



# APA & MAP Country Guide 2019 – Morocco

CONNECTING THE DOTS OF INTERNATIONAL TAX CONTROVERSY



# Morocco

## APA Program

KEY FEATURES	
<b>Competent authority</b>	Moroccan tax authority
<b>Relevant provisions</b>	Articles 234 bis & ter for the Moroccan General Tax Code & Ministerial Decree No 2.16.571 of July 3, 2017 (Official Gazette No. 6594 of August 10, 2017)
<b>Types of APAs available</b>	Unilateral, bilateral, and multilateral APAs are available.
<b>Acceptance criteria</b>	Moroccan resident Taxpayers that have direct or indirect dependency relationships with entities situated outside of Morocco, may conclude an APA with the Moroccan tax authority.
<b>Key timing requests, deadlines</b>	The APA procedure must be initiated by the Taxpayer at least six months before the beginning of the first financial year it is anticipated to cover.
<b>APA term limits</b>	There is a four-year maximum term for an APA.
<b>Filing fee</b>	There is no filing fee.
<b>Rollback availability</b>	Rollback to prior years is not available.
<b>Collateral issues</b>	No specific guidance.

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## PRE-FILING REQUIREMENTS

<b>Overview</b>	Taxpayers may take part in a preliminary meeting with the Moroccan tax authority. The purpose of this meeting is to discuss the nature of the information required in the APA application for the purposes of analyzing the Taxpayer's transfer pricing policy; plan a meeting schedule during the review and negotiation of the agreement; and any other requirements that might be necessary to conclude the APA application process.
<b>Anonymous pre-filing availability</b>	No specific guidance

## APPLICATION REQUIREMENTS

<b>Content of application</b>	<p>The APA application should include:</p> <ul style="list-style-type: none"> <li>• identities of the associated entities;</li> <li>• operations covered by the proposed APA;</li> <li>• proposed duration of the APA;</li> <li>• proposed transfer pricing method(s) to be used and critical assumptions relied upon in selecting such method(s);</li> <li>• organizational structure of relevant entities;</li> <li>• business plan of the Taxpayer;</li> <li>• tax and financial documents of the relevant entities for the past four years, as certified by the relevant foreign competent authorities;</li> <li>• accounting standards used by the relevant entities;</li> <li>• business industry of the relevant entities;</li> </ul>
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	<ul style="list-style-type: none"> <li>• general description of the functions exercised, assets used, and risks assumed by the relevant entities;</li> <li>• detailed description of intangibles held by the relevant entities;</li> <li>• description of the target market of the business industry;</li> <li>• description of controlled transaction(s);</li> <li>• agreements between the relevant entities;</li> <li>• cost-sharing arrangements between the relevant entities;</li> <li>• any APAs concluded by the Taxpayer with foreign tax authorities, as well as any rulings issued by those jurisdictions; and</li> <li>• identification, analysis, and selection of comparables, including supporting documents and potential adjustments for comparability purposes.</li> </ul> <p>During the review and negotiation stage, the Moroccan tax authority will analyze and evaluate the APA application and supporting documentation and, if a bilateral or multilateral APA, negotiate with the relevant tax treaty partner(s), before putting an agreement to the Taxpayer for signing. Further documentation may be requested during this stage.</p>
<b>Language</b>	No specific guidance
<b>SME provisions</b>	No specific guidance.

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## OTHER PROCEDURAL CONSIDERATIONS

<b>General</b>	The Moroccan tax authority follows a standard pre-filing, application, and monitoring process. There are no unique procedural aspects.
<b>Monitoring &amp; compliance</b>	Taxpayers must submit a report each year to the Moroccan tax authority that covers the following: <ul data-bbox="528 405 987 651" style="list-style-type: none"><li>• evidence of the application of the transfer pricing method as specified under the APA;</li><li>• summary of any modifications of the original terms required due to changing circumstances;</li><li>• organizational structure of relevant entities; and</li><li>• a copy of the Taxpayer's Annual Report.</li></ul>
<b>Renewal procedure</b>	Application for the renewal of APAs is the same as the initial submission.

## MAP Program

### KEY FEATURES

<b>Competent authority</b>	Moroccan tax authority
<b>Relevant provisions</b>	There are no specific provisions for MAP in domestic law.
<b>Acceptance criteria</b>	Taxpayers may request a MAP if taxation has or is likely to occur that is not in accordance with the provisions of a DTT to which Morocco is signatory.
<b>Key timing requests, deadlines</b>	Time limits may vary, and the relevant DTT should be consulted for the applicable time limit.

### APPLICATION REQUIREMENTS

<b>Content of application</b>	No specific guidance.
<b>Language</b>	No specific guidance

### OTHER PROCEDURAL CONSIDERATIONS

<b>Interaction with domestic proceedings</b>	No specific guidance.
<b>Arbitration</b>	No specific guidance

### STATISTICS

<b>APA</b>	There are no APA statistics publicly available.
<b>MAP</b>	There are no APA statistics publicly available.

## Double Taxation Treaty Network

The following treaties include MAP provisions which are the basis for bilateral and multilateral APA negotiations:

Algeria	India	Pakistan
Austria	Indonesia	Poland
Bahrain	Ireland	Portugal
Belgium	Italy	Qatar
Bulgaria	Ivory Coast	Romania
Canada	Jordan	Russia
China	Korea (Republic of)	Senegal
Croatia	Kuwait	Singapore <sup>(vi)</sup>
Czech Republic	Latvia	Spain
Denmark	Lebanon	Switzerland
Egypt	Luxembourg	Syria
Finland <sup>(vii)</sup>	Macedonia	Tunisia
France	Malaysia	Turkey
Gabon	Mali	Ukraine
Germany	Malta	United Arab Emirates
Greece	Netherlands	United Kingdom
Guinea	Norway	United States
Hungary	Oman	Vietnam <sup>(viii)</sup>

## Notes

- i. denotes treaties with MAP arbitration provisions. (I\* denotes treaties to which MAP arbitration provisions under the MLI apply)
- ii. denotes treaties with the USSR that remain applicable until a separate tax treaty is concluded.
- iii. denotes treaties between the countries' representative office in Taipei and the Taipei Economic and Cultural Office in the relevant country.
- iv. denotes treaties that became effective within the last five years.
- v. denotes treaties that are awaiting ratification.
- vi. denotes MAP provisions identical to para 3, art 25 of the OECD Model Convention with respect to Taxes on Income and on Capital.
- vii. arbitration is to be conducted under the statutes of the ECJ.
- viii. arbitration is to be conducted under the statutes of the ICJ.

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