11.5
	Paid in Min. Capital (% of GNI per capita)	59.8
Dealing with Licenses	Procedures (number)	19
	Duration (days)	163
	Cost (% of income per capita)	334.7
Employing Workers	Difficulty of Hiring Index	100
	Rigidity of Hours Index	40
	Difficulty of Firing Index	50
	Rigidity of Employment Index	63
	Nonwage labor cost (% of salary)	19
	Firing costs (weeks of wages)	85
Registering Property	Procedures (number)	8
	Duration (days)	47
	Cost (% of property value)	4.9
Getting Credit	Legal Rights Index	3
	Credit Information Index	1
	Public registry coverage (% adults)	2.3
	Private bureau coverage (% adults)	0.0
Protecting Investors	Disclosure Index	6
	Director Liability Index	2
	Shareholder Suits Index	1
	Investor Protection Index	3.0
Paying Taxes	Payments (number)	28
	Time (hours)	358
	Profit tax (%)	29.7
	Labor tax and contributions (%)	21.5
	Other taxes (%)	1.8
	Total tax rate (% profit)	53.1

Trading Across Borders	Documents for export (number)	8
	Time for export (days)	14
	Cost to export (US\$ per container)	600
	Documents for import (number)	11
	Time for import (days)	19
	Cost to import (US\$ per container)	800
Enforcing Contracts	Procedures (number)	40
	Duration (days)	615
	Cost (% of claim)	25.2
Closing a Business	Time (years)	1.8
	Cost (% of estate)	18
	Recovery rate (cents on the dollar)	35.3

Starting a Business in Morocco: Entry Regulation

When entrepreneurs draw up a business plan and try to get under way, the first hurdles they face are the procedures required to incorporate and register the new firm before they can legally operate. Economies differ greatly in how they regulate the entry of new businesses. In some the process is straightforward and affordable. In others the procedures are so burdensome that entrepreneurs may have to bribe officials to speed the process—or may decide to run their business informally.

The data on starting a business are based on a survey and research investigating the procedures that a standard small to medium-size company needs to complete to start operations legally. These include obtaining all necessary permits and licenses and completing all required inscriptions, verifications and notifications with authorities to enable the company to formally operate. The time and cost required to complete each procedure under normal circumstances are calculated, as well as the minimum capital that must be paid in. It is assumed that all information is readily available to the entrepreneur, that there has been no prior contact with officials and that all government and nongovernment entities involved in the process function without corruption.

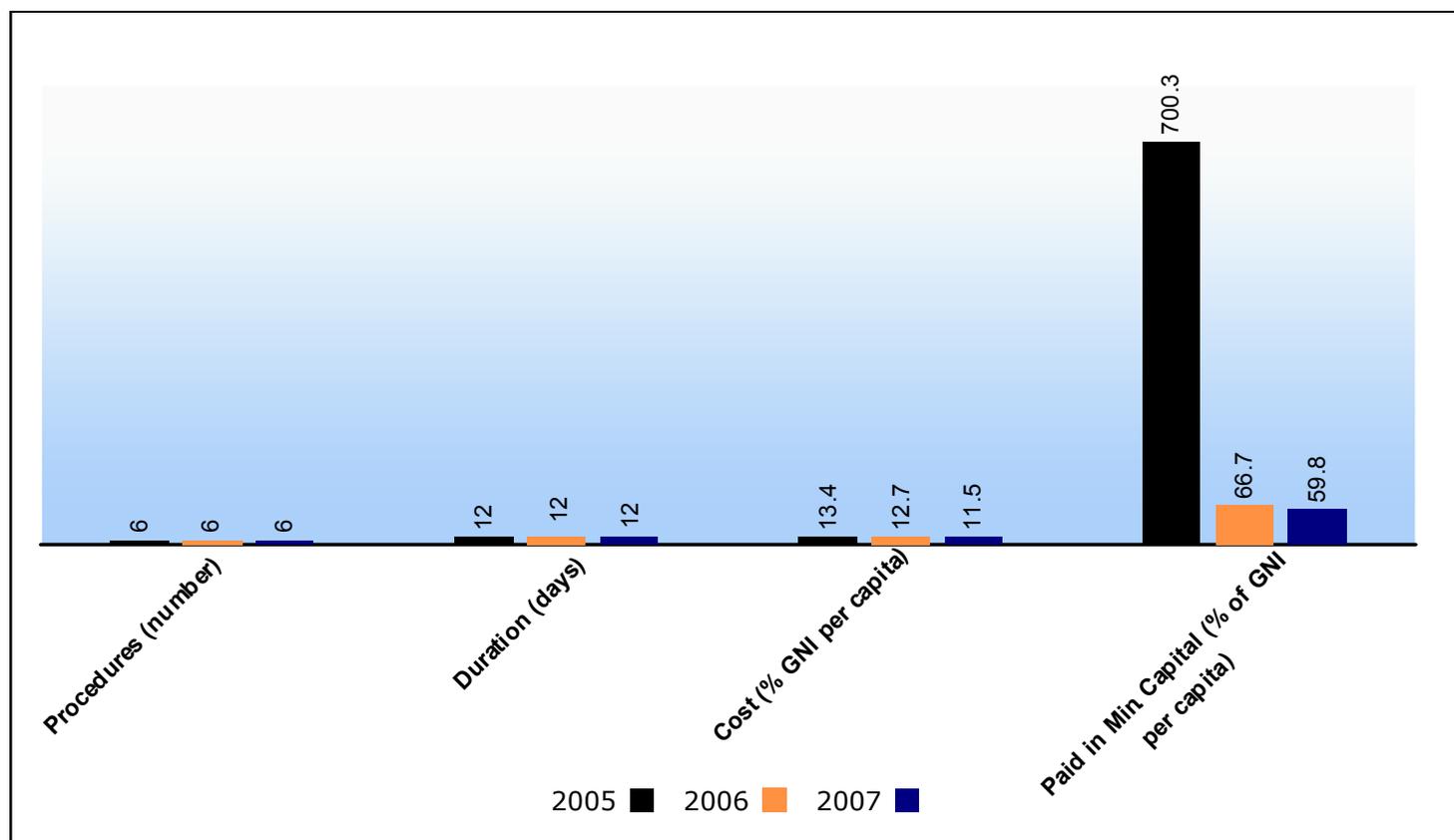
To make the data comparable across economies, detailed assumptions about the type of business are used. Among these assumptions are the following: the business is a limited liability company conducting general commercial activities in the largest business city; it is 100% domestically owned, with start-up capital of 10 times income per capita, turnover of at least 100 times income per capita and between 10 and 50 employees; and it does not qualify for any special benefits, nor does it own real estate. Procedures are recorded only where interaction is required with an external party. It is assumed that the founders complete all procedures themselves unless professional services (such as by a notary or lawyer) are required by law. Voluntary procedures are not counted, nor are industry-specific requirements and utility hook-ups. Lawful shortcuts are counted.

Cumbersome entry procedures are associated with more corruption, particularly in developing countries. Each procedure is a point of contact—an opportunity to extract a bribe. Analysis shows that burdensome entry regulations do not increase the quality of products, make work safer or reduce pollution. Instead, they constrain private investment; push more people into the informal economy; increase consumer prices; and fuel corruption.

1. Historical data: Starting a Business in Morocco

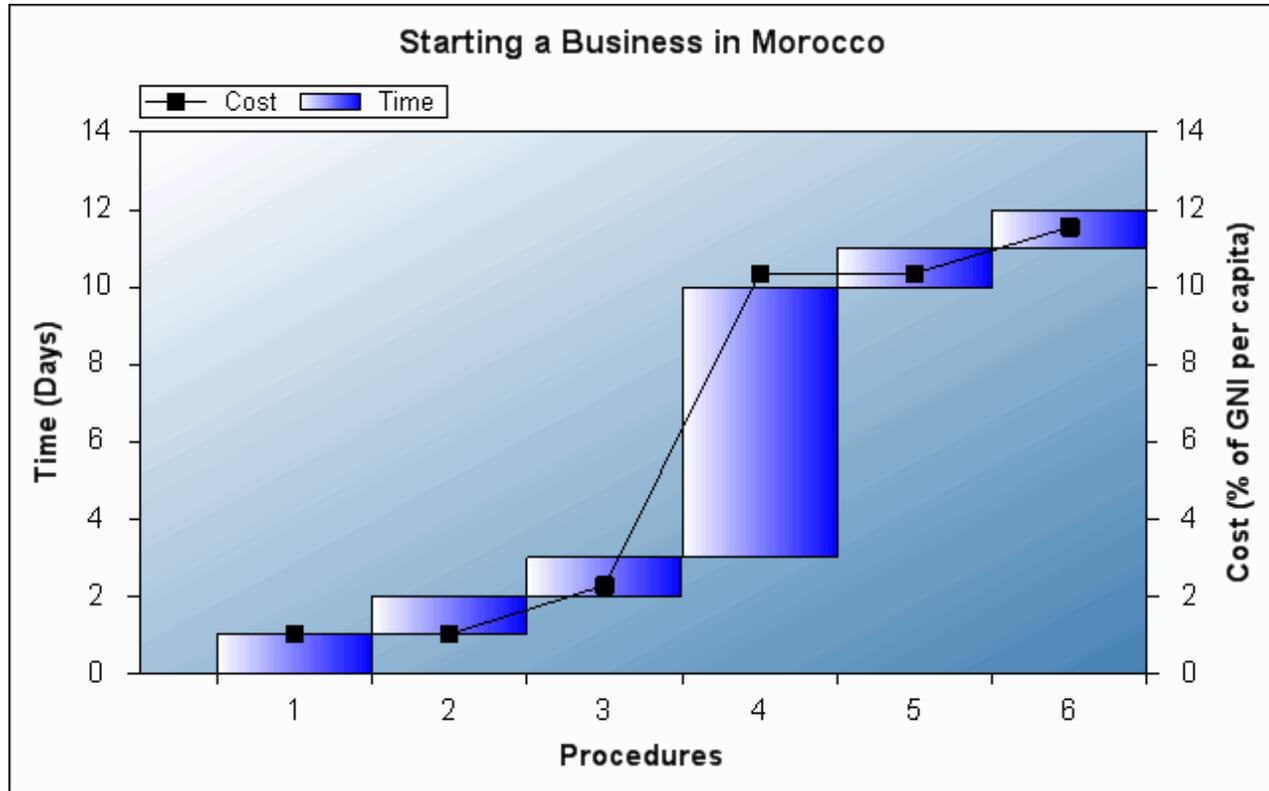
Starting a Business data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		51	51
Procedures (number)	6	6	6
Duration (days)	12	12	12
Cost (% GNI per capita)	13.4	12.7	11.5
Paid in Min. Capital (% of GNI per capita)	700.3	66.7	59.8

2. The following graph illustrates the Starting a Business indicators in Morocco over the past 3 years:



3. Steps to Starting a Business in Morocco

It requires 6 procedures, takes 12 days, and costs 11.55% GNI per capita to start a business in Morocco.



List of Procedures:

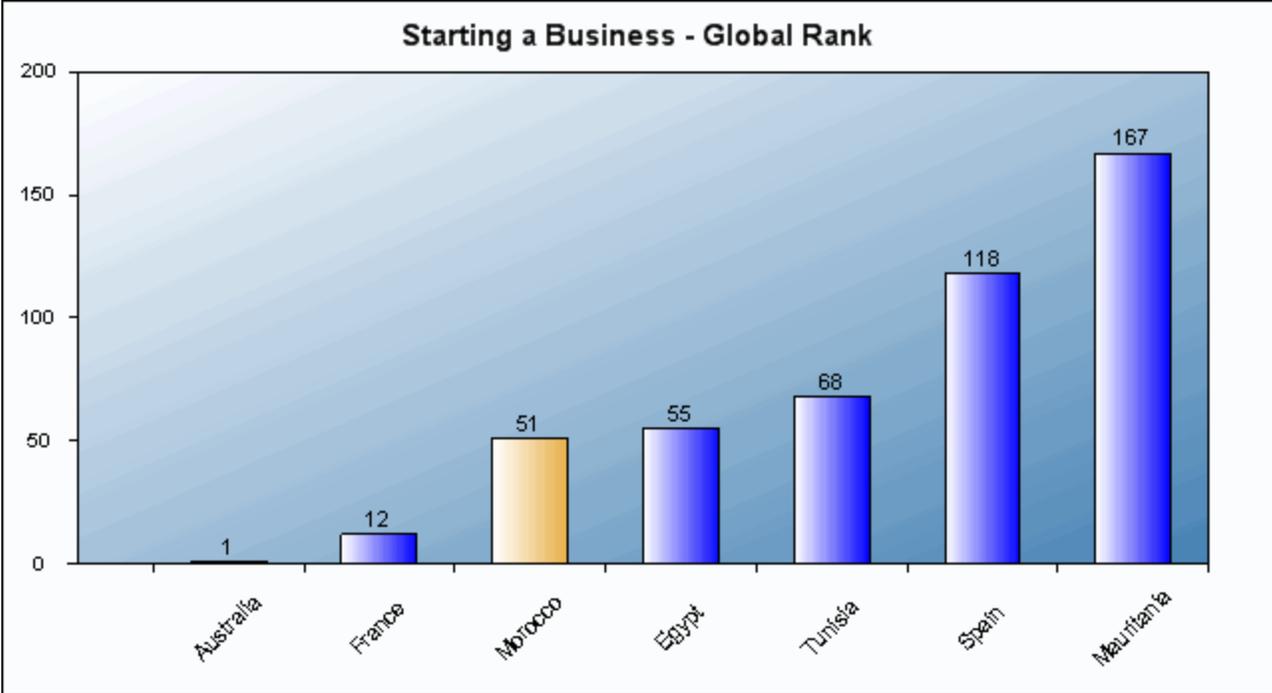
1. Certificat negatif
2. Deposit capital at a bank
3. Legalize statutes at Mayor's office
4. Register at the one-stop shop
5. File a declaration to 'economic office' of the Prefecture (Service Economique de la Commune)
6. Make company stamp

More details are available in the appendix.

4. Benchmarking Starting a Business Regulations:

Morocco is ranked 51 overall for Starting a Business. Australia is the top ranked economy followed by Canada, New Zealand and United States.

Ranking of Morocco in Starting a Business - Compared to best practice and selected economies:



The following table shows Starting a Business data for Morocco compared to best practice and comparator economies:

<i>Best Practice Economies</i>	Procedures (number)	Duration (days)	Cost (% GNI per capita)	Paid in Min. Capital (% of GNI per
Australia*	2	2		0.0
Denmark			0.0	

<i>Selected Economy</i>				
Morocco	6	12	11.5	59.8

<i>Comparator Economies</i>				
Egypt	7	9	28.6	12.9
France	5	7	1.1	0.0
Mauritania	11	65	56.2	503.1
Spain	10	47	15.1	13.7
Tunisia	10	11	8.3	25.3

* The following economies are also best practice economies for :

Procedures (number): **Canada, New Zealand**

Paid in Min. Capital (% of GNI per capita): **Canada, Ireland, Israel, Mauritius, New Zealand, Puerto Rico, Thailand, Trinidad and Tobago, United Kingdom, United States**

Dealing with Licenses in Morocco: Building a Warehouse

Once entrepreneurs have registered a business, what regulations do they face in operating it? To measure such regulation, Doing Business focuses on the construction sector. Construction companies are under constant pressure—from government to comply with inspections and with licensing and safety regulations and from customers to be quick and cost-effective. These conflicting pressures point to the tradeoff in building regulation—the tradeoff between protecting people (construction workers, tenants, passersby) and keeping the cost of building affordable.

In many countries, especially poor ones, complying with building regulations is so costly in time and money that many builders opt out. Builders may pay bribes to pass inspections or simply build illegally—leading to hazardous construction. In other countries compliance is simple, straightforward and inexpensive—yielding better results.

The indicators on dealing with licenses record all procedures officially required for an entrepreneur in the construction industry to build a warehouse. These include submitting project documents (building plans, site maps) to the authorities, obtaining all necessary licenses and permits, completing all required notifications and receiving all necessary inspections. They also include procedures for obtaining utility connections, such as electricity, telephone, water and sewerage. The time and cost to complete each procedure under normal circumstances are calculated. All official fees associated with legally completing the procedures are included. Time is recorded in calendar days. The survey assumes that the entrepreneur is aware of all existing regulations and does not use an intermediary to complete the procedures unless required to do so by law.

To make the data comparable across economies, several assumptions about the business and its operations are used. The business is a small to medium-size limited liability company, located in the most populous city, domestically owned and operated, in the construction business, with 20 qualified employees. The warehouse to be built:

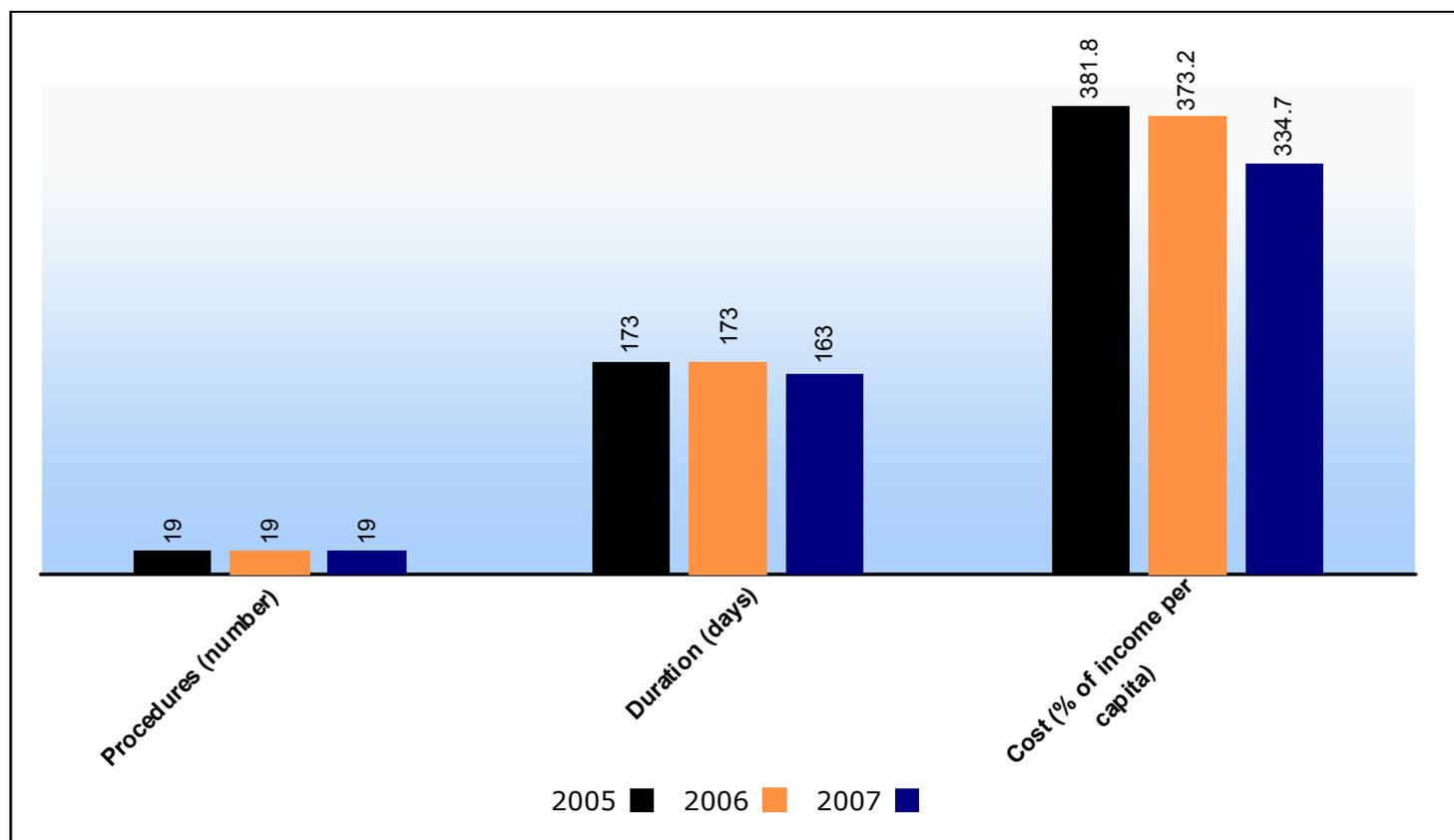
- Is a new construction (there was no previous construction on the land).
- Has complete architectural and technical plans prepared by a licensed architect.
- Will be connected to electricity, water, sewerage (sewage system, septic tank or their equivalent) and one land phone line. The connection to each utility network will be 32 feet, 10 inches (10 meters) long.
- Will be used for general storage, such as of books or stationery. The warehouse will not be used for any goods requiring special conditions, such as food, chemicals or pharmaceuticals.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

Where the regulatory burden is large, entrepreneurs move their activity into the informal economy. There they operate with less concern for safety, leaving everyone worse off.

1. Historical data: Dealing with Licenses in Morocco

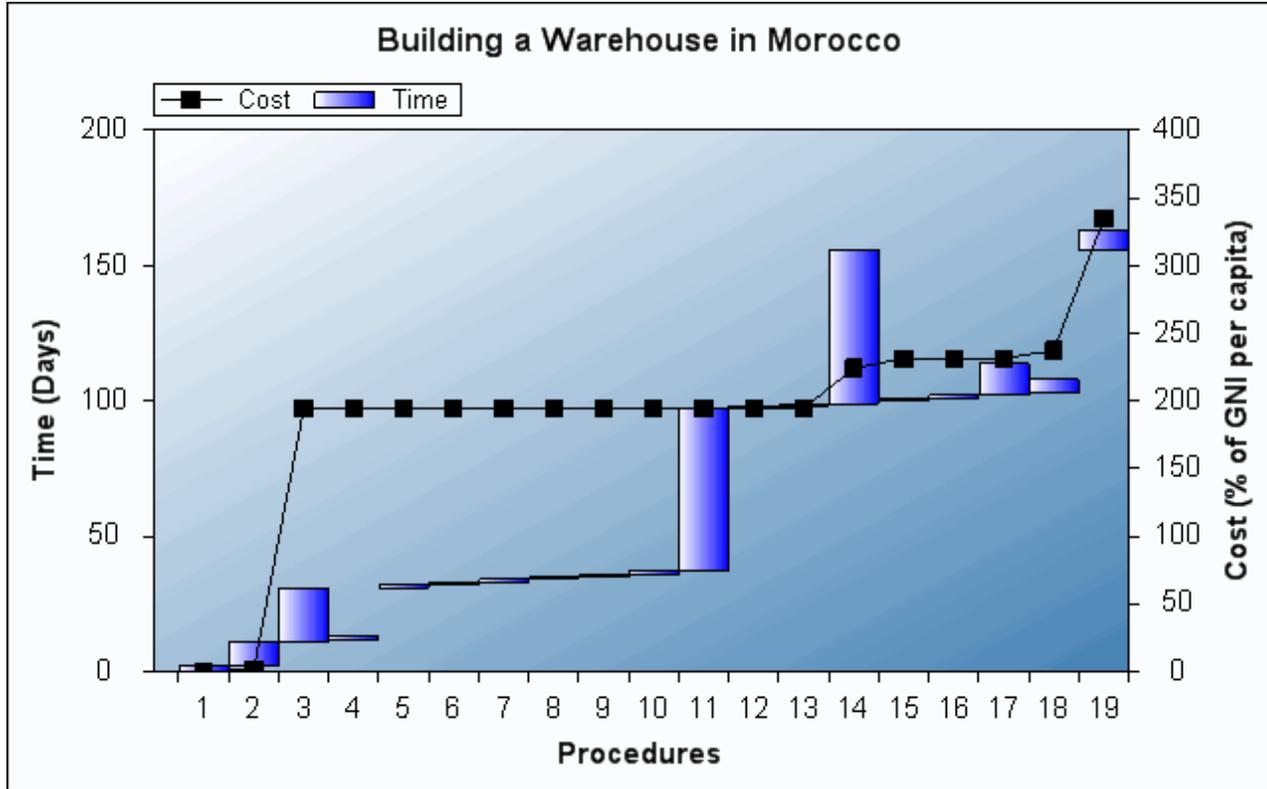
Dealing with Licenses data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		91	88
Procedures (number)	19	19	19
Duration (days)	173	173	163
Cost (% of income per capita)	381.8	373.2	334.7

2. The following graph illustrates the Dealing with Licenses indicators in Morocco over the past 3 years:



3. Steps to Building a Warehouse in Morocco

It requires 19 procedures, takes 163 days, and costs 334.67% GNI per capita to build a warehouse in Morocco.



List of Procedures:

1. Obtain Cadastral Plan
2. Obtain Lands Registry Plan (Note de renseignements)
3. Request an obtain building permit
4. Receive inspection from Municipality
5. Receive inspection from Municipal Police (police municipale) during construction
6. Receive inspection from Municipal Police (police municipale) during construction
7. Receive inspection from Municipal Police (police municipale) during construction
8. Receive inspection from Municipal Police (police municipale) during construction
9. Receive inspection from Municipal Police (police municipale) during construction
10. Request and receive final inspection from municipal authorities
11. Obtain Certificate of Conformity (Certificat de Conformité)
12. Apply for water and sewerage connections

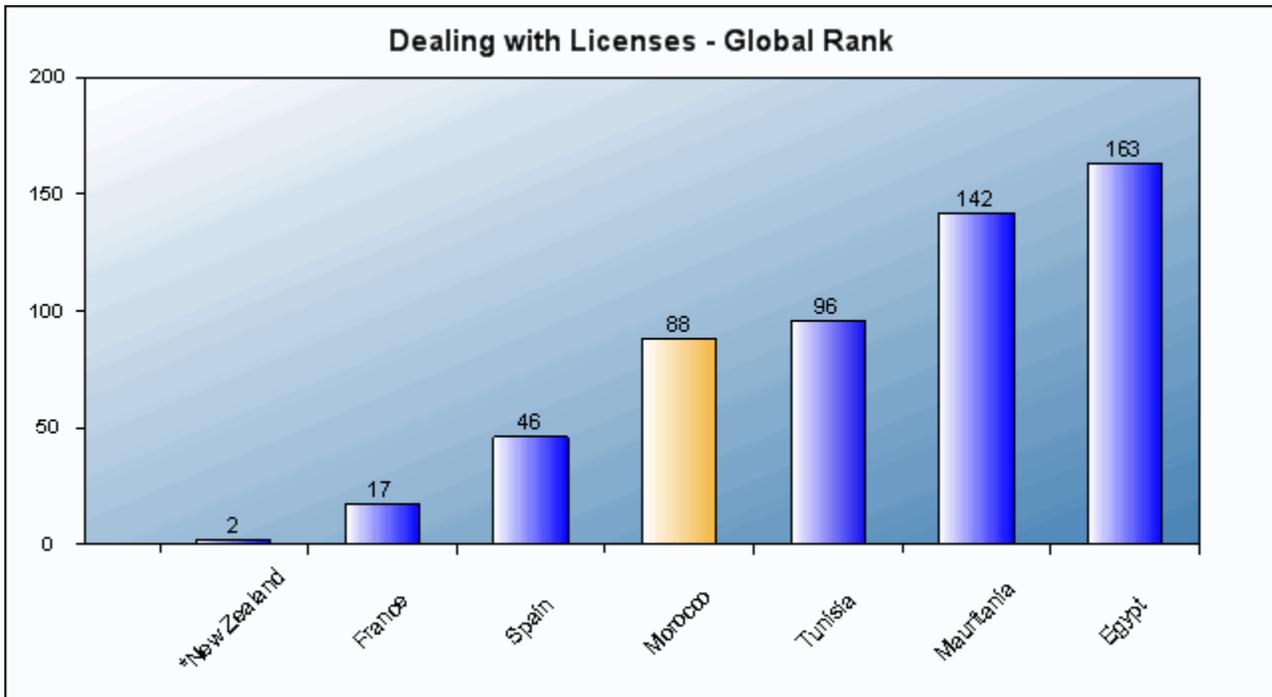
13. Receive water and sewerage inspection from LYDEC
14. Obtain water and sewerage connections
15. Apply for electricity network
16. Receive electrical inspection from LYDEC
17. Obtain electricity connection
18. Apply for telecommunications network
19. Register building with Lands Registry (Agence Urbaine)

More details are available in the appendix.

4. Benchmarking Dealing with Licenses Regulations:

Morocco is ranked 88 overall for Dealing with Licenses. St. Vincent and the Grenadines is the top ranked economy followed by New Zealand, Belize and Marshall Islands.

Ranking of Morocco in Dealing with Licenses - Compared to best practice and selected economies:



* The following economies are also best practice economies for Building a Warehouse: St. Vincent and the Grenadines

The following table shows Dealing with Licenses data for Morocco compared to best practice and comparator economies:

<i>Best Practice Economies</i>	Procedures (number)	Duration (days)	Cost (% of income per capita)
Denmark	6		
Korea		34	
United Arab Emirates			1.5

<i>Selected Economy</i>			
Morocco	19	163	334.7

<i>Comparator Economies</i>			
Egypt	28	249	474.9
France	13	137	24.9
Mauritania	25	201	565.5
Spain	11	233	64.9
Tunisia	20	93	922.1

Employing Workers in Morocco: Labor Regulations

Every economy has established a complex system of laws and institutions intended to protect workers and guarantee a minimum standard of living for its population. This system encompasses four bodies of law: employment, industrial relations, social security and occupational health and safety laws. Doing Business examines government regulation in the area of employment and social security laws.

Three measures are presented: a rigidity of employment index, a nonwage labor cost measure and a firing cost measure. The rigidity of employment index is the average of three subindices: difficulty of hiring, rigidity of hours and difficulty of firing. Each index takes values between 0 and 100, with higher values indicating more rigid regulation. The difficulty of hiring index measures the flexibility of contracts and the ratio of the minimum wage to the value added per worker. The rigidity of hours index covers restrictions on weekend and night work, requirements relating to working time and the workweek, and mandated days of annual leave with pay. The difficulty of firing index covers workers' legal protections against dismissal, including the grounds permitted for dismissal and procedures for dismissal (individual and collective).

The nonwage labor cost covers all social security payments and payroll taxes associated with hiring an employee, expressed as a percentage of the worker's salary. The firing cost indicator measures the cost of advance notice requirements, severance payments and penalties due when terminating a redundant worker, expressed in weeks of salary.

The indicators on employment regulations are based on a detailed study of employment laws. Data are also gathered on the specific constitutional provisions governing the two areas studied. To ensure accuracy, both the actual laws and the applicable collective bargaining agreements are used. Finally, all data are verified and completed by local law firms through a detailed survey of employment regulations.

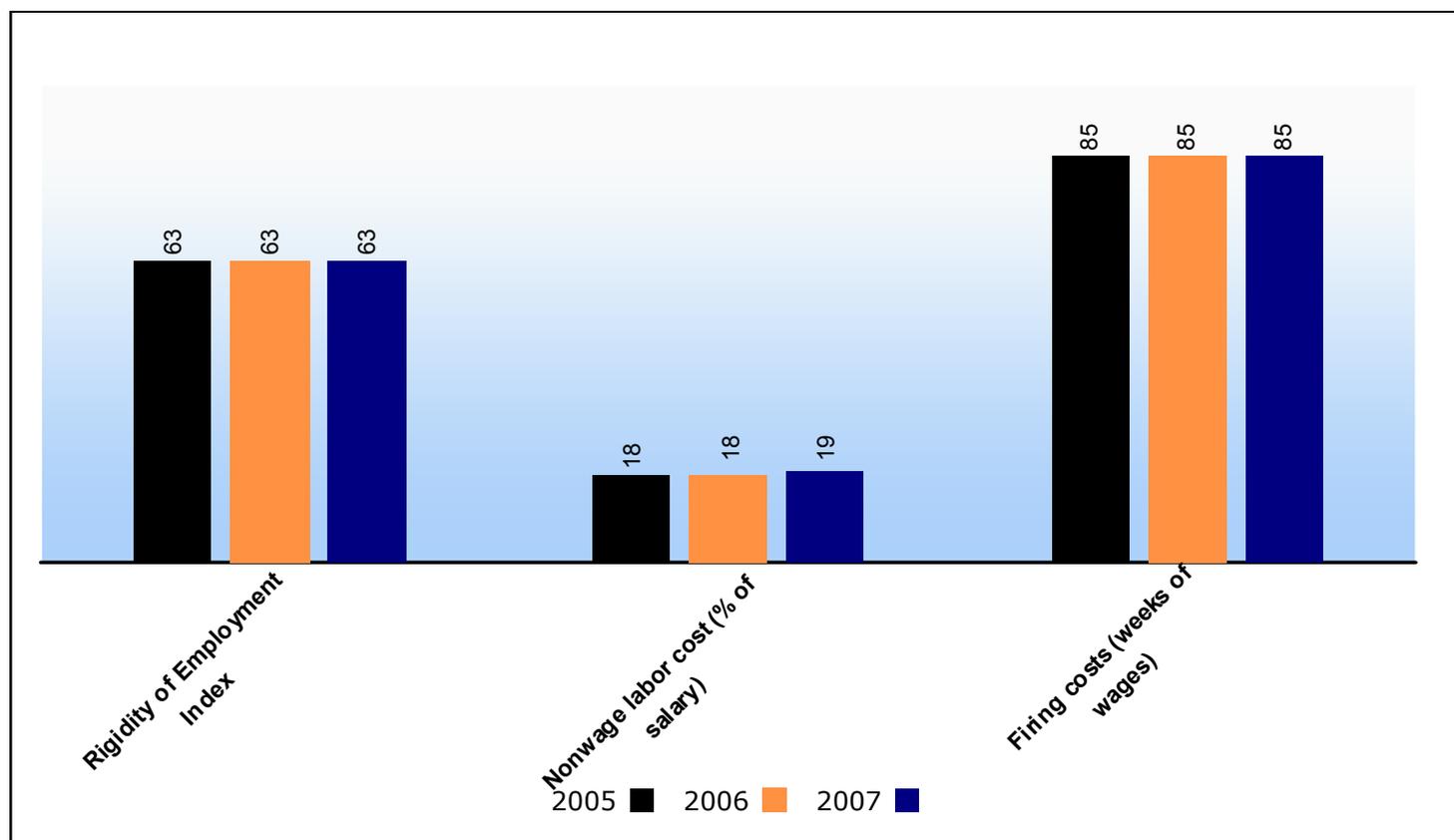
To make the data comparable across economies, a range of assumptions about the worker and the company are used. Assumptions about the worker include that he is a nonexecutive, full-time male employee who has worked in the same company for 20 years and is not a member of the labor union (unless membership is mandatory). The company is assumed to be a limited liability manufacturing corporation that operates in the country's most populous city, is 100% domestically owned and has 201 employees. The company is also assumed to be subject to collective bargaining agreements in countries where such agreements cover more than half the manufacturing sector and apply even to firms not party to them.

Most employment regulations are enacted in response to market failures. But that does not mean that today's regulations are optimal. Analysis across countries shows that while employment regulation generally increases the tenure and wages of incumbent workers, rigid regulations have many undesirable side effects. These include less job creation, smaller company size, less investment in research and development, and longer spells of unemployment and thus the obsolescence of skills—all of which may reduce productivity growth. Many countries err on the side of excessive rigidity, to the detriment of businesses and workers alike.

1. Historical data: Employing Workers in Morocco

Employing Workers data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		165	165
Rigidity of Employment Index	63	63	63
Nonwage labor cost (% of salary)	18	18	19
Firing costs (weeks of wages)	85	85	85

2. The following graph illustrates the Employing Workers indicators in Morocco over the past 3 years:



3. Benchmarking Employing Workers Regulations:

Morocco is ranked 165 overall for Employing Workers. Marshall Islands is the top ranked economy followed by Brunei, Georgia and Tonga.

Ranking of Morocco in Employing Workers - Compared to best practice and selected economies:



* The following economies are also best practice economies for Employing Workers: Marshall Islands, Singapore

The following table shows Employing Workers data for Morocco compared to best practice and comparator economies:

Best Practice Economies	Rigidity of Employment Index	Nonwage labor cost (% of salary)	Firing costs (weeks of wages)
Bangladesh*		0	
Denmark*			0
Hong Kong, China*	0		

Selected Economy			
Morocco	63	19	85

Comparator Economies			
Egypt	27	25	132
France	56	47	32
Mauritania	45	16	31
Spain	56	33	56
Tunisia	49	22	17

* The following economies are also best practice economies for :

Rigidity of Employment Index: Singapore, United States

Nonwage labor cost (% of salary): Botswana, Ethiopia, Maldives

Firing costs (weeks of wages): New Zealand, United States

Registering Property in Morocco: Regulation of Property Transfer

Property registries were first developed to help raise tax revenue. Defining and publicizing property rights through registries has also proved to be good for entrepreneurs. Land and buildings account for between half and three-quarters of the wealth in most economies. Securing rights to this property strengthens incentives to invest and facilitates commerce. And with formal property titles, entrepreneurs can obtain mortgages on their home or land and start businesses.

Doing Business measures the ease of registering property based on a standard case of an entrepreneur who wants to purchase land and a building in the largest business city. It is assumed that the property is already registered and free of title dispute. The data cover the full sequence of procedures necessary to transfer the property title from the seller to the buyer. Every required procedure is included, whether it is the responsibility of the seller or the buyer or must be completed by a third party on their behalf.

Local property lawyers and officials in property registries provide information on required procedures as well as the time and cost to complete each one. For most countries the data are based on responses from both. Based on the responses, three indicators are constructed:

- Number of procedures to register property.
- Time to register property (in calendar days).
- Official costs to register property (as a percentage of the property value).

A large share of the property in developing countries is not formally registered, limiting financing opportunities for businesses. Recognizing this constraint, some developing country governments have embarked on extensive property titling programs. Yet bringing assets into the formal sector is of little value unless they stay there.

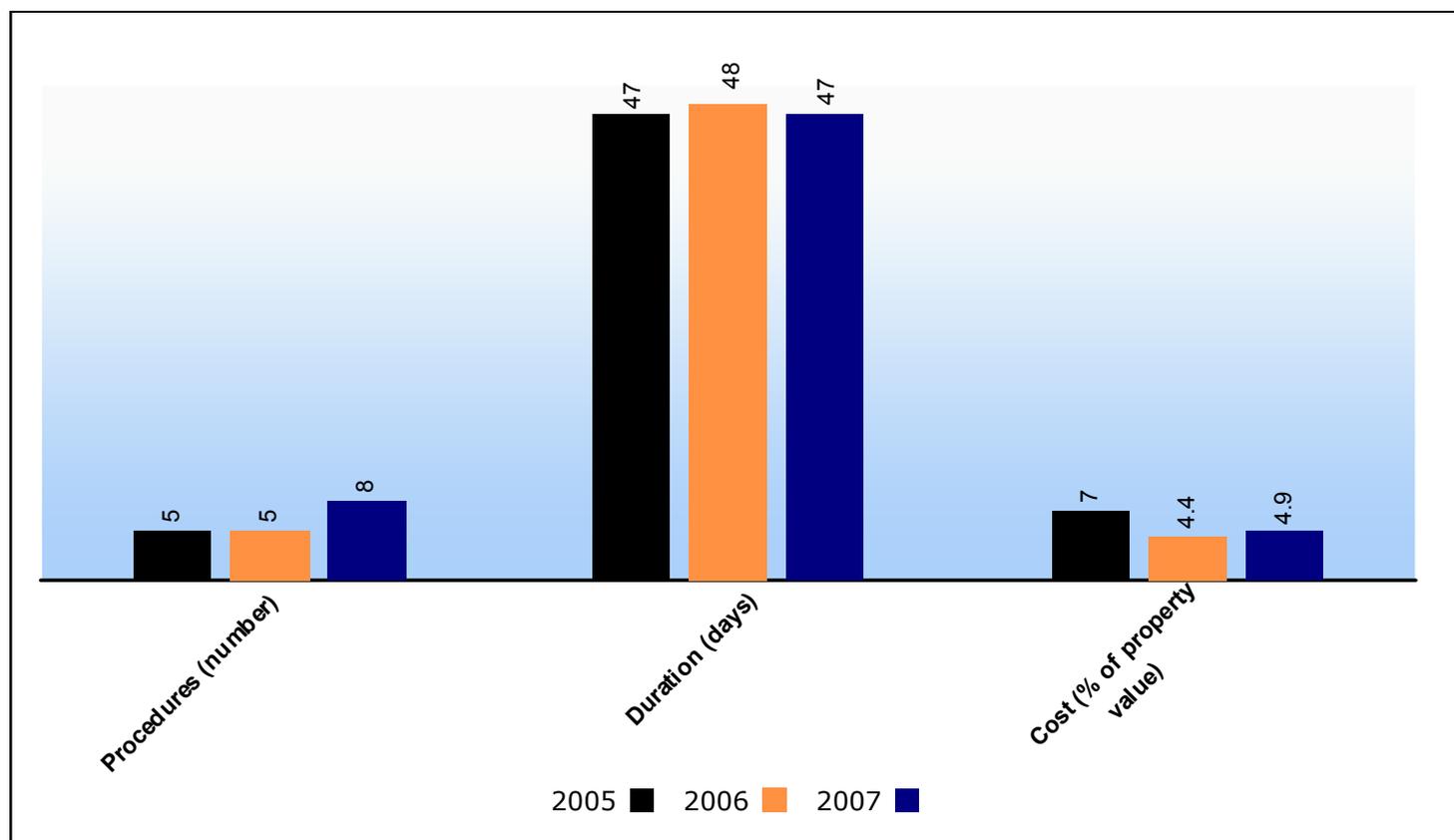
Many titling programs in Africa were futile because people bought and sold property informally—neglecting to update the title records in the property registry. Why? Doing Business shows that completing a simple formal property transfer in the largest business city of an African country costs 12% of the value of the property and takes more than 100 days on average. Worse, the property registries are so poorly organized that they provide little security of ownership. For both reasons, formalized titles quickly go informal again.

Efficient property registration reduces transaction costs and helps keep formal titles from slipping into informal status. Simple procedures to register property are also associated with greater perceived security of property rights and less corruption. That benefits all entrepreneurs, especially women, the young and the poor. The rich have few problems protecting their property rights. They can afford to invest in security systems and other measures to defend their property. But small entrepreneurs cannot. Reform can change this.

1. Historical data: Registering Property in Morocco

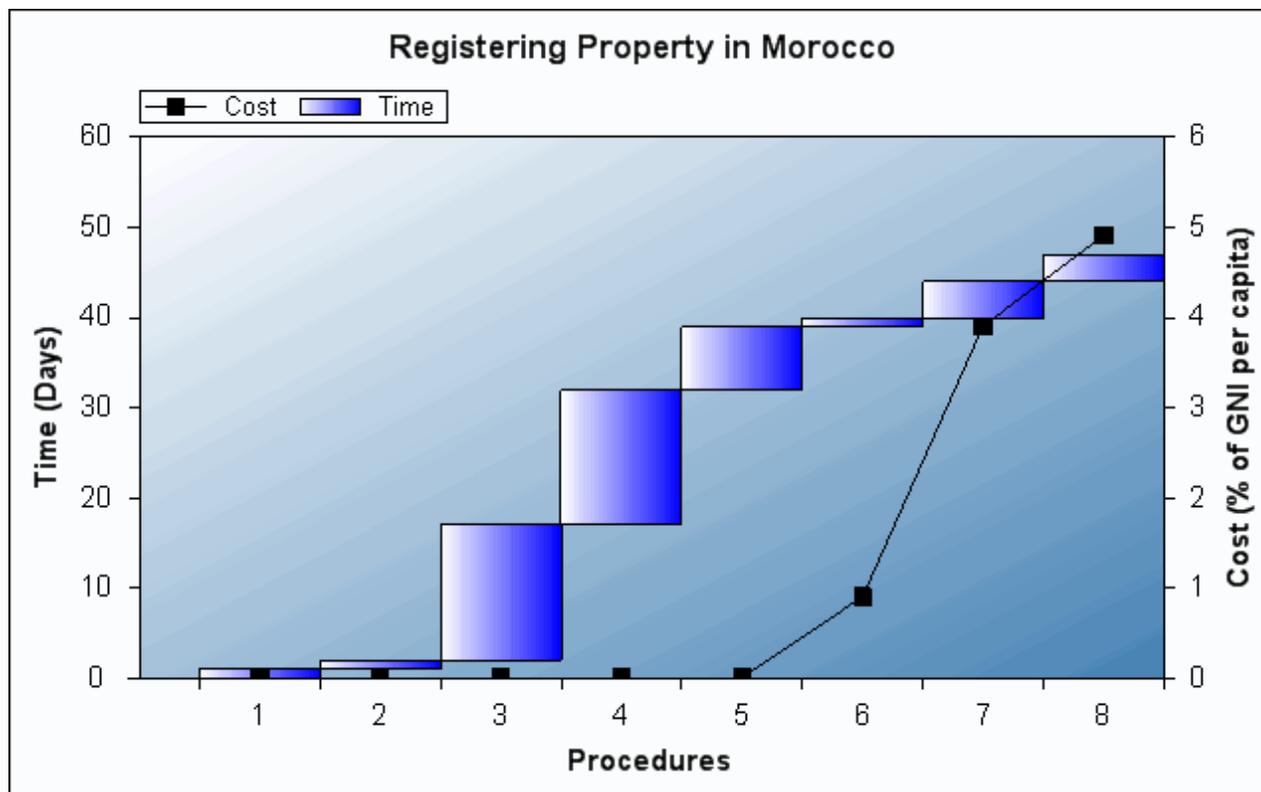
Registering Property data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		53	102
Procedures (number)	5	5	8
Duration (days)	47	48	47
Cost (% of property value)	7.0	4.4	4.9

2. The following graph illustrates the Registering Property indicators in Morocco over the past 3 years:



3. Steps to Registering Property in Morocco

It requires 8 procedures, takes 47 days, and costs 4.91% GNI per capita to register the property in Morocco.



List of Procedures:

1. Obtain the property certificate file
2. Obtain tax attestation form
3. Obtain signature from Regional General Tax Authority
4. Obtain signature from Municipal Tax Authority
5. Give completed tax attestation form to Tax Collection Authority for approval
6. Signatures of the seller and buyer and authentication of contract
7. Registration of the deed
8. The buyer applies for the inscription of the registered deed on the land registers (Conservation Fonciere)

More details are available in the appendix.

4. Benchmarking Registering Property Regulations:

Morocco is ranked 102 overall for Registering Property. New Zealand is the top ranked economy followed by Armenia, Saudi Arabia and Lithuania.

Ranking of Morocco in Registering Property - Compared to best practice and selected economies:



The following table shows Registering Property data for Morocco compared to best practice and comparator economies:

Best Practice Economies	Procedures (number)	Duration (days)	Cost (% of property value)
New Zealand*		2	
Norway*	1		
Saudi Arabia*			0.0

Selected Economy			
Morocco	8	47	4.9

Comparator Economies			
Egypt	7	193	1.0
France	9	123	6.1
Mauritania	4	49	5.2
Spain	4	18	7.1
Tunisia	5	49	6.1

* The following economies are also best practice economies for :

Procedures (number): Sweden

Duration (days): Sweden, Thailand

Cost (% of property value): Bhutan

Getting Credit in Morocco: Legal Rights and Credit Information

Firms consistently rate access to credit as among the greatest barriers to their operation and growth. Doing Business constructs two sets of indicators of how well credit markets function—one on credit registries and the other on legal rights of borrowers and lenders.

Credit registries—institutions that collect and distribute credit information on borrowers—can greatly expand access to credit. By sharing credit information, they help lenders assess risk and allocate credit more efficiently. And they free entrepreneurs from having to rely on personal connections alone when trying to obtain credit. Three indicators are constructed to measure the sharing of credit information:

- Public registry coverage, which reports the number of individuals and firms covered by a public credit registry as a percentage of the adult population.
- Private bureau coverage, which reports the number of individuals and firms covered by a private credit bureau as a percentage of the adult population.
- Depth of credit information index, which measures the extent to which the rules of a credit information system facilitate lending based on the scope of information distributed, the ease of access to information and the quality of information.

The data are from surveys of public registries and the largest private credit bureau in the country.

Effective regulation of secured lending—through collateral and bankruptcy laws—can also ease credit constraints. By giving a lender the right to seize and sell a borrower's secured assets upon default, collateral limits the lender's potential losses and acts as a screening device for borrowers. The strength of legal rights index measures 10 aspects of the rights of borrowers and creditors in collateral and bankruptcy laws, including whether:

- General rather than specific description of assets and debt is permitted in collateral agreements (expanding the scope of assets and debt covered).
- Any legal or natural person may grant or take security in assets.
- A unified registry operates that includes charges over movable property.
- Secured creditors have priority both within bankruptcy and outside it.
- Parties may agree on out-of-court enforcement of collateral by contract.
- Creditors may both seize and sell collateral out of court, no automatic stay or “asset freeze” applies upon bankruptcy, and the bankrupt debtor does not retain control of the firm.

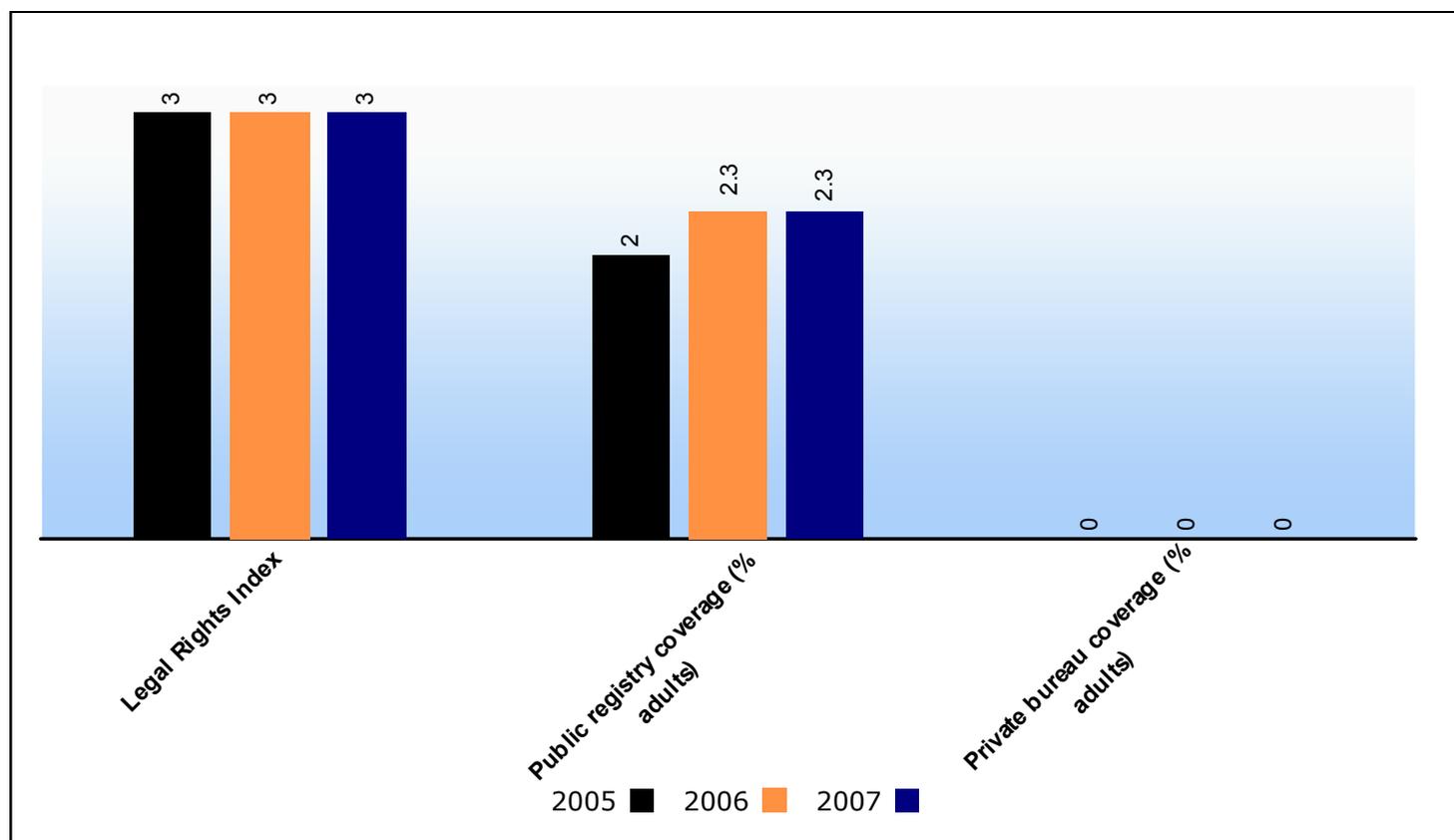
The index ranges from 0 (weak legal rights) to 10 (strong legal rights). The data were obtained by examining collateral and bankruptcy laws and legal summaries and verified through a survey of financial lawyers.

Where good-quality credit information is available and legal rights are stronger, more credit is extended. Benefits flow beyond those gaining access to credit. With better-functioning credit markets, unemployment is lower, and women and low-income people benefit the most.

1. Historical data: Getting Credit in Morocco

Getting Credit data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		132	135
Legal Rights Index	3	3	3
Public registry coverage (% adults)	2.0	2.3	2.3
Private bureau coverage (% adults)	0.0	0.0	0.0

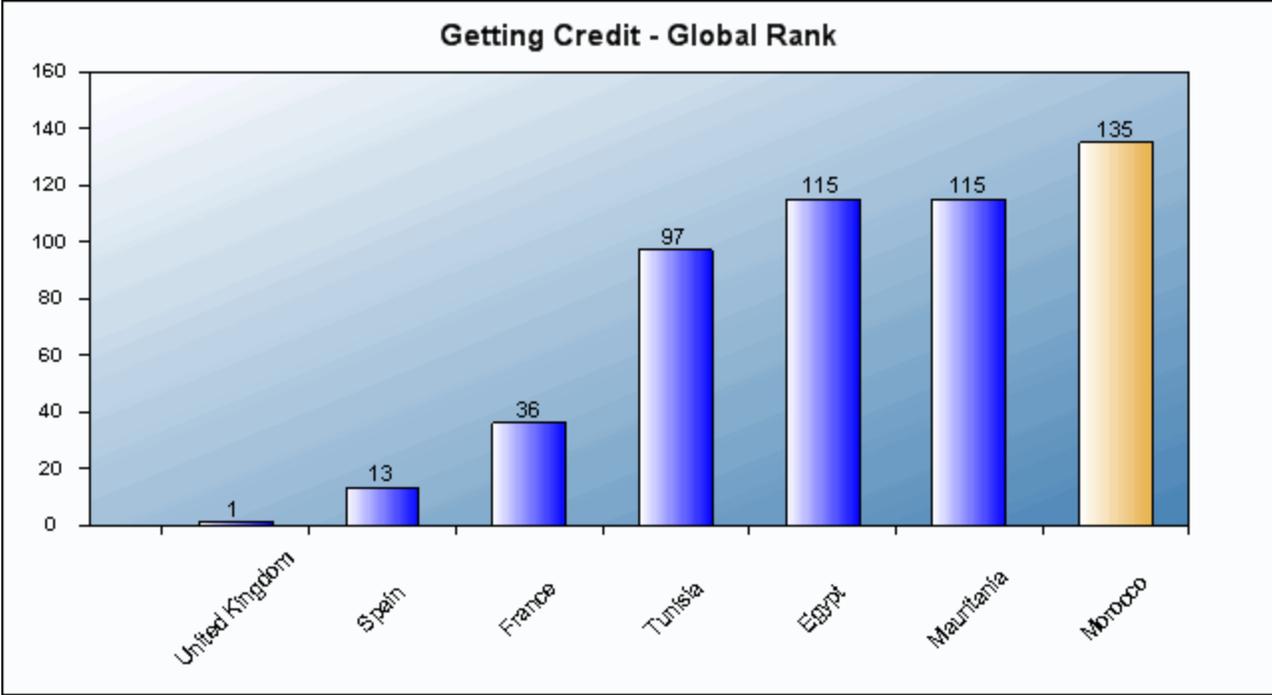
2. The following graph illustrates the Getting Credit indicators in Morocco over the past 3 years:



3. Benchmarking Getting Credit Regulations:

Morocco is ranked 135 overall for Getting Credit. United Kingdom is the top ranked economy followed by Hong Kong, China, Germany and Australia.

Ranking of Morocco in Getting Credit - Compared to best practice and selected economies:



The following table shows Getting Credit data for Morocco compared to best practice and comparator economies:

Best Practice Economies	Legal Rights Index	Public registry coverage (%)	Private bureau coverage (%)
Argentina*			100.0
Hong Kong, China*	10		
Portugal		67.1	

Selected Economy			
Morocco	3	2.3	0.0

Comparator Economies			
Egypt	1	1.6	not available
France	6	24.8	0.0
Mauritania	4	0.2	0.0
Spain	6	44.9	8.3
Tunisia	2	13.7	0.0

* The following economies are also best practice economies for :

Legal Rights Index: United Kingdom

Private bureau coverage (% adults): Australia, Canada, Iceland, Ireland, New Zealand, Nicaragua, Norway, Sweden, United States

Protecting Investors in Morocco

Officials at Elf Aquitaine, France's largest oil company, awarded business deals in return for large side payments. Along with the extra cash, they got seven years in jail and a €2 million fine for abuse of power. Russian oil firm Gazprom purchased materials for new pipelines through intermediaries owned by company officers. The high cost raised eyebrows, but not court battles.

Big cases make headlines. But looting by corporate insiders occurs every day on a smaller scale, and often goes unnoticed. To document the protections investors have, Doing Business measures how countries regulate a standard case of self-dealing—use of corporate assets for personal gain.

The case facts are simple. Mr. James, a director and the majority shareholder of a public company, proposes that the company purchase used trucks from another company he owns. The price is higher than the going price for used trucks. The transaction goes forward. All required approvals are obtained, and all required disclosures made, though the transaction is unfair to the purchasing company. Shareholders sue the interested parties and the members of the board of directors.

Several questions arise. Who approves the transaction? What information must be disclosed? What company documents can investors access? What do minority shareholders have to prove to get the transaction stopped or to receive compensation from Mr. James? Three indices of investor protection are constructed based on the answers to these and other questions. All indices range from 0 to 10, with higher values indicating more protections or greater disclosure.

The extent of disclosure index covers approval procedures, requirements for immediate disclosure to the public and shareholders of proposed transactions, requirements for disclosure in periodic filings and reports and the availability of external review of transactions before they take place.

The extent of director liability index covers the ability of investors to hold Mr. James and the board of directors liable for damages, the ability to rescind the transaction, the availability of fines and jail time associated with self-dealing, the availability of direct or derivative suits and the ability to require Mr. James to pay back his personal profits from the transaction.

The ease of shareholder suits index covers the availability of documents that can be used during trial, the ability of the investor to examine the defendant and other witnesses, shareholders' access to internal documents of the company, the appointment of an inspector to investigate the transaction and the standard of proof applicable to a civil suit against the directors.

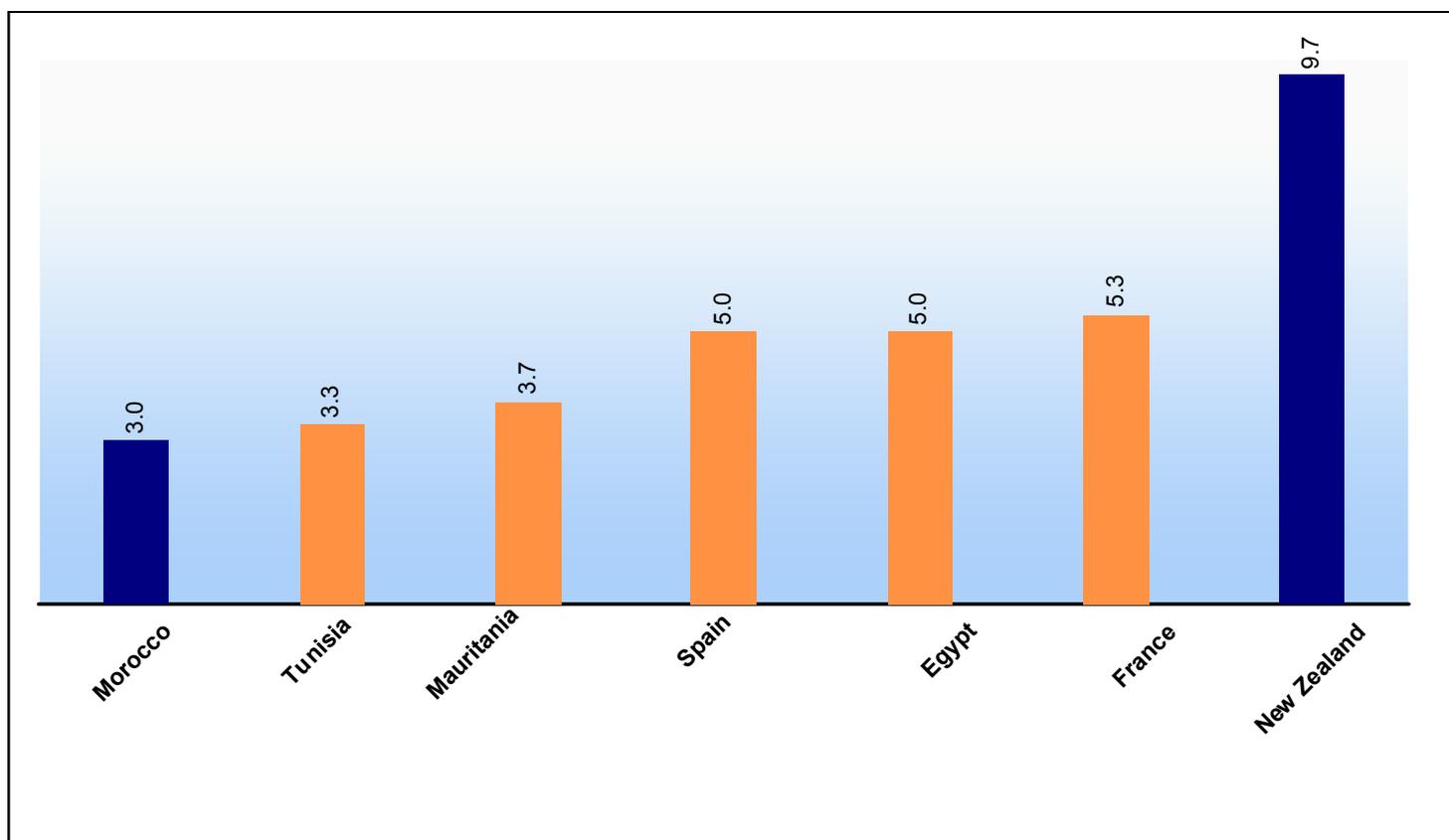
These three indices are averaged to create the strength of investor protection index. This index ranges from 0 to 10, with higher values indicating better investor protection.

If the rights of investors are not protected, majority ownership in a business is the only way to eliminate expropriation. But then investors must devote more oversight attention to fewer investments. The result: entrepreneurship is suppressed, and fewer profitable investment projects are undertaken. Where self-dealing is curbed, equity investment is higher, ownership concentration lower and trust in the business sector deeper. Investors gain portfolio diversification, and entrepreneurs gain access to cash.

1. Historical data: Protecting Investors in Morocco

Protecting Investors data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		158	158
Investor Protection Index	3.0	3.0	3.0

2. The following graph illustrates the Protecting Investors index in Morocco compared to best practice and selected Economies:

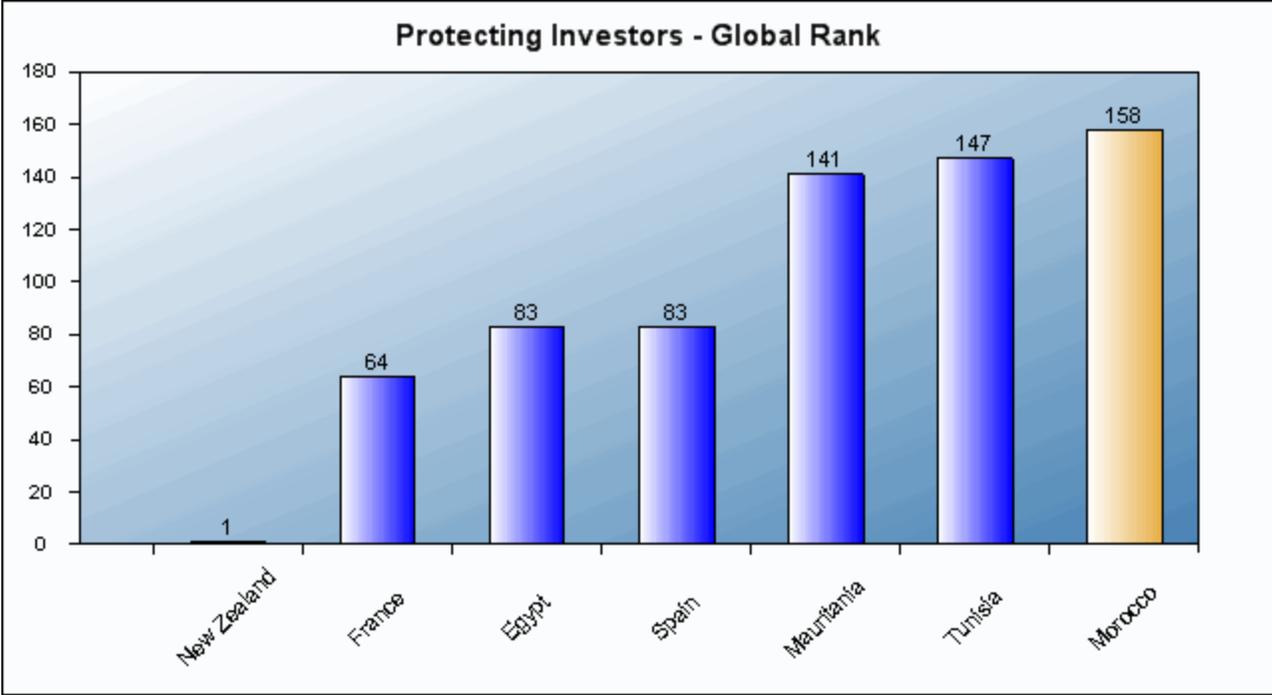


Note: The higher the score, the greater the investor protection.

3. Benchmarking Protecting Investors Regulations:

Morocco is ranked 158 overall for Protecting Investors. New Zealand is the top ranked economy followed by Singapore, Hong Kong, China and Malaysia.

Ranking of Morocco in Protecting Investors - Compared to best practice and selected economies:



The following table shows Protecting Investors data for Morocco compared to best practice and comparator economies:

<i>Best Practice Economies</i>	Investor Protection Index
New Zealand	9.7

<i>Selected Economy</i>	
Morocco	3.0

<i>Comparator Economies</i>	
Egypt	5.0
France	5.3
Mauritania	3.7
Spain	5.0
Tunisia	3.3

Paying Taxes: Tax Payable and Compliance in Morocco

Taxes are essential. Without them there would be no money to fund schools, hospitals, courts, roads, water, waste collection and other public services that help businesses to be more productive. Still, there are good ways and bad ways to collect taxes.

The Doing Business tax survey records the effective tax that a company must pay and the administrative costs of doing so. Imagine a medium-size business, TaxpayerCo, that started operations last year. Doing Business asked accountants in 178 economies to review TaxpayerCo's financial statements and a standard list of transactions the company completed during the year. Respondents were asked how much tax the business must pay and what the process is for doing so.

The business starts from the same financial position in each country. All the taxes and contributions paid during the second year of operation are recorded. Taxes and contributions are measured at all levels of government and include corporate income tax, turnover tax, all labor contributions paid by the company (including mandatory contributions paid to private pension or insurance funds), property tax, property transfer tax, dividend tax, capital gains tax, financial transactions tax, vehicle tax and other small taxes (such as fuel tax, stamp duty and local taxes). A range of standard deductions and exemptions are also recorded.

Three indicators are constructed:

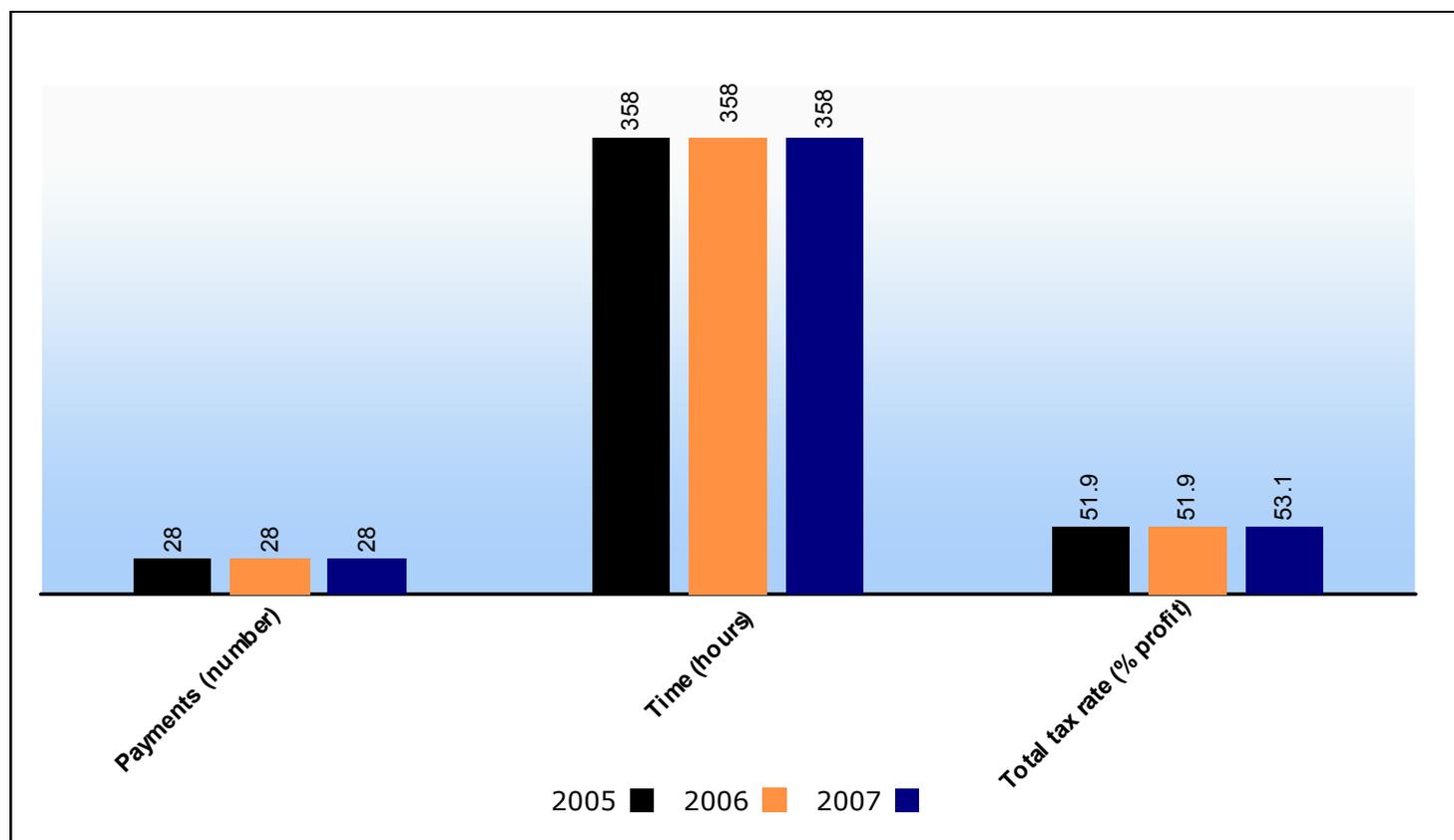
- Number of tax payments, which takes into account the method of payment or withholding, the frequency of payment or withholding and the number of agencies involved for the standard case.
- Time, which measures the hours per year necessary to prepare, file and pay the corporate income tax, value added or sales tax and labor taxes.
- Total tax rate, which measures the amount of taxes payable by the company during the second year of operation. This amount, expressed as a percentage of commercial profit, is the sum of all the different taxes payable after accounting for various deductions and exemptions.

Businesses care about what they get for their taxes and contributions, such as the quality of infrastructure and social services. Poor countries tend to use businesses as a collection point for taxes. Rich countries tend to have lower tax rates and less complex tax systems. And rich countries get more from their taxes. Simple, moderate taxes and fast, cheap administration mean less hassle for businesses—and also more revenue collected and better public services. More burdensome tax regimes create an incentive to evade taxes.

1. Historical data: Paying Taxes in Morocco

Paying Taxes data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		133	132
Time (hours)	358	358	358
Total tax rate (% profit)	51.9	51.9	53.1
Payments (number)	28	28	28

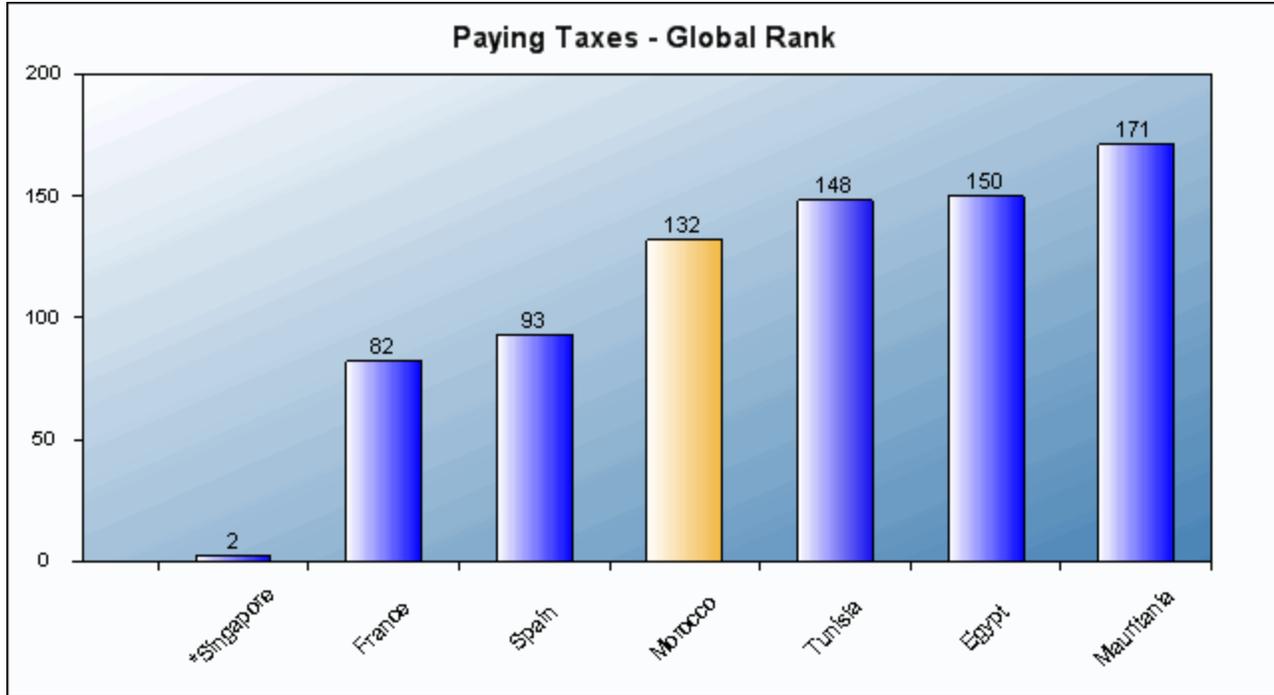
2. The following graph illustrates the Paying Taxes indicators in Morocco over the past 3 years:



3. Benchmarking Paying Taxes Regulations:

Morocco is ranked 132 overall for Paying Taxes. Maldives is the top ranked economy followed by Singapore, Hong Kong, China and United Arab Emirates.

Ranking of Morocco in Paying Taxes - Compared to best practice and selected economies:



* The following economies are also best practice economies for Paying Taxes: Maldives

The following table shows Paying Taxes data for Morocco compared to best practice and comparator economies:

Best Practice Economies	Payments (number)	Time (hours)	Total tax rate (% profit)
Sweden*	2		
United Arab Emirates*		12	
Vanuatu			8.4

Selected Economy			
Morocco	28	358	53.1

Comparator Economies			
Egypt	36	711	47.9
France	23	132	66.3
Mauritania	38	696	107.5
Spain	8	298	62.0
Tunisia	46	268	61.0

* The following economies are also best practice economies for :

Payments (number): **Maldives**

Time (hours): **Maldives**

Trading Across Borders: Importing and Exporting from Morocco

The benefits of trade are well documented—as are the obstacles to trade. Tariffs, quotas and distance from large markets greatly increase the cost of goods or prevent trading altogether. But with faster ships and bigger planes, the world is shrinking. Global and regional agreements have brought down trade barriers. Yet Africa's share of global trade is smaller today than it was 25 years ago. So is the Middle East's, excluding oil exports. The reason is simple: many entrepreneurs face numerous hurdles to exporting or importing goods. They often give up. Others never try.

Doing Business compiles procedural requirements for trading a standard shipment of goods by ocean transport. Every official procedure—and the associated documents, time and cost—for importing and exporting the goods is recorded, starting with the contractual agreement between the two parties and ending with delivery of the goods. For importing the goods, the procedures measured range from the vessel's arrival at the port of entry to the shipment's delivery at the factory warehouse. For exporting the goods, the procedures measured range from the packing of the goods at the factory to their departure from the port of exit.

To make the data comparable across countries, several assumptions about the business and the traded goods are used. The business is of medium size, with 100 or more employees, and is located in the periurban area of the country's most populous city. It is a private, limited liability company, domestically owned, formally registered and operating under commercial laws and regulations of the country. The traded goods are ordinary, legally manufactured products, and they travel in a dry-cargo, 20-foot FCL (full container load) container.

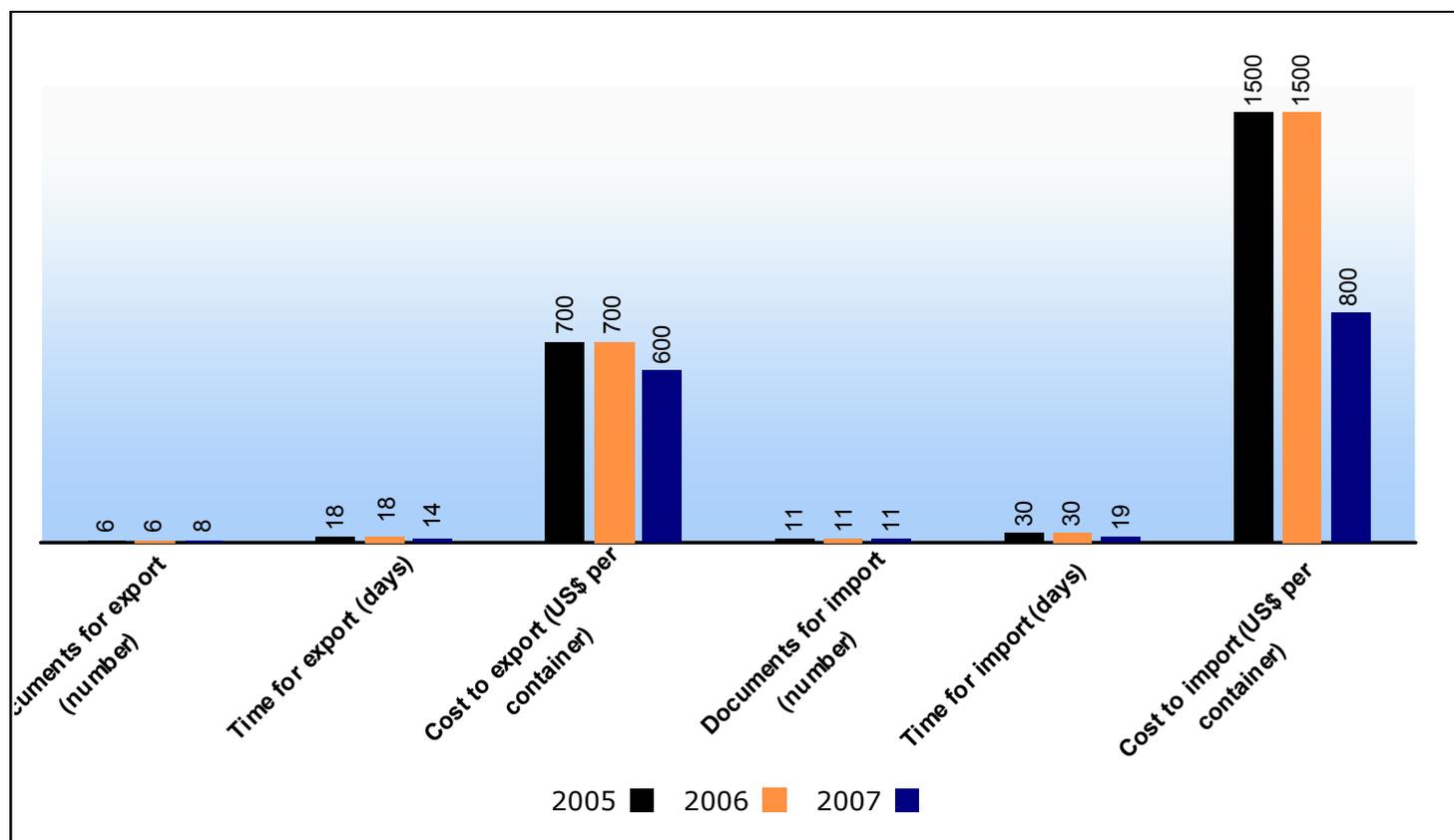
Documents recorded include port filing documents, customs declaration and clearance documents, and official documents exchanged between the concerned parties. Time is recorded in calendar days, from start to finish of each procedure. Cost measures the fees levied on a 20-foot container in U.S. dollars. All the fees associated with completing the procedures to export or import the goods are included, such as costs for documents, administrative fees for customs clearance and technical control, terminal handling charges and inland transport. The cost measure does not include tariffs or trade taxes.

Countries that have efficient customs, good transport networks and fewer document requirements—making compliance with export and import procedures faster and cheaper—are more competitive globally. That leads to more exports—and exports are associated with faster growth and more jobs. Conversely, a need to file many documents is associated with more corruption in customs. Faced with long delays and frequent demands for bribes, many traders avoid customs altogether. Instead, they smuggle goods across the border. That defeats the very purpose in having border control of trade—to levy taxes and ensure high quality of goods.

1. Historical data: Trading Across Borders in Morocco

Trading Across Borders data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		89	67
Documents for export (number)	6	6	8
Time for export (days)	18	18	14
Cost to export (US\$ per container)	700	700	600
Documents for import (number)	11	11	11
Time for import (days)	30	30	19
Cost to import (US\$ per container)	1500	1500	800

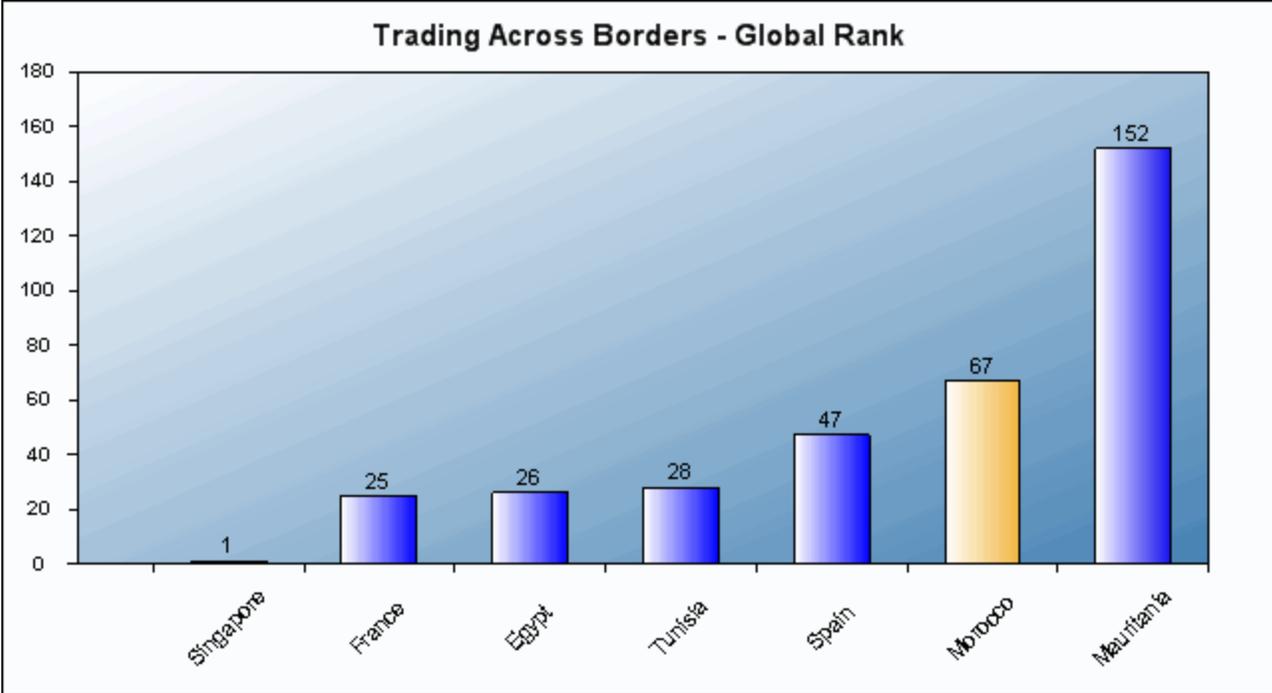
2. The following graph illustrates the Trading Across Borders indicators in Morocco over the past 3 years:



3. Benchmarking Trading Across Borders Regulations:

Morocco is ranked 67 overall for Trading Across Borders. Singapore is the top ranked economy followed by Denmark, Hong Kong, China and Norway.

Ranking of Morocco in Trading Across Borders - Compared to best practice and selected economies:



The following table shows Trading Across Borders data for Morocco compared to best practice and comparator economies:

<i>Best Practice Economies</i>	Documents for export (number)	Time for export (days)	Cost to export (US\$ per)	Documents for import (number)	Time for import (days)	Cost to import (US\$ per)
Canada*	3					
China			390			
Denmark*		5		3		
Singapore					3	367

<i>Selected Economy</i>						
Morocco	8	14	600	11	19	800

<i>Comparator Economies</i>						
Egypt	6	15	714	7	18	729
France	4	11	1028	5	12	1148
Mauritania	11	35	1360	11	42	1363
Spain	6	9	1000	8	10	1000
Tunisia	5	17	540	7	22	810

* The following economies are also best practice economies for :

Documents for export (number): **Estonia, Micronesia, Panama**

Time for export (days): **Estonia, Singapore**

Documents for import (number): **Sweden**

Enforcing Contracts: Court Efficiency in Morocco

Where contract enforcement is efficient, businesses are more likely to engage with new borrowers or customers. Doing Business tracks the efficiency of the judicial system in resolving a commercial dispute, following the step-by-step evolution of a commercial sale dispute before local courts. The data are collected through study of the codes of civil procedure and other court regulations as well as surveys completed by local litigation lawyers (and, in a quarter of the countries, by judges as well).

The dispute, between two businesses (the Seller and the Buyer) located in the country's most populous city, concerns a contract for the sale of goods. The Seller agrees to deliver the goods, worth 200% of the country's income per capita, to the Buyer.

After receiving and inspecting the goods, the Buyer concludes that their quality is inadequate. The Buyer sends the goods back without paying for them. The Seller disagrees and argues that their quality is adequate. The Seller seeks full payment from the Buyer, arguing that the goods cannot be sold to a third party because they were custom-made for the Buyer. The Seller sues the Buyer before the court in the most populous city to recover the amount due under the sales agreement (200% of the country's income per capita).

Three indicators of the efficiency of commercial contract enforcement are developed:

- Number of procedures, which includes all those that demand interaction between the parties or between them and the judge or court officer.
- Time, which counts the number of days from the moment the plaintiff files the lawsuit in court until the moment of payment. This measure includes both the days on which actions take place and the waiting periods between actions.
- Cost, which measures the official cost of going through court procedures, expressed as a percentage of the claim (assumed to be equivalent to 200% of income per capita). The cost includes court costs, enforcement costs and attorney fees where the use of attorneys is mandatory or common.

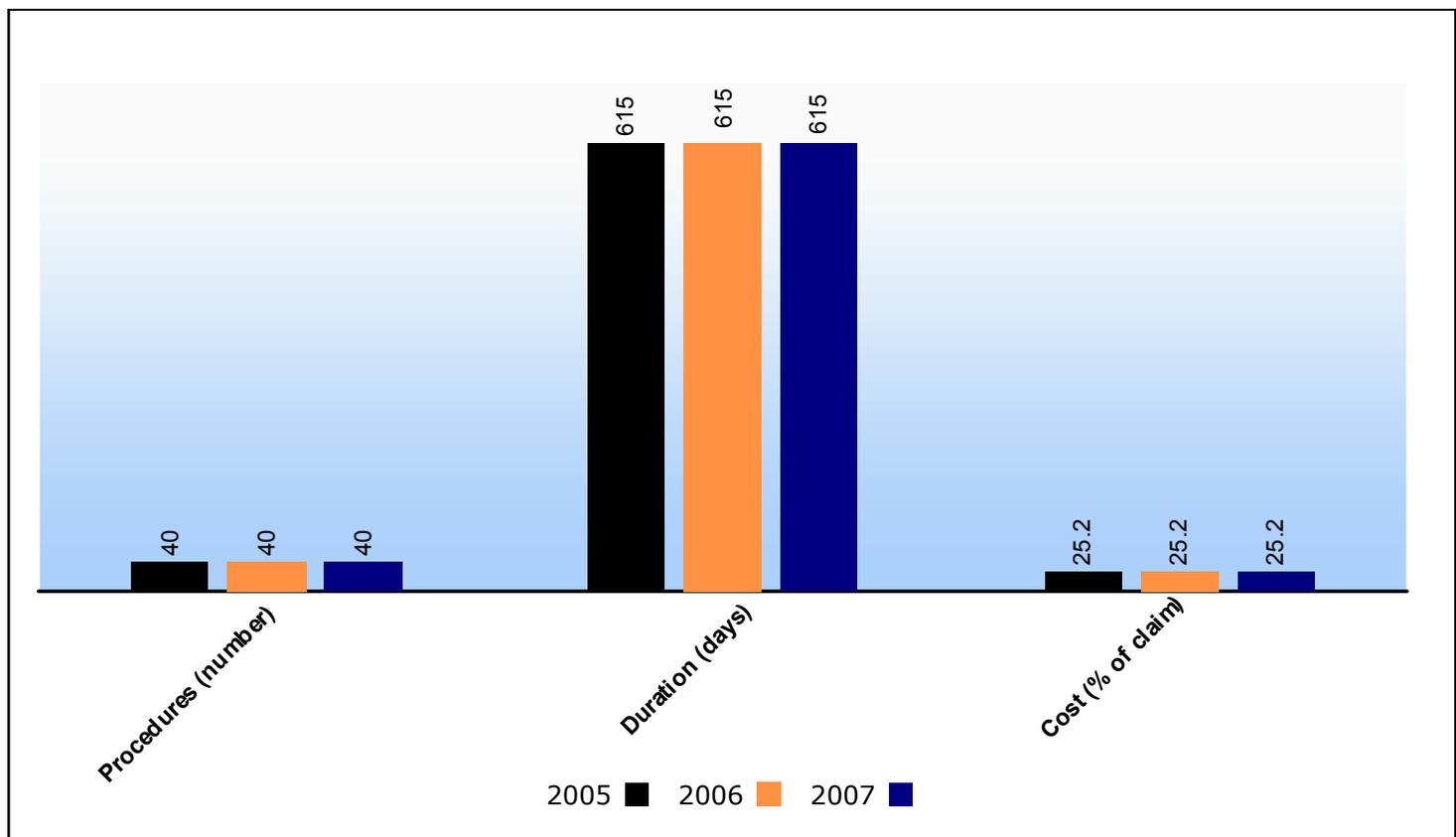
Businesses that have little or no access to efficient courts must rely on other mechanisms, both formal and informal—such as trade associations, social networks, credit bureaus or private information channels—to decide whom to do business with and under what conditions. Or they might adopt a conservative approach to business, dealing only with a small group of people linked through kinship, ethnic origin or previous dealings and structuring transactions to forestall disputes. In either case economic and social value may be lost.

The main reason to regulate procedures in commercial dispute resolution is that informal justice is vulnerable to subversion by the rich and powerful. But heavy regulation of dispute resolution backfires. Across countries, the more procedures it takes to enforce a contract, the longer the delays and the higher the cost. The result: less wealth is created.

1. Historical data: Enforcing Contracts in Morocco

Enforcing Contracts data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		115	114
Procedures (number)	40	40	40
Duration (days)	615	615	615
Cost (% of claim)	25.2	25.2	25.2

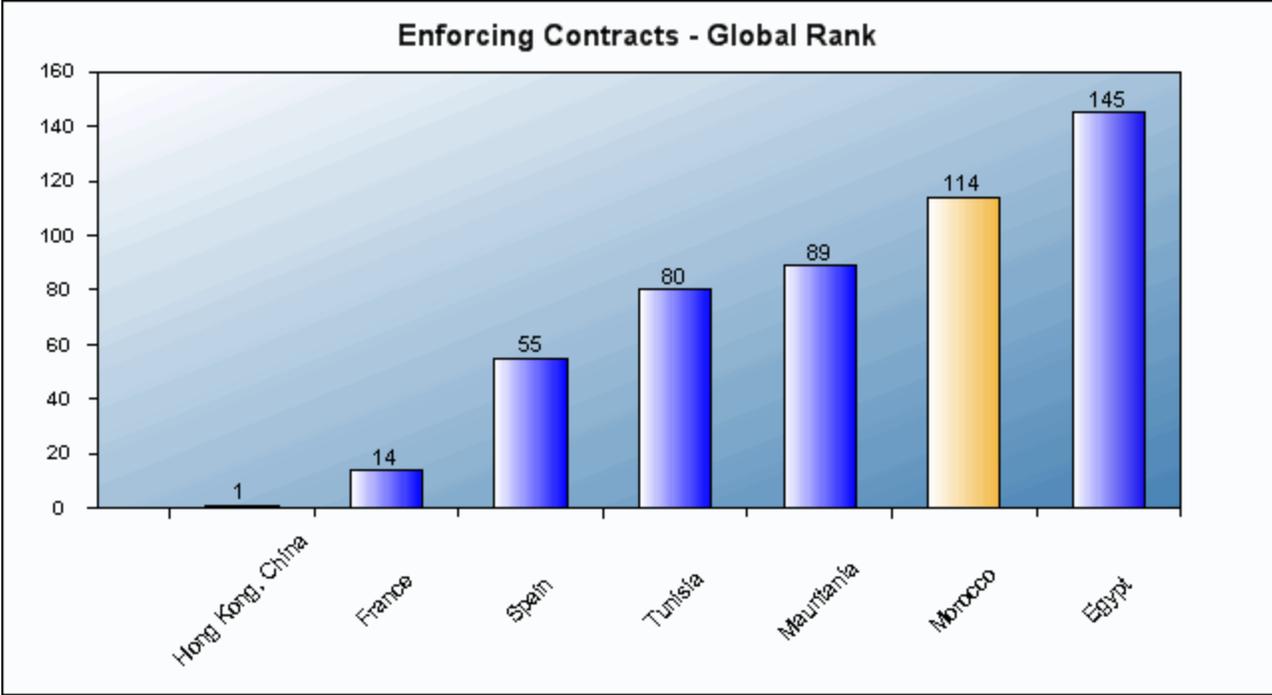
2. The following graph illustrates the Enforcing Contracts indicators in Morocco over the past 3 years:



3. Benchmarking Enforcing Contracts Regulations:

Morocco is ranked 114 overall for Enforcing Contracts. Hong Kong, China is the top ranked economy followed by Luxembourg, Latvia and Singapore.

Ranking of Morocco in Enforcing Contracts - Compared to best practice and selected economies:



The following table shows Enforcing Contracts data for Morocco compared to best practice and comparator economies:

Best Practice Economies	Procedures (number)	Duration (days)	Cost (% of claim)
Bhutan			0.1
Ireland	20		
Singapore		120	

Selected Economy			
Morocco	40	615	25.2

Comparator Economies			
Egypt	42	1010	25.3
France	30	331	17.4
Mauritania	46	400	23.2
Spain	39	515	17.2
Tunisia	39	565	21.8

Closing Business in Morocco: Bankruptcy

The economic crises of the 1990s in emerging markets—from East Asia to Latin America, from Russia to Mexico—raised concerns about the design of bankruptcy systems and the ability of such systems to help reorganize viable companies and close down unviable ones. In countries where bankruptcy is inefficient, unviable businesses linger for years, keeping assets and human capital from being reallocated to more productive uses.

The Doing Business indicators identify weaknesses in the bankruptcy law as well as the main procedural and administrative bottlenecks in the bankruptcy process. In many developing countries bankruptcy is so inefficient that creditors hardly ever use it. In countries such as these, reform would best focus on improving contract enforcement outside bankruptcy.

The data on closing a business are developed using a standard set of case assumptions to track a company going through the step-by-step procedures of the bankruptcy process. It is assumed that the company is a domestically owned, limited liability corporation operating a hotel in the country's most populous city. The company has 201 employees, 1 main secured creditor and 50 unsecured creditors. Assumptions are also made about the debt structure and future cash flows. The case is designed so that the company has a higher value as a going concern—that is, the efficient outcome is either reorganization or sale as a going concern, not piecemeal liquidation. The data are derived from questionnaires answered by attorneys at private law firms.

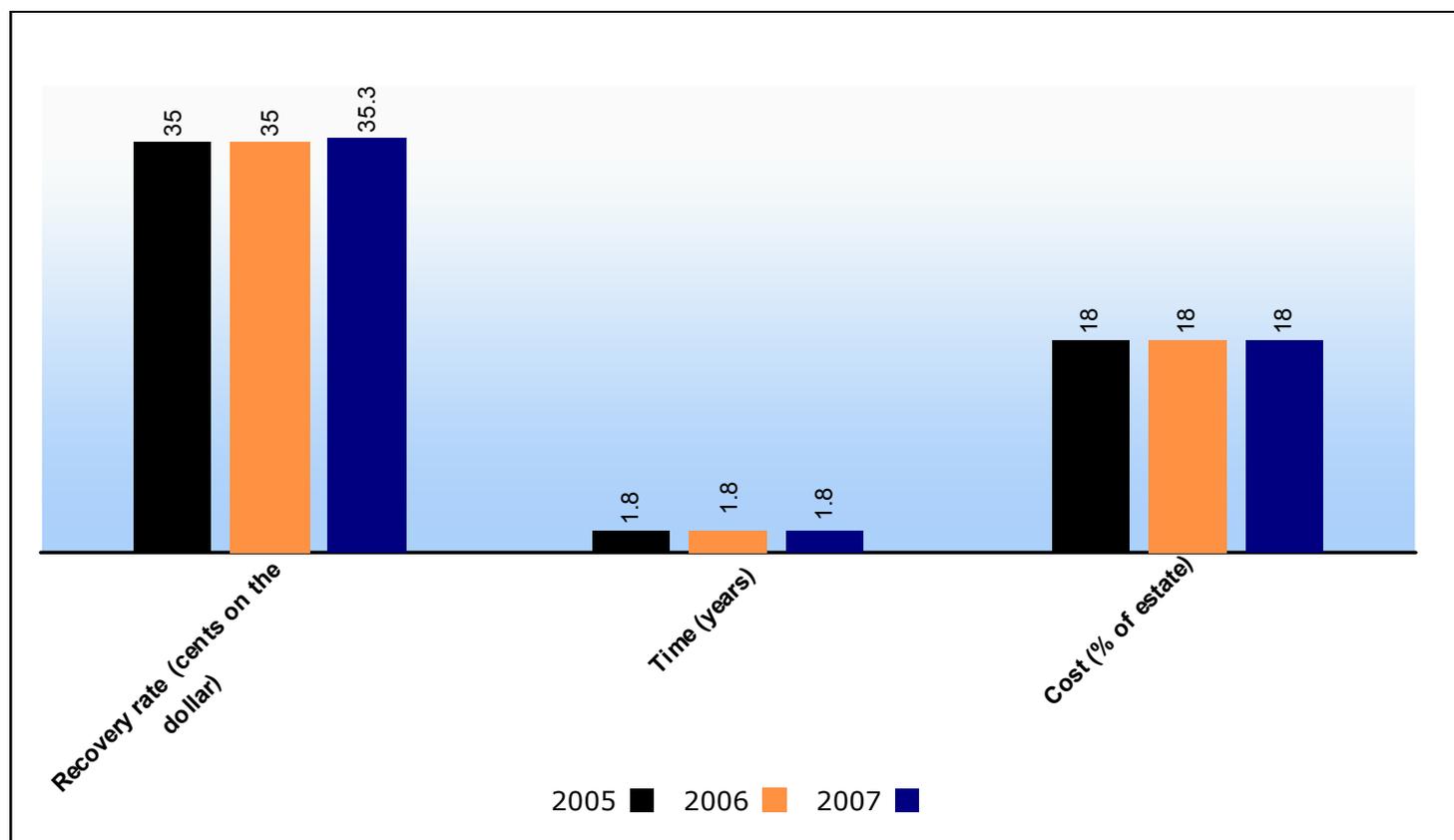
Three measures are constructed from the survey responses: the time to go through the insolvency process, the cost to go through the process and the recovery rate—how much of the insolvency estate is recovered by stakeholders, taking into account the time, cost, depreciation of assets and the outcome of the insolvency proceeding.

Bottlenecks in bankruptcy cut into the amount claimants can recover. In countries where bankruptcy is used, this is a strong deterrent to investment. Access to credit shrinks, and nonperforming loans and financial risk grow because creditors cannot recover overdue loans. Conversely, efficient bankruptcy laws can encourage entrepreneurs. The freedom to fail, and to do so through an efficient process, puts people and capital to their most effective use. The result is more productive businesses and more jobs.

1. Historical data: Closing Business in Morocco

Closing a Business data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		60	60
Time (years)	1.8	1.8	1.8
Cost (% of estate)	18	18	18
Recovery rate (cents on the dollar)	35	35	35.3

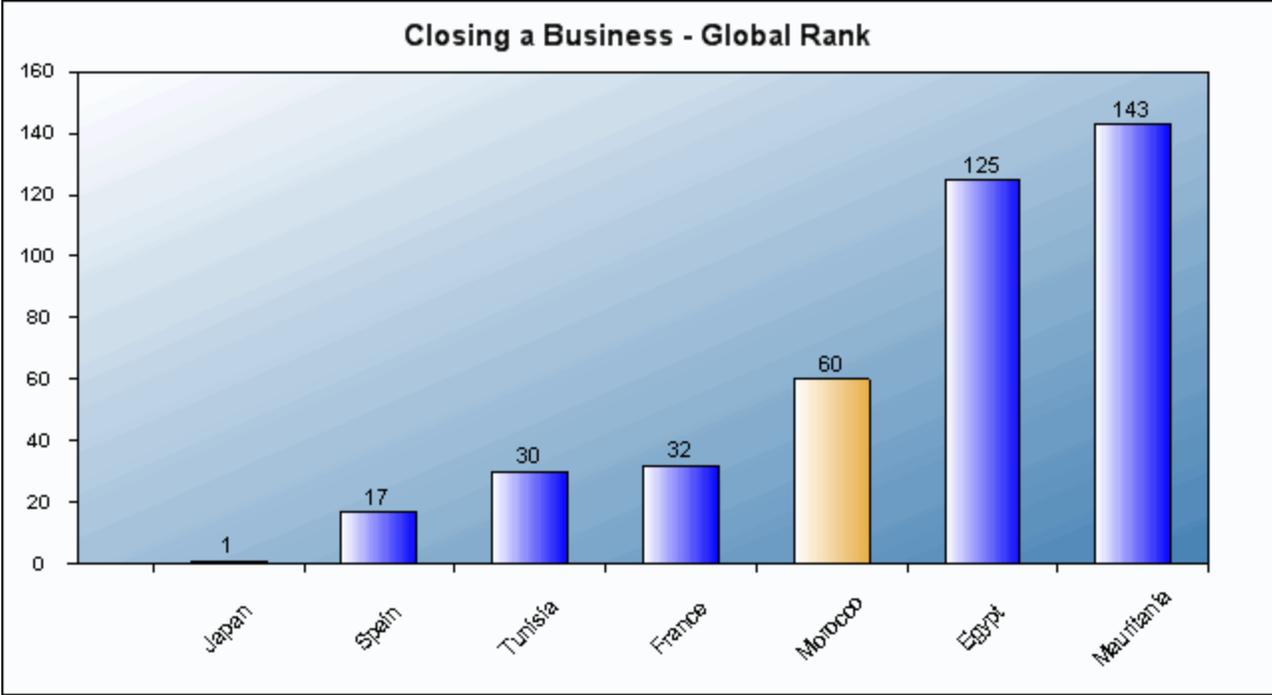
2. The following graph illustrates the Closing Business indicators in Morocco over the past 3 years:



3. Benchmarking Closing Business Regulations:

Morocco is ranked 60 overall for Closing a Business. Japan is the top ranked economy followed by Singapore, Norway and Canada.

Ranking of Morocco in Closing Business - Compared to best practice and selected economies:



The following table shows Closing Business data for Morocco compared to best practice and comparator economies:

Best Practice Economies	Recovery rate (cents on the	Time (years)	Cost (% of estate)
Colombia			1
Ireland*		0.4	
Japan	92.6		

Selected Economy			
Morocco	35.3	1.8	18

Comparator Economies			
Egypt	16.6	4.2	22
France	47.4	1.9	9
Mauritania	7.8	8.0	9
Spain	76.9	1.0	15
Tunisia	51.5	1.3	7

* The following economies are also best practice economies for :

Time (years): **Cape Verde**

Starting a Business in Morocco

This table summarizes the procedures and costs associated with setting up a business in Morocco.

STANDARDIZED COMPANY

Legal Form: Société à Responsabilité Limitée (SARL)

Minimum Capital Requirement: MAD 10,000

City: Casablanca

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain a certificat negatif which registers the company name at the Centre Regional d'Investissement (CRI)	1 day	MAD 170 (DH 20 in stamps, DH 30 for search, DH 100 for certificate) + VAT
2	Deposit paid-in capital in a bank and obtain an attestation de depot	1 day	no charge
3	Legalize statutes at Mayor's office ("Commune")	1 day	DH20/page + DH10
4	File documents with CRI to register with the Ministry of Finance for "patente" tax, with the Tribunal of Commerce, and for social security and taxation	7 days for registration, 30 days for publication	DH 1,350 =DH1,000 (0.5% of capital, at least DH1,000) + DH150 (registration fee) + DH 200 (registration of statuts) + publication fee (DH 8-9/ line in business paper, DH4/ line bulletin officiel).
5	File a declaration to 'economic office' of the Prefecture (Service Economique de la Commune)	1 day	no charge
6	Make company stamp	1 day	MAD 200

Procedure 1 Obtain a certificat negatif which registers the company name at the Centre Regional d'Investissement (CRI)

Time to complete: 1 day

Cost to complete: MAD 170 (DH 20 in stamps, DH 30 for search, DH 100 for certificate) + VAT

Comment:

Procedure 2 Deposit paid-in capital in a bank and obtain an attestation de depot

Time to complete: 1 day

Cost to complete: no charge

Comment: The capital remains frozen until the company formation is complete. File a copy of by-laws and a certificat negatif with the bank.

Procedure 3 Legalize statutes at Mayor's office ("Commune")

Time to complete: 1 day

Cost to complete: DH20/page + DH10

Comment: The Mayor's office verifies the identity of the person signing the document.

Procedure 4 File documents with CRI to register with the Ministry of Finance for "patente" tax, with the Tribunal of Commerce, and for social security and taxation

Time to complete: 7 days for registration, 30 days for publication

Cost to complete: DH 1,350 =DH1,000 (0.5% of capital, at least DH1,000) + DH150 (registration fee) + DH 200 (registration of statuts) + publication fee (DH 8-9/ line in business paper, DH4/ line bulletin officiel).

Comment: The applicant downloads a single registration form from the Internet ("Formulaire Unique Declaration de Creation d'Entreprise"). Along with the completed form the applicant files the following documents: (i) 4 copies of certificat negative; (ii) 2 copies of attestation de depot; (iii) 6 copies of signed company statutes; (iv) 2 copies of lease contract of the property rented for premises (contrat de bail) ; (v) 3 copies of identification of managers; (vi) 2 copies of Declaration of Conformity; (vii) 2 copies of the notice to be published in the legal newspaper and in the Official Gazette. At the same time, the applicant pays the registration tax and fees.

The CRI centralizes all the following procedures:

- deposit of bylaws and registration at the Tribunal of Commerce and Company Registrar
- "patente" tax number
- two publications in a legal journal and the official bulletin (When handing in the form and all the documents, the entrepreneur includes the text for both of these publications. The text for the publication has to be in Arabic and typed. The CRI organizes the publication). Publication in the Official Gazette takes 30 days, however: a receipt from submitting the publication is enough for filing with the Tribunal.
- Declaration of fiscal existence
- Social security affiliation
- Legalization of legal books

The entrepreneur has to wait for about 1 week and then receives the patente, fiscal ID, commercial registration certificate, legal books, and CNSS registration (social security). As a new service, the entrepreneur can request to be notified by text message when the file is ready.

Procedure 5 File a declaration to 'economic office' of the Prefecture (Service Economique de la Commune)

Time to complete: 1 day

Cost to complete: no charge

Comment: File a letter of solicitation, a copy of patente, and a copy of the by-laws. Also file another application letter (for the second type authorization), a map of the establishment, installations, fire controls, waste treatment, etc. The Economic Office of the Prefecture assesses the security and health conditions, as well as potential environment effects, of the new company. The procedure can also be done at the CRI.

Procedure 6 Make company stamp

Time to complete: 1 day

Cost to complete: MAD 200

Comment:

Dealing with Licenses in Morocco

The table below summarizes the procedures, time, and costs to build a warehouse in Morocco.

BUILDING A WAREHOUSE

Date as of: January 2, 2007

Estimated Warehouse Value:

City: Casablanca

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain Cadastral Plan	2 days	MAD 60
2	Obtain Lands Registry Plan (Note de renseignements)	9 days	MAD 150
3	Request an obtain building permit	20 days	MAD 32,263
4 *	Receive inspection from Municipality	1 day	no charge
5	Receive inspection from Municipal Police (police municipale) during construction	1 day	no charge
6	Receive inspection from Municipal Police (police municipale) during construction	1 day	no charge
7	Receive inspection from Municipal Police (police municipale) during construction	1 day	no charge
8	Receive inspection from Municipal Police (police municipale) during construction	1 day	no charge
9	Receive inspection from Municipal Police (police municipale) during construction	1 day	no charge
10	Request and receive final inspection from municipal authorities	1 day	no charge
11	Obtain Certificate of Conformity (Certificat de Conformité)	60 days	no charge
12	Apply for water and sewerage connections	1 day	no charge
13	Receive water and sewerage inspection from LYDEC	1 day	no charge
14 *	Obtain water and sewerage connections	57 days	MAD 5,000
15 *	Apply for electricity network	1 day	MAD 1,200

16	Receive electrical inspection from LYDEC	1 day	no charge
17 *	Obtain electricity connection	12 days	no charge
18 *	Apply for telecommunications network	5 days	MAD 1,000
19	Register building with Lands Registry (Agence Urbaine)	7 days	MAD 16,258

* Takes place simultaneously with another procedure.

Procedure 1 Obtain Cadastral Plan

Time to complete: 2 days

Cost to complete: MAD 60

Comment: The cadastral plan contains the company name; the coordinates of the land plot, including north-south orientation; the registration number of the property title; the cadastral map; and the situation plan.

Procedure 2 Obtain Lands Registry Plan (Note de renseignements)

Time to complete: 9 days

Cost to complete: MAD 150

Comment: The lands registry plan specifies the intended purpose of the land. It can take between 3 and 15 days to obtain this document.

Procedure 3 Request an obtain building permit

Time to complete: 20 days

Cost to complete: MAD 32,263

Comment: A one-stop shop was established in Casablanca at the end of 2006. The one-stop shop became operational in April 2006. Under the one-stop shop, documents are deposited, the demand electronically filed, and an issuance date assigned within 15 days.

However, like in the old system, there still exists a commission (inter-agency) meeting to approve the files, although this commission has been administratively modernized. The Commission meets every day, but each day, to discuss issues concerning buildings in different neighborhoods (prefectures).

The file submitted to obtain a building permit includes about 8 architectural plans, land registry plans, land ownership certificate delivered by Land Registry, and application forms relating to general information about the construction project and about the description of the construction project. A set of the Application File is sent to the Fire Department (Protection Civile), Prefecture Authorities, and Land registry (Agence Urbaine). A commission including representatives of the Municipal Authorities, Prefecture Authorities, Land registry, and Emergency Services will need to decide whether an approval will be given to the applicant.

The fees are paid at the municipality once the construction permit has been granted to the landlord.

Each architect study plan is subject to the following payments:

- 50 Dirhams for stamp duties;
- 2 Dirhams per square meter of construction for fire safety;
- 20 Dirhams per square meter for permit; and
- Approximately 2,000 Dirhams for "frais d'occupation de domaine public".

Procedure 4 Receive inspection from Municipality

Time to complete: 1 day

Cost to complete: no charge

Comment: The inspection occurs prior to permit approval.

Procedure 5 Receive inspection from Municipal Police (police municipale) during construction

Time to complete: 1 day

Cost to complete: no charge

Comment: The municipal authorities (“Police municipale”) may undertake unannounced inspections any time. The frequency of inspections may range from once every two weeks to once every several months. There is no mandatory number of inspections, but in general, at least 4 or 5 visits are carried out during construction.

Procedure 6 Receive inspection from Municipal Police (police municipale) during construction

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 7 Receive inspection from Municipal Police (police municipale) during construction

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 8 Receive inspection from Municipal Police (police municipale) during construction

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 9 Receive inspection from Municipal Police (police municipale) during construction

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 10 Request and receive final inspection from municipal authorities

Time to complete: 1 day

Cost to complete: no charge

Comment: According to the municipal authorities, inspections are generally organized 2 weeks after receiving any request for the occupancy permit. Once the municipal authorities have verified that the building is conform to the approved architectural plans, the occupancy permit is granted.

Procedure 11 Obtain Certificate of Conformity (Certificat de Conformité)

Time to complete: 60 days

Cost to complete: no charge

Comment: Such a permit is delivered in an average time of 1 to 4 months and, exceptionally, within a year. With a lot of follow-up and connections, one can obtain the certificate within 2 weeks. The decision to grant a permit is made by a Municipal Authority Commission that meets on an ad hoc basis rather than regularly.

Procedure 12 Apply for water and sewerage connections

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 13 Receive water and sewerage inspection from LYDEC

Time to complete: 1 day

Cost to complete: no charge

Comment: LYDEC inspects the site to estimate the connection and installation costs. LYDEC inspectors usually visit the site within 2 weeks of processing the application for water and sewerage connection.

Procedure 14 Obtain water and sewerage connections

Time to complete: 57 days

Cost to complete: MAD 5,000

Comment: For the water supply connection, LYDEC uses the pricing formula: $PGI = KO * I/O * (Q-35)$, where $KO = 917,10$ Dirhams per m^3 /day; I/O = revision indicia; and $Q = 1 m^3/day * 100 m^2$.
The applicable VAT on PGI is 14%.

Procedure 15 Apply for electricity network

Time to complete: 1 day

Cost to complete: MAD 1,200

Comment:

Procedure 16 Receive electrical inspection from LYDEC

Time to complete: 1 day

Cost to complete: no charge

Comment: LYDEC inspects the site to estimate the connection and installation costs. LYDEC inspectors usually visit the site within 2 days of processing the application for an electrical connection.

Procedure 17 Obtain electricity connection

Time to complete: 12 days

Cost to complete: no charge

Comment: The costs vary depending on the location of the site, and construction type and usage.

LYDEC requires the payment of 215 DH as a guarantee for each kVA of electrical power requested, plus 80 Dirhams in stamp tax. This guarantee corresponds to the utilization of 200 hours of the requested electrical power applied for, and will be reimbursed when the electrical distribution contract is terminated.

Procedure 18 Apply for telecommunications network

Time to complete: 5 days

Cost to complete: MAD 1,000

Comment: Concerning the IAM telephone connection, the costs are a flat fee of 1,000 Dirhams and the monthly minimum fee is 110 Dirhams.

Procedure 19 Register building with Lands Registry (Agence Urbaine)

Time to complete: 7 days

Cost to complete: MAD 16,258

Comment: While not legally required, owners generally register the building with the lands registry to increase their asset value. No registration for tax purposes is necessary. The cost is 0.5% of the declared value of the construction.

Employing Workers in Morocco

Employing workers indices are based on responses to survey questions. The table below shows these responses in Morocco.

Employing Workers Indicators (2007)	Answer	Score
Rigidity of Employment Index		63.3
Difficulty of Hiring Index		100.0
Are fixed-term contracts prohibited for permanent tasks?	Yes	1
What is the maximum duration of fixed-term contracts (including renewals)? (in months)	12	1.0
What is the ratio of mandated minimum wage to the average value added per worker?	0.85	1.00
Rigidity of Hours Index		40.0
Can the workweek extend to 50 hours (including overtime) for 2 months per year to respond to a seasonal increase in production?	Yes	0
What is the maximum number of working days per week?	6	0
Are there restrictions on night work?	No	0
Are there restrictions on "weekly holiday" work?	Yes	1
What is the paid annual vacation (in working days) for an employee with 20 years of service?	24	1
Difficulty of Firing Index		50.0
Is the termination of workers due to redundancy legally authorized?	Yes	0
Must the employer notify a third party before terminating one redundant worker?	No	0
Does the employer need the approval of a third party to terminate one redundant worker?	No	0
Must the employer notify a third party before terminating a group of 25 redundant workers?	Yes	1
Does the employer need the approval of a third party to terminate a group of 25 redundant workers?	Yes	1
Can an employer make redundant a worker only if the worker could not have been reassigned or retrained?	Yes	1
Are there priority rules applying to redundancies?	Yes	1
Are there priority rules applying to re-employment?	Yes	1
Firing costs (weeks of wages)		85.1
What is the notice period for redundancy dismissal after 20 years of continuous employment? (weeks of salary)		8.7

What is the severance pay for redundancy dismissal after 20 years of employment? (weeks of salary)	76.4
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What is the legally mandated penalty for redundancy dismissal? (weeks of salary)	0.0
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Nonwage labor cost (% of salary)	19.1
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Note: The first three indices measure how difficult it is to hire a new worker, how rigid the regulations are on working hours, and how difficult it is to dismiss a redundant worker. Each index assigns values between 0 and 100, with higher values representing more rigid regulations. The overall Rigidity of Employment Index is an average of the three indices.

Registering Property in Morocco

This topic examines the steps, time, and cost involved in registering property in Morocco.

STANDARDIZED PROPERTY

Property Value: 95,000.00

City: Casablanca

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain the property certificate file and complete due diligence	1 day	MAD 75
2	Obtain the tax attestation form from the tax collection authority	1 day	no official cost
3	Obtain signature from Regional General Tax Authority that all taxes are paid	15 days	no official cost
4	Obtain signature from Municipal Tax Authority that all taxes are paid	15 days	no official cost
5	Give completed tax attestation form to Tax Collection Authority for approval	7 days	no official cost
6	Signatures of the seller and buyer and authentication of contract at the notary	1 day	0.5% to 1% of the transaction value plus 10% TVA (notary fees) + 600 dirhams in stamps (20 dirhams per page, 5 pages, 6 copies)
7	Registration of the deed	2 - 5 days	2.5% of property price (registration duty) + 0.5% property price (notary tax for having used a notarized deed rather than a private 'sous-seing prive' one)
8	The buyer applies for the inscription of the registered deed on the land registers (Conservation Fonciere)	3 days	MAD 75 + 1% of property value (stamp duty), with a minimum of MAD 450

Procedure 1	Obtain the property certificate file and complete due diligence
Time to complete:	1 day
Cost to complete:	MAD 75
Comment:	It is obligatory to complete due diligence by checking the property certificate file from the Conservation Fonciere.
Procedure 2	Obtain the tax attestation form from the tax collection authority
Time to complete:	1 day
Cost to complete:	no official cost
Comment:	One obtains a blank form from the tax collection authority (la Perception) in order to obtain approvals from other tax authorities that all relevant obligations have been paid.
Procedure 3	Obtain signature from Regional General Tax Authority that all taxes are paid
Time to complete:	15 days
Cost to complete:	no official cost
Comment:	As of 2007, taxes from several authorities must be cleared before the transfer takes place and it is the responsibility of the notary to assure that the money for the transaction is sufficient to cover any unpaid taxes.
Procedure 4	Obtain signature from Municipal Tax Authority that all taxes are paid
Time to complete:	15 days
Cost to complete:	no official cost
Comment:	As of 2007, taxes from several authorities must be cleared before the transfer takes place and it is the responsibility of the notary to assure that the money for the transaction is sufficient to cover any unpaid taxes.
Procedure 5	Give completed tax attestation form to Tax Collection Authority for approval
Time to complete:	7 days
Cost to complete:	no official cost
Comment:	Once signatures are obtained from local authorities, one reverts to the Tax Collection Authority to complete the attestation that all taxes related to the property have been paid.
Procedure 6	Signatures of the seller and buyer and authentication of contract at the notary
Time to complete:	1 day
Cost to complete:	0.5% to 1% of the transaction value plus 10% TVA (notary fees) + 600 dirhams in stamps (20 dirhams per page, 5 pages, 6 copies)
Comment:	The signatures of the parties in the sales deed are only certified by the public notary if a notarial deed is established. Copies of the document are stamped in each page. The deed can be prepared by the parties, in some cases assisted by their lawyers. At this point the parties will usually pay all fees and taxes to the notary, who will then pay all taxes and fees to the authorities on behalf of the

parties.

The documentation shall include:

- the sales agreement signed by the parties
- ID cards of each party; if the parties' signatures are filed with the local authorities, only a certified copy of their ID cards and the date and number under which the deed was filed will be required.

Procedure 7 Registration of the deed

Time to complete: 2 - 5 days

Cost to complete: 2.5% of property price (registration duty) + 0.5% property price (notary tax for having used a notarized deed rather than a private 'sous-seing prive' one)

Comment: The deed reflecting the transfer of ownership is registered within 30 days from the date of the deed. According to Article 4 of the Registration and Stamp Code, as amended by Finance Act n°48-03 for budget year 2004, a sales deed must be registered with the registration office in charge of the area where the property being sold is located. Registration can be applied for either by the notary or by the parties--the Registration Code does not include any specific provision stating who is entitled to apply for registration.

The registration duty has been cut to 2.5% in the Loi de Finances pour 2006, 'Livre d'Assiette et de Recouvrement': articles 136.1.B.3 and 136.1.A.1. The duly signed and certified sales deed is the only document that must be provided upon registration.

Procedure 8 The buyer applies for the inscription of the registered deed on the land registers (Conservation Fonciere)

Time to complete: 3 days

Cost to complete: MAD 75 + 1% of property value (stamp duty), with a minimum of MAD 450

Comment: Listing of the registered sales deed in the land registry is an additional formality, which is separate from registration. The buyer applies for the listing of the registered deed on the land registers. According to Article 65 bis of Royal decree of 5 August 1968 completing the dahir of 1913, such listing must be completed within 18 months from the date the deed was drafted for authentic deeds and as from the date the last signature was certified for private deeds. Parties submit a statement that must include the following: 1. designation with land title number, of building to be listed; 2. nature of right due to be listed; 3. acquisition method and nature and date of deed testifying to it; 4. if applicable, cause of resolution, restriction or right to dispose of or special notice that needs to be listed at the same time as main right, together with details of beneficiary. This statement must be signed by both parties. An original copy of the private deed or a copy of the authentic deed concerned is attached to such application.

One receives an official copy of the property registration certificate at the end of this process for MAD 75, which one can sell immediately.

Getting Credit in Morocco

The following table summarize legal rights of borrowers and lenders, and the availability and legal framework of credit registries in Morocco.

Getting Credit Indicators (2007)			Indicator
Private bureau coverage (% adults)	Private credit bureau	Public credit registry	1
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative data distributed?	No	No	0
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	No	No	0
Are more than 2 years of historical credit information distributed?	No	No	0
Is data on all loans below 1% of income per capita distributed?	No	No	0
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	No	No	0
Coverage	0.0	2.3	
Number of individuals	0	346,136	
Number of firms	0	134,052	
Legal Rights Index			3
Does the law allow all natural and legal persons to be party to collateral agreements?			Yes
Does the law allow for general descriptions of assets, so that all types of assets can be used as collateral?			No
Does the law allow for general descriptions of debt, so that all types of obligations can be secured?			Yes
Does a unified registry exist for all security rights in movable property?			No
Do secured creditors have absolute priority to their collateral outside bankruptcy procedures?			No
Do secured creditors have absolute priority to their collateral in bankruptcy procedures?			No
During reorganization, are secured creditors' claims exempt from an automatic stay on enforcement?			No
During reorganization, is management's control of the company's assets suspended?			Yes
Does the law authorize parties to agree on out of court enforcement?			No
May parties have recourse to out of court enforcement without restrictions?			No

Protecting Investors in Morocco

The table below provides a full breakdown of how the disclosure, director liability, and shareholder suits indexes are calculated in Morocco.

Protecting Investors Data (2007)	Indicator
Disclosure Index	3
What corporate body provides legally sufficient approval for the transaction? (0-3; see notes)	3
Immediate disclosure to the public and/or shareholders (0-2; see notes)	1
Disclosures in published periodic filings (0-2; see notes)	1
Disclosures by Mr. James to board of directors (0-2; see notes)	1
Requirement that an external body review the transaction before it takes place (0=no, 1=yes)	0
Director Liability Index	0
Shareholder plaintiff's ability to hold Mr. James liable for damage the Buyer-Seller transaction causes to the company. (0-2; see notes)	0
Shareholder plaintiff's ability to hold the approving body (the CEO or board of directors) liable for for damage to the company. (0-2; see notes)	1
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff (0-2; see notes)	0
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff (0=no, 1=yes)	0
Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff (0=no, 1=yes)	0
Whether fines and imprisonment can be applied against Mr. James (0=no, 1=yes)	0
Shareholder plaintiff's ability to sue directly or derivatively for damage the transaction causes to the company (0-1; see notes)	1
Shareholder Suits Index	0
Documents available to the plaintiff from the defendant and witnesses during trial (0-4; see notes)	0
Ability of plaintiffs to directly question the defendant and witnesses during trial (0-2; see notes)	0
Plaintiff can request categories of documents from the defendant without identifying specific ones (0=no, 1=yes)	0
Shareholders owning 10% or less of Buyer's shares can request an inspector investigate the transaction (0=no, 1=yes)	1
Level of proof required for civil suits is lower than that for criminal cases (0=no, 1=yes)	0
Shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit (0=no, 1=yes)	0

Notes:**Extent of Disclosure Index**

What corporate body provides legally sufficient approval for the transaction?

0=CEO or managing director alone; 1=shareholders or board of directors vote and Mr. James can vote; 2=board of directors votes and Mr. James cannot vote; 3 = shareholders vote and Mr. James cannot vote

Immediate disclosure to the public and/or shareholders

0=none; 1=disclosure on the transaction only; 2=disclosure on the transaction and Mr. James' conflict of interest

Disclosures in published periodic filings

0=none; 1=disclosure on the transaction only; 2=disclosure on the transaction and Mr. James' conflict of interest

Disclosures by Mr. James to board of directors

0=none; 1=existence of a conflict without any specifics; 2= full disclosure of all material facts

Director Liability Index

Shareholder plaintiff's ability to hold Mr. James liable for damage the Buyer-Seller transaction causes to the company

0= Mr. James is not liable or liable only if he acted fraudulently or in bad faith; 1= Mr. James is liable if he influenced the approval or was negligent; 2= Mr. James is liable if the transaction was unfair, oppressive or prejudicial to minority shareholders

Shareholder plaintiff's ability to hold the approving body (the CEO or board of directors) liable for damage to the company

0=members of the approving body are either not liable or liable only if they acted fraudulently or in bad faith; 1=liable for negligence in the approval of the transaction; 2=liable if the transaction is unfair, oppressive, or prejudicial to minority shareholders

Whether a court can void the transaction upon a successful claim by a shareholder plaintiff

0=rescission is unavailable or available only in case of Seller's fraud or bad faith; 1=available when the transaction is oppressive or prejudicial to minority shareholders; 2=available when the transaction is unfair or entails a conflict of interest

Shareholder plaintiffs' ability to sue directly or derivatively for damage the transaction causes to the company

0=not available; 1=direct or derivative suit available for shareholders holding 10% of share capital or less

Shareholder Suits Index

Documents available to the plaintiff from the defendant and witnesses during trial

Score 1 each for (1) information that the defendant has indicated he intends to rely on for his defense; (2) information that directly proves specific facts in the plaintiff's claim; (3) any information that is relevant to the subject matter of the claim; and (4) any information that may lead to the discovery of relevant information.

Ability of plaintiffs to directly question the defendant and witnesses during trial

0=no; 1=yes, with prior approval by the court of the questions posed; 2=yes, without prior approval

Paying Taxes in Morocco

The table below addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year in Morocco, as well as measures of administrative burden in paying taxes.

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax rate (% profit)	Notes on TTR
Value added tax (VAT)	12		240	20.0%	value added		not included
Stamp duty	1			MAD 20/ page	per page		small amount
Property tax	1			10.0%	rental value of property	0.44	
Vehicle tax	1			MAD 6100	fixed fee	1.37	
Social security contributions	12		48	19.1%	gross salaries	21.54	
Corporate income tax	1		70	35.0%	taxable profits	29.74	
Totals	28		358			53.1	

Notes:

- a) data not collected
- b) VAT is not included in the total tax rate because it is a tax levied on consumers
- c) very small amount
- d) included in other taxes
- e) Withheld tax
- f) electronic filling available
- g) paid jointly with another tax

Name of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

When there is more than one statutory tax rate, the one applicable to TaxpayerCo is reported.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

Trading Across Borders in Morocco

These tables list the procedures necessary to import and exports a standardized cargo of goods in Morocco. The documents required to export and import the goods are also shown.

Nature of Export Procedures (2007)	Duration (days)	US\$ Cost
Documents preparation	6	50
Customs clearance and technical control	2	100
Ports and terminal handling	2	350
Inland transportation and handling	4	100
Totals	14	600

Nature of Import Procedures (2007)	Duration (days)	US\$ Cost
Documents preparation	11	100
Customs clearance and technical control	3	250
Ports and terminal handling	2	350
Inland transportation and handling	3	100
Totals	19	800

Export

Bill of lading

Commercial invoice

Custom export declaration

Delivery order

Export license

Foreign exchange document (Engagement de change)

Pre-shipment inspection report

Triptic (container ID card)

Import

Bill of lading

Certificate of origin

Commercial invoice

Copy of commercial registry inscription

Customs export declaration

Delivery order

Gate pass

Import license

Inspection report

Packing list

Triptic (container ID card)

Enforcing Contracts in Morocco

This topic looks at the efficiency of contract enforcement in Morocco.

Nature of Procedure (2007)	Indicator
Procedures (number)	40.00
Duration (days)	615.00
Filing and service	10.0
Trial and judgment	365.0
Enforcement of judgment	240.0
Cost (% of claim)*	25.20
Attorney cost (% of claim)	13.7
Court cost (% of claim)	3.2
Enforcement Cost (% of claim)	8.3

Court information: Casablanca Commercial Cou(المحكمة التجارية)

* Claim assumed to be equivalent to 200% of income per capita.