Law relating to the Stock Exchange
Dahir providing law N° 1-93-211 of 21 September 1993 relating to the Stock Exchange revised and adopted by laws N° 34-96, 29-00, 52-01, 45-06 and 43-09.
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TITLE I: DEFINITIONS

Article 1: The Stock Exchange is a market, regulated by the present dahir providing the relevant law and texts, in which transferable securities are publicly traded.

The stock-market includes a central market in which all buy and sell orders in a transferable security listing on the Stock Exchange are matched and a block-trade market in which transactions in transferable securities listed on the Stock Exchange are carried out by direct agreement and which relate to quantities larger than or equal to the Minimum Block Size calculated pursuant to point 3 of article 4 below.

Block trades are carried out under the terms referred to in article 19(iii) below.

The official list of the Stock Exchange groups together all transferable securities admitted for listing on the Stock Exchange. It is made up of different compartments. Admission requirements to each compartment are defined in article 14(ii), 14(ii) and 14(iii) below.

Article 2: The following are considered to be transferable securities:

- shares or others securities or rights giving or enabling access to the share-capital or voting rights, directly or indirectly, transferable by account registration or by handing over;
- debt securities representing creditors’ rights on the net assets of the issuing corporate entity, transferable by account registration or by handing over, but excluding bills-of-exchange and cash vouchers.

Article 3: The following are considered to be the equivalent of transferable securities:

- units in mutual funds referred to in the dahir providing law N° 1-93-211 of the 4 rabia II 1414 (21 September 1993), relating to collective investment undertakings in transferable securities;
- units in debt securitisation funds governed by law N° 10-98 relating to debt securitisation;
- units in risk-capital investment undertakings as defined by legislation relating to risk-capital investment undertakings.
Article 4: For the purpose of the present text, the following terms have the following meanings:

1. corporate actions or transactions concerning transferable securities listed on the Stock Exchange: any transfer in ownership of the said transferable securities which must be registered with account-keeping institutions as defined by e) of the first article of law N° 35-96 relating to the establishment of a Central Securities Depositary and a general scheme for account registration of certain securities;

2. counterparty: the purchase or sale of transferable securities by brokerage firms for their own account;

3. block of securities: a number of securities exceeding the quantity normally traded in the market for a given security. The Minimum Block Size for each security listed on the Stock Exchange is calculated periodically by the Managing Company, referred to below in article 7, as a function of the security’s market liquidity and volume traded, according to the terms referred to in article 7(ii) below of the General Rules;

4. block trading: trading relating to a quantity of securities greater than or equal to the Minimum Block Size for a given security referred to above in point 3;

5. direct transfer: any transfer in ownership of a transferable security listed on the Stock Exchange between spouses, ascendants or descendants of direct kin or once removed, as well as arising from an inheritance or legacy, without any financial compensation or payment of whatever nature;

6. settlement of a transaction: payment in cash and delivery of securities on a reciprocal and simultaneous basis arising from the transaction;

7. theoretical settlement date: date when settlement must occur, established in relation to the trade date pursuant to the rules and procedures specified in the General Rules referred to in article 7(ii) below;

8. net position: balance arising from the matching of buy and sell orders for the same security;

9. net position pending: net position unsettled at the theoretical settlement date;
10. effective settlement date: date on which cash payment and delivery of securities relating to the transaction occurs. This date may either be the theoretical settlement date or be at a later date;

11. affiliated institution: an institution affiliated to the Central Securities Depositary established by law N° 35-96;

12. aggregation: adding together several stock-market orders with the same characteristics and concerning the same security, received from one or several Clients, so as to submit only one stock-market order relating to a quantity equal to the sum of all the individual orders;

13. clearing: action consisting of offsetting buy orders and sell orders for the same security so as to submit only the net position in the market;

14. reference price: the closing price of the last session during which the security traded. However, if significant changes occur in the issuer's economic circumstances since the last time it traded, the Managing Company fixes the reference price according to market estimates. For subscription and allocation rights, the reference price is determined in relation to the reference price of the security for which the rights have been detached and the issue price or the par value of the securities for allocation or subscription.

**Article 5:** By “prospecting” is meant the activity of a person who usually visits people at their home, at their place of work or in public places or who generally contacts them by telephone, by letter or by sending publications, either to encourage them to buy or sell shares or to participate in a corporate action relating to shares, or to offer his services or to offer advice with the same intention.

**Article 6 (i):** By “Client” is meant any individual or corporate entity which submits a buy or sell order relating to transferable securities to a brokerage firm.

**Article 6 (ii):** For the purpose of the present text, by “members of administrative, operational and management entities” is meant:

- for a public limited company: the administrators, managing directors or members of the executive board;
- for a private limited company or a limited partnership: the manager(s).
Title II: Concerning the Stock Exchange

Chapter I: Stock Exchange organisation

Article 7 (i): A public limited company will be established for administering the Stock Exchange pursuant to general requirements approved by the Minister of Finance.

These general requirements define, in particular, obligations regarding the Stock Exchange's proceedings, the registration and publication of transactions as well as the rules of ethics that ought to be respected by the personnel of the contracting company.

The contracting company is hereafter named the Managing Company.

Article 7 (ii): The General Rules, established by the Managing Company and approved by decree of the Minister of Finance on the advice of the Council for the Code of Ethics in Securities Markets specify the rules governing the Stock Exchange, in particular:

- rules relating to the registration of transferable securities for listing and de-listing, pursuant to the provisions of the present dahir providing law;
- rules and procedures relating to market proceedings, pursuant to the provisions of the present dahir providing law;
- transfer terms for registered transferable securities between one compartment and another pursuant to the provisions of the present text;
- rules applicable to the supervision of brokerage firms regarding trading and the settlement of stock-market transactions, pursuant to legislation in force;
- rules relating to the supervision of persons placed under the authority of or acting on behalf of brokerage firms or the Managing Company, pursuant to legislation in force;
- rules relating to the use and implementation of the guarantee referred to below in the 2nd paragraph of article 33 as well as requirements for the building-up, management and use of margin, referred to in the 3rd paragraph of the same article;
- requirements relating to the reimbursement by the guarantee fund of clients of brokerage firms which have gone into liquidation, referred to in Chapter III of Part IV of the present law;
- documents that brokerage firms are obliged to submit to the Managing Company;
- documents that the Managing Company may request of issuers.
The Managing Company and brokerage firms are obliged to respect the provisions of the General Rules referred to in the present article.

**Article 8:**
The Articles of Association of the management company must give the names of the companies holding its shares and the percentage of registered capital they each hold.

No shareholder of the management company may have a holding in its registered capital that exceeds the ceiling laid down in the Decree issued by the Finance Minister, on the advice of the securities regulator, the Council for the Code of Ethics in Securities.

Any change in the management company’s shareholder base is subject to the prior approval of the Finance Minister.

The Management Company’s shares shall be subscribed to or repurchased at a price fixed by the Council for the Code of Ethics in Securities.

**Article 9:**
The minimum capital requirement for the Management Company is fixed by the Finance Minister on the advice of the Council for the Code of Ethics in Securities, set up under Dahir Law no. 1-93-212 of 4 rabii II 1414 (21 September 1993) concerning the Council for the Code of Ethics in Securities and the information to be provided by legal persons making a public offering.

Contributions must be made in full and in cash when the company’s capital is subscribed to.

**Article 10:**
The Managing Company’s draft Articles of Association and revisions are approved by the Minister of Finance on the advice of the Council for the Code of Ethics in Securities Markets.

The appointment of members of administrative, operational and management entities and, as the case may be, of the Managing Company’s supervisory board is subject to approval by the Minister of Finance who may dismiss those members from their duties, if there are sufficient grounds, on receiving a report from the government’s commissioner or from the Council for the Code of Ethics in Securities Markets and may provide replacements whilst awaiting the appointment of new members.

**Article 11:**
In addition to its obligations relating to the management of the Stock Exchange, as stipulated in the general conditions mentioned in article 7 of the present dahir providing law, the Managing Company’s other duties include:
• announcing the listing of transferable securities on the Stock Exchange and their de-listing;
• checking that trading and settlement proceedings undertaken by brokerage firms comply with the laws and rules applicable to those proceedings.

The Managing Company is responsible for orderly stock-market proceedings.

In addition, the Managing Company must notify the Council for the Code of Ethics in Securities Markets of any violation that it may have discovered during the supervision process.

**Article 12 (i):** The Managing Company may also suspend trading in one or several transferable securities for a fixed period when, during a single session, the price experiences an upward or downward move greater than the limit fixed by the Council for the Code of Ethics in Securities Markets. This limit may not exceed 10% relative to the reference price of the security concerned.

Trading may also be suspended by the Managing Company on the request of the Council for the Code of Ethics in Securities Markets when information that is liable to have a significant impact on prices should be brought to the attention of the public pursuant to the provisions of article 18 of the aforesaid dahir providing law N° 1-93-212 of the 4 rabia II 1414 (21 September 1993).

As soon as the said information referred to in article 18 has been published in a newspaper containing legal announcements by the issuing corporate entity concerned, or failing publication, after a maximum five sessions in suspension, the suspension is lifted by right.

The suspension and resumption of trading are subject to a notice, with justification, which is posted at the Stock Exchange and published by the Managing Company.

**Article 12 (ii):** When the Managing Company considers that the behaviour of a brokerage firm is such that it is likely to seriously jeopardise the safety or integrity of the market, it may temporarily suspend its stock-market access, alert the Council for the Code of Ethics in Securities Markets and notify the Professional Association of Brokerage Firms referred to below in article 82.

The Council for the Code of Ethics in Securities Markets rules on the suspension imposed by the Managing Company within two business days.
Article 12(iii): The Managing Company is authorised to take all useful measures to ensure market safety and for this purpose, to intervene in the affairs of brokerage firms. In particular, it may limit the exposure of a brokerage firm to a given security if market circumstances dictate. It must justify its decisions and immediately notifies the Council for the Code of Ethics in Securities Markets.

Article 12(iv): The Managing Company may delete a price quotation and consequently all transactions executed at this price. It may also delete a trade.

The deletions referred to in the first paragraph occur:

- either on the request of the brokerage firm if it has made an error in submitting an order and with a bona fide reason. This deletion can only occur with the agreement of all brokerage firms acting as counterparties;
- or on the initiative of the Managing Company in the case of a technical incident or error by the Managing Company concerning trading parameters.

Trade deletion terms referred to above are specified in the General Rules referred to in article 7(ii) above.

Any deletion is published in the Official Bulletin by the Managing Company.

Brokerage firms not responsible for the trade deletion are cleared of any responsibility towards their clients regarding the possible consequences of the said deletion.

Chapter II: Admission to the official list

Article 14(i): Tradable equity securities issued by a corporate entity may be listed on the Stock Exchange, in one of three specific compartments, according to the following terms:

1. Tradable equity securities may be registered in the first compartment only if the issuer meets the following requirements:

   - the share-capital must be fully paid-up;
   - a minimum 75 million dirhams of equity securities must be distributed to the public;
This minimum amount may be revised on the proposal of the Managing Company and on the advice of the Council for the Code of Ethics in Securities Markets, by decree of the Minister of Finance.

- a minimum number of 250,000 equity securities must be distributed to the public;

This minimum amount may be revised on the proposal of the Managing Company and on the advice of the Council for the Code of Ethics in Securities Markets, by decree of the Minister of Finance.

- shareholders’ funds must be a minimum 50 million dirhams;

This minimum amount may be revised on the proposal of the Managing Company and on the advice of the Council for the Code of Ethics in Securities Markets, by decree of the Minister of Finance;

- must have filed audited financial statements for the three financial years preceding request for admission to listing. In addition, legal entities with subsidiaries as defined in article 143 of law N° 17-95 relating to public limited companies, must publish consolidated annual accounts according to legislation in force, or, failing which, according to international standards.

2. Tradable equity securities may be registered in the second compartment only if the issuer meets the following requirements:

- the share-capital must be fully paid-up;
- a minimum 25 million dirhams of equity securities must be distributed to the public;

This minimum amount may be revised on the proposal of the Managing Company and on the advice of the Council for the Code of Ethics in Securities Markets, by decree of the Minister of Finance.

- a minimum number of 100,000 equity securities must be distributed to the public;

This minimum amount may be revised on the proposal of the Managing Company and on the advice of the Council for the Code of Ethics in Securities Markets, by decree of the Minister of Finance.
must have posted minimum revenues of 50 million dirhams in the financial year preceding request for admission to listing; this minimum amount may be revised on the proposal of the Managing Company and on the advice of the Council for the Code of Ethics in Securities Markets, by decree of the Minister of Finance;

must have filed audited financial statements for the two financial years preceding request for admission to listing;

must have signed an agency agreement with a brokerage firm according to the Council for the Code of Ethics in Securities Markets’ pro-forma model for a period of one year, relating in particular to obligations of the said firm concerning liquidity provision for its securities; this agreement may be renewed on the request of the Managing Company.

3. Tradable equity securities may be registered in the third compartment only if the issuer meets the following requirements:

• the share-capital must be fully paid-up;

• a minimum 10 million dirhams of equity securities must be distributed to the public;

This minimum amount may be revised on the proposal of the Managing Company and on the advice of the Council for the Code of Ethics in Securities Markets, by decree of the Minister of Finance.

• a minimum number of 30,000 equity securities must be distributed to the public;

This minimum amount may be revised on the proposal of the Managing Company and on the advice of the Council for the Code of Ethics in Securities Markets, by decree of the Minister of Finance.

• must have filed audited financial statements for the two financial years preceding request for admission to listing;

• must have signed an agency agreement with a brokerage firm according to the Council for the Code of Ethics in Securities Markets’ pro-forma model for a period of three years, relating in particular to obligations concerning the preparation of information documents for the public and liquidity provision for its securities; this agreement may be renewed on the request of the Managing Company, after the initial three-year period, and on a year-by-year basis.
In addition, at the time of the stock-market listing, the majority joint shareholders of the corporate entity applying for listing must make a commitment to maintain the said majority for a period of three years from the date of initial trading. This period may be revised by decree of the Minister of Finance on the advice of the Council for the Code of Ethics in Securities Markets. During this period, the shares concerned must be frozen in an account held at the brokerage firm referred to above or with an affiliated institution appointed by the said firm.

Article 14(ii): Tradable debt securities may be registered in a specific compartment if the issuer meets the following requirements:

- must be for a minimum amount of 20 million dirhams;

This minimum amount may be revised on the proposal of the Managing Company and on the advice of the Council for the Code of Ethics in Securities Markets, by decree of the Minister of Finance.

- must relate to a period of more than 2 years;
- must be issued by a corporate entity with certified consolidated financial statements for the previous two years.

Article 14(iii): Shares or units in the following investment schemes may be registered in a specific compartment:

- risk-capital investment undertakings governed by the relevant law in force;
- debt securitisation funds governed by law N° 10-98 relating to debt securitisation.

The issue of shares or units referred to above must relate to a minimum amount of 20 million dirhams.

This minimum amount may be revised on the proposal of the Managing Company and on the advice of the Council for the Code of Ethics in Securities Markets, by decree of the Minister of Finance.

Article 14(iv): On condition that the provisions of articles 14(i), 14(ii) and 14(iii) above have been respected, the Managing Company declares the admission of a security to the official list of the Stock Exchange according to the rules and requirements specified in the General Rules referred to in article 7(ii) above. The Managing Company must duly justify its decision to refuse admission to listing.
Article 14(v): Requirements relating to shareholders’ funds as well as the number of equity securities distributed and the level of revenues referred to in article 14 of the present text must be respected at all times so that the listing of transferable securities is maintained in their respective compartments. Failing this, the Managing Company may transfer the securities concerned to another compartment or de-list them.

Article 15: Transferable securities issued by corporate entities which do not have their registered office in Morocco may be listed on the Stock Exchange on the condition that they have the prior agreement of the Minister of Finance.

Chapter III: De-listing

Article 16: The de-listing of securities listed on the Stock Exchange may occur on the request of the corporate entity concerned or on the initiative of the Managing Company.

The following factors are taken into consideration when deciding to de-list a company:

- respect for the terms and commitments referred to above in articles 14(i), 14(ii) and 14(iii);
- average daily volume expressed in dirhams and number of securities as well as the number of business days that the security has traded;
- dividend payments during the previous three financial years.

Article 17(i): The Managing Company may also decide to de-list securities on the request of the Council for the Code of Ethics in Securities Markets when the corporate entity concerned does not respect the provisions of the dahir providing law N° 1-93-212 of the 4 rabia II 1414 (21 September 1993) relating to the Council for the Code of Ethics in Securities Markets and fails to provide information required of corporate entities making a public offering and texts for that purpose.

The Managing Company may also decide to de-list securities on the request of the Council for the Code of Ethics in Securities Markets when the corporate entity concerned has gone into liquidation.
**Article 17(ii):** Subject to the provisions of articles 16 and 17 above, the Managing Company may decide to de-list transferable securities from one of the compartments of the Stock Exchange, according to the rules and requirements specified in the General Rules referred to in article 7(ii) above. The Managing Company must duly justify its decision to de-list a company from one of the compartments of the Stock Exchange.

**Chapter IV: Transactions**

**Article 18:** Trading in and quotation of transferable securities listed on the Stock Exchange may only be carried out at the Stock Exchange and by the intervention of authorised brokerage firms pursuant to the provisions of the present text. These brokerage firms act either directly for clients in the handling of orders or have appointed fund manager status or trade for their own account.

When the equity securities of a legal entity are listed on the Stock Exchange, the provisions of the first paragraph apply to all equity securities issued by the said legal entity.

When the equity securities of the said legal entity are listed on a regulated market outside Morocco, the provisions of the first paragraph do not apply to transactions on this market.

**Article 19(i):** Client orders must specify all necessary details required for execution particularly the order type, whether it is a purchase or sale, the name of the security or securities to be traded, the price and the size. These orders must be voice-recorded by brokerage firms if they are received by telephone.

As soon as the orders are received, they must be time-stamped before being submitted conscientiously to the Managing Company.

**Article 19(ii):** All orders relating to the same security and in a size smaller than the Minimum Block Size as referred to above in point 3 of article 4 must be submitted by brokerage firms for matching on the central market.
Article 19(iii): All orders relating to the same security and in a size equal or greater than the Minimum Block Size as referred to above in point 3 of article 4 must be submitted by brokerage firms either for the central market or for trading on the block-trade market.

Block trades are carried out by direct agreement at a price reflecting the trading conditions prevailing on the central market for the security concerned. The General Rules referred to above in article 7(ii) specify the methods of application of the present paragraph.

Block trades must be declared immediately by the brokerage firm(s) concerned to the Managing Company which registers them.

Article 19(iv): If one of the brokerage firms fails to report the trade to the Managing Company, then the block trade is considered not to have taken place.

Article 19(v): Any aggregation or clearing of stock-market orders is formally prohibited except, however, for orders relating to the same rights and having the same price which may be aggregated.

Article 20: The Managing Company confirms transactions with brokerage firms within 24 hours.

Article 23 : When it concerns a transaction in a fixed-income security, the interest-bearing coupon is not taken into account after the interest payment date of the said coupon.

When it is a question of a transaction in a security with a variable interest payment, the dividend is not taken into account after the dividend payment date.

Article 24: Dates for coupon-clipping of securities with variable interest payments are fixed by an announcement at least two stock-market sessions before their clipping, published by the Managing Company at the expense of the company concerned.

Article 25: Any coupon unduly clipped by the seller must be returned to the buyer or the latter must be reimbursed for an equivalent amount.
Article 26: Orders submitted for securities which have rights or specific obligations attached are automatically cancelled from the date when these rights or specific obligations are no longer attached to the said securities.

Article 27: Transactions carried out by the intervention of brokerage firms incur commission payments remunerating services offered by the Managing Company. The commission rate for registering transactions referred to in articles 29 and 30 below may not exceed a maximum limit fixed by the Minister of Finance on the proposal of the Council for the Code of Ethics in Securities Markets.

Article 28: Brokerage firms are exempt from paying the registration commission referred to in article 27 above for transactions for which they are the counterparty.

Chapter V: Registration and recording of transactions

Article 29: Transactions concerning transferable securities listed on the Stock Exchange and relating to a size smaller than the Minimum Block Size referred to above in point 3 of article 4 are immediately registered by the Managing Company.

These transactions are recorded by brokerage firms and categorised by order type, nature of the transaction, Client’s identity, name of the securities traded, quantity and unit price.

Article 30(i): Transactions concerning transferable securities listed on the Stock Exchange and relating to a size equal to or larger than the Minimum Block Size referred to above in paragraph 3 of article 4 are immediately registered by the Managing Company.

Information concerning these transactions, particularly the nature, quantity and price of the securities concerned are published by the Managing Company under the terms fixed by the General Rules referred to above in article 7(ii). Information referred to in the previous paragraph is recorded by brokerage firms in a special register which also includes the Client’s identity.

Article 30(ii): Proprietary trades must be recorded by brokerage firms in a register specially established for this purpose, including, in particular, the Client’s identity, name of the securities traded, quantity and price.
Article 31: Subject to the provisions of article 32 of the present law, the affiliated institution concerned or the brokerage firm must be notified of direct transfers of transferable securities listed on the Stock Exchange by the transfer's donor and beneficiary within a period of 60 days following the date of the said transfer, as defined above in point 5 of article 4.

Brokerage firms register these direct transfers in a special register including, in particular, the identity of the beneficiary of the transfer and of the person who transferred the securities concerned, as well as their quantity.

Brokerage firms inform the Managing Company of the said direct transfers within a period of five working days inclusive from the date of the notification referred to above in the first paragraph. The latter records them in a special register including, in particular, the date of the direct transfer, the securities concerned and their quantity.

Direct transfers between ascendants or descendants of direct kin or once removed give rise to commission payments to both the Managing Company and the brokerage firm by the donor or beneficiary of the said transfer. The Managing Company's commission rate may not exceed 25% of the registration commission rate referred to in article 27 of the present text. The security's last quoted price serves as the reference for calculating this commission. Direct transfers between spouse results in commission referred to in the aforesaid article 27.

Article 32: In the event of a direct transfer arising from an inheritance or legacy, the affiliated institution concerned registers the transfer of ownership of the securities on the initiative of the beneficiary of the transfer. The affiliated institution concerned records this transfer in a special register including, in particular, the names of the deceased and the beneficiary, the securities concerned and their quantity.

The affiliated institution concerned informs the Central Securities Depositary and the Managing Company of the said direct transfers within a period of five working days inclusive from the date of registration of transfer of ownership referred to in the previous paragraph. The latter records them in a special register including, in particular, the date of the direct transfer, the securities concerned and their quantity.

Direct transfers arising from an inheritance or legacy do not incur any commission payments, either to the Managing Company or to the Central Securities Depositary or to the affiliated institutions.
Chapter VI: Clearing and delivery

Article 37(i): The Managing Company is responsible for organising the clearing and delivery of securities and payment in cash. Delivery and payment are made on a reciprocal and simultaneous basis at the settlement date.

The Managing Company guarantees brokerage firms payment in cash and delivery of securities owed to them on account of the transactions in securities listed on the Stock Exchange and executed on the central market.

For this purpose, brokerage firms build up margin with the Managing Company which is earmarked to cover its unsettled net positions on the central market.

Until the effective settlement date, the margin may be adjusted under the terms fixed in the General Rules referred to above in article 7(ii).

If settlement has not taken place by the theoretical settlement date, unsettled net positions are considered as net positions pending. Any net position pending is subject to penalties for late settlement.

A brokerage firm with a net position pending has a time limit to settle the said position. This period is fixed in the General Rules referred to above in article 7(ii).

In the event that no adjustment has been made or the time limit referred to above has elapsed and the brokerage firm with a net position pending has still not settled the said position, the Managing Company has the right to execute buy or sell orders intended to clear the net positions pending on behalf of the said brokerage firm.

As the case may be, the cost of executing buy or sell orders referred to in the previous paragraph is covered by the margin built up by brokerage firms with a net position pending.

However, if prevailing market conditions for a particular security do not allow for the clearing of the unsettled position, the Managing Company may decide that delivery of securities is best resolved by financial compensation in favour of the brokerage firms which have not received delivery of the securities. The amount of financial compensation may not exceed a certain percentage of the last quoted price of the security concerned, the said percentage being fixed by the aforesaid General Rules.
Clients receive effective delivery of securities by brokerage firms on the first working day following registration of the transaction by the Managing Company.

In the event of a default in the payment of cash or the delivery of securities by the brokerage firm following default by the account holder of the said securities and/or cash, the account holder is obliged to pay all expenses and costs incurred by brokerage firms on account of this default.

Chapter VII: Supervision of the Managing Company

Article 33(ii): The Managing Company is not subject to legislation relating to the government’s financial supervision of ministerial offices, public institutions and concessionary companies as well as companies and organisations benefiting from financial assistance from the government or local authorities.

A government commissioner appointed by the Minister of Finance is seconded to the Managing Company. He is responsible for ensuring that the Managing Company respects the provisions of its Articles of Association and the general requirements mentioned in article 7 of the present text.

The government commissioner is invited to the Managing Company’s General Meetings and to all sessions of the Executive and Supervisory Boards, and as the case may be, related committees. He receives daily business briefings, minutes, reports and dossiers which are communicated to the Executive and Supervisory Boards. He judges whether the decisions taken by the Executive and Supervisory Boards are in accordance with the provisions of the general requirements and Articles of Association referred to respectively in articles 7 and 10 of the present text. He may suspend any decision that does not comply with the provisions of the general requirements or Articles of Association and request that further deliberation take place within seven days.

In the event that a difference persists, the final decision is taken by the Minister of Finance.

Article 33(iii): In order to ensure the orderly functioning of stock-market proceedings, the Council for the Code of Ethics in Securities Markets is responsible for checking that the Managing Company respects the rules governing the said market, referred to by the provisions of the present text and the General Rules referred to above in article 7(ii).
For this purpose, the Managing Company is obliged to submit to the Council for the Code of Ethics in Securities Markets all documents and information needed for it to fulfil its duties. It determines the list, the model and the timetable for handing over such information.

The Council for the Code of Ethics in Securities Markets is authorised to carry out investigations at the Managing Company by means of an official specially-commissioned agent for the purpose of searching for any violation of the provisions of the present text and relevant texts relating to stock-market proceedings.

It may consult any report produced by external advisors. As the case may be, the Council for the Code of Ethics in Securities Markets may sponsor an audit at its expense.

The Council for the Code of Ethics in Securities Markets may also check that the Managing Company respects the provisions of the relevant circulars referred to in article 4-2 of the dahir providing law N° 1-93-212 of the 4 rabia II 1414 (21 September 1993), as revised and adopted.

**Article 33(iv):** The Council for the Code of Ethics in Securities Markets may issue a caution, warning or reprimand to the Managing Company if it does not comply with the provisions referred to above in articles 12(i), 12(ii), 12(iii), 12(iv), 14(iv), 16, 17(i), 17(ii), 20, 27, 29, 30, 33(i) and 33(iii).

If the caution, warning or reprimand referred to in the first paragraph of the present article does not have any effect, the Council for the Code of Ethics in Securities Markets, by means of a report providing justification, may propose to the Minister of Finance the replacement of the members of the Managing Company’s decision-making or management bodies or to amend legislation or regulations in force to ensure the orderly functioning of market operations.

**Article 33(v):** In the event that the orderly functioning of the market is compromised, the Council for the Code of Ethics in Securities Markets may order the Managing Company to resolve the situation within a deadline that it fixes and it notifies the Minister of Finance.
Article 33(vi): If the order referred to above in article 33(v) does not have any effect by the end of the deadline imposed by the Council for the Code of Ethics in Securities Markets, the latter, having notified the Minister of Finance, may suspend the person(s) responsible for this situation at the Managing Company and replace him (them) by person(s) appointed for this purpose. The suspension remains in effect until the orderly functioning of market operations is re-established.

If the orderly functioning of market operations is not re-established within one month from the date of replacement of the officers, the Council for the Code of Ethics, by means of a report providing justification, may propose to the Minister of Finance the replacement of the members of the Managing Company’s decision-making or management bodies or to amend legislation or regulations in force to ensure the orderly functioning of market operations.

Article 33(vii): The Managing Company is obliged to publish in a newspaper containing legal announcements balance sheets, statements of income and expenditure and cash-flow statements for the previous financial year no later than six months after the close of the financial year.

Title III: Brokerage firms

Chapter I: Terms and conditions for performing their duties

Article 34: The principal responsibility of brokerage firms is the execution of transactions in transferable securities.

They may also:

• participate in the distribution of securities issued by corporate entities making a public offering;
• act as trustee;
• manage investment portfolios when appointed;
• advise and prospect clients and advise them in the purchase or sale of transferable securities;
• assist corporate entities making a public offering in preparing information documents for the public;
• provide liquidity for transferable securities listed on the Stock Exchange.
Article 35: Only brokerage firms are authorised to execute transactions in transferable securities listed on the Stock Exchange.

Article 36: Each brokerage firm must have authorised status before performing its duties. Authorisation is granted by the Minister of Finance on the advice of the Council for the Code of Ethics in Securities Markets.

It must offer sufficient guarantees, particularly regarding its organisation, its technical and financial resources and the experience of its directors.

A brokerage firm can only acquire authorised status if it is a public limited company which has its registered office in Morocco and if its principal business activity encompasses the business activities referred to in article 34 of the present dahir providing law.

Article 37: Application for authorisation must be made to the Council for the Code of Ethics in Securities Markets by founding members of the firm. It must be accompanied by a dossier comprising the following items:

- copy of draft Articles of Association;
- nature of intended business activities;
- amount and composition of share-capital;
- list of directors;
- list of human and material resources as well as a description of the intended organisational structure for performing its duties as a brokerage firm.

The filing of the completed dossier accompanying the application for authorisation is acknowledged by a receipt, duly dated and signed by the Council for the Code of Ethics in Securities Markets.

The Council for the Code of Ethics in Securities Markets may request further information from applicants if it is deemed necessary to make a decision about the application for approval.

Article 38: Changes affecting the management of the brokerage firm or the nature of its business activities are subject to renewed authorisation which is granted by the Minister of Finance on the advice of the Council for the Code of Ethics in Securities Markets, to which the applicant submits its request.

Authorisation is granted within the deadline referred to in article 40 of the present text.
Changes concerning the registered office or the brokerage firm's effective place of business are subject to the prior agreement of the Council for the Code of Ethics in Securities Markets which assesses them in terms of their impact on the organisation of the firm.

**Article 39:** Plans to merge two or several brokerage firms are subject to authorisation of the Minister of Finance on the advice of the Council for Code of Ethics in Securities Markets.

Authorisation is granted insofar as the transaction is not detrimental to the interests of the clients of the brokerage firms concerned.

**Article 40:** Approval or refusal of authorisation is communicated by registered letter within two months from the date of filing of the completed dossier accompanying application for authorisation.

The filing of the application referred to in the previous paragraph is acknowledged by a receipt, duly dated and signed by the Council for the Code of Ethics in Securities Markets.

There must be grounds for refusing an application for authorisation.

**Article 41:** The Council for the Code of Ethics in Securities Markets establishes and updates the list of authorised brokerage firms. At its request, the initial list and any revisions are published in the Official Bulletin.

**Article 42:** Brokerage firms must state their company name on all their legal documents, invoices, announcements, publications and all other documents as well as references to their certificate of authorisation.

**Article 43:** Brokerage firms' share-capital must be fully paid-up at incorporation and may not be less than one million dirhams. It may be fixed for a larger amount by the Minister of Finance on the proposal of the Council for the Code of Ethics in Securities Markets, depending on the nature of business activities performed by the brokerage firm.

**Article 44:** Brokerage firms notify their clients of commissions applied to transactions executed for their account according to the terms fixed by the Council for the Code of Ethics in Securities Markets.
Article 45: When a brokerage firm has fallen short of normal professional standards, the Council for the Code of Ethics in Securities Markets, having formally demanded explanations from the directors, may caution them.

Article 46: The Council for the Code of Ethics in Securities Markets may order a brokerage firm, when circumstances justify it, to take all measures necessary to restore or strengthen its financial position or to adjust its management methods.

Article 47: If either the caution or the order referred to in articles 45 and 46 of the present dahir providing law does not have any effect, and if the situation risks harming client interests or the orderly functioning of the market, the Council for the Code of Ethics in Securities Markets may suspend the brokerage firm concerned from one or several of its business activities or appoint an interim administrator who assumes all powers necessary to administer and manage the brokerage firm concerned.

The appointment of an interim administrator may not occur or may cease to take effect from the moment that the brokerage firm becomes insolvent. In this case, the provisions of the Commercial Code relating to bankruptcy and compulsory liquidation are applied in exclusivity.

However, and by special dispensation of article 217 of the Commercial Code, receivers are appointed under a declaration of bankruptcy on the proposal of the Minister of Finance.

Article 48: The interim administrator referred to in article 47 of the present law may only buy or sell real estate or investment holdings with the prior authorisation of the Council for the Code of Ethics in Securities Markets.

He must present a quarterly report to the Council for the Code of Ethics in Securities Markets concerning the management as well as the development of the situation of the institution concerned.

He must also present a report to the Council for the Code of Ethics in Securities Markets within one year of his appointment, specifying the origin, magnitude and nature of the difficulties of the brokerage firm as well as the likely measures needed to ensure its recovery or, failing this, its liquidation.

The Council for the Code of Ethics in Securities Markets must notify the Minister of Finance of the content of these reports.
Article 49: The Minister of Finance takes the decision to withdraw authorisation either on
the request of the brokerage firm or on the proposal of the Council for the Code
of Ethics in Securities Markets, in the following cases:

- when the brokerage firm does not make use of its authorisation within a
  period of six months;
- when the brokerage firm no longer meets the conditions by which authorisation
  had been granted;
- when the brokerage firm has not performed its duties for at least six months;
- in the case of disciplinary action pursuant to the provisions of article 70 of the
  present dahir providing law.

Any brokerage firm whose authorisation is withdrawn goes into liquidation.

Article 50: During its liquidation period a brokerage firm remains under the supervision of
the Council for the Code of Ethics in Securities Markets referred to in articles 52,
53 and 54 of the present dahir providing law and may only conduct
proceedings strictly necessary for its liquidation. It may only make reference to
its status of brokerage firm by specifying that it is in liquidation.

In the act relating to the provisions of article 49 of the present dahir providing
law, the Minister of Finance appoints an official receiver for the brokerage firm
concerned, as the case may be.

The same act fixes the conditions and the timetable for liquidation as well as the
date at which the brokerage firm must cease all proceedings in which it is
involved.

Article 51(i): Notification of the withdrawal of authorisation is carried out in the same way as
the granting of authorisation and results in the brokerage firm being removed
from the official list of brokerage firms referred to in article 41 of the present
dahir providing law.

Article 51(ii): By special dispensation of the provisions of law N° 9-88 relating to accounting
obligations for commercial enterprises, brokerage firms are subject to
accounting rules approved by the Minister of Finance on the proposal of the
National Accounting Board.
Chapter II: Supervision of brokerage firms

Article 52: Brokerage firms, their trustees and account-keeping institutions for transferable securities listed on the Stock Exchange are subject to supervision by the Council for the Code of Ethics in Securities Markets.

The Council for the Code of Ethics in Securities Markets is authorised to carry out investigations at any of the organisations referred to in the first paragraph of the present article by means of an official specially-commissioned agent for the purpose of searching for any violation of the provisions of the present text and relevant texts relating to stock-market proceedings.

In order for it to perform its supervisory duties, the Council for the Code of Ethics in Securities Markets may request any document or information from the aforesaid organisations.

The Council for the Code of Ethics in Securities Markets may also check that the aforesaid organisations respect the provisions of the relevant circulars referred to in article 4-2 of the dahir providing law N° 1-93-212 of the 4 rabia II 1414 (21 September 1993), as revised and adopted.

Article 53: Brokerage firms are obliged to submit balance sheets, statements of income and expenditure, flow-of-funds statements and other statements of information for the previous financial year to the Council for the Code of Ethics in Securities Markets, according to a timetable which it fixes.

Brokerage firms are also obliged to publish in a newspaper containing legal announcements the documents referred to in the first paragraph of the present article, with the exception of cash-flow statements and other statements of information, no later than six months after the close of the financial year.

The Council for the Code of Ethics in Securities Markets may also request that they submit all documents and information needed for it to fulfil its duties. It determines the list, the model and the timetable for handing over such information.

Article 54: The Council for the Code of Ethics in Securities Markets may publish on its own initiative, partially or in full, the accounting documents referred to in article 53 of the present dahir providing law.

Article 55: Brokerage firms are obliged to submit to the Council for the Code of Ethics in Securities Markets a list of shareholders or unit-holders with a direct or indirect holding equal to or greater than 5% of the firm's share-capital.
Title IV: Investor protection

Chapter I: Prohibited practices

Article 56: On threat of sanctions prescribed by the present dahir providing law, a person may neither be a founder or member of the administrative, operational and management entities as well as the Supervisory board of a brokerage firm, nor supervise, administer, direct, manage or represent in whatever capacity a brokerage firm, directly or by means of an intermediary, nor possess the authority to sign on behalf of such a firm:

- if he has been condemned irrevocably for a criminal act or for one of the offences referred to and prohibited by articles 334 to 391 and 505 to 574 of the penal code;
- if he has been condemned irrevocably for violation of legislation relating to foreign exchange dealings;
- if he, or a company of which he was director, has been declared bankrupt either in Morocco or overseas, and has not been discharged;
- if he has been condemned irrevocably pursuant to the provisions of article 73 of the present dahir providing law;
- if he has been condemned by a foreign court of law and which, res judicata, would imply under Moroccan law condemnation for one of the criminal acts or offences listed above.

Article 57: Any person who is a member of the administrative, operational and management entities or is an employee of a brokerage firm may not be a member of the administrative, operational and management entities of a company whose securities are listed on the Stock Exchange, nor receive remuneration for performing duties for this company.

Chapter II: Provisions governed by prudence

Article 58: Any person who is a member of the administrative, operational and management entities or the Supervisory board or is an employee of a brokerage firm may only undertake stock-market dealings for his own account by the intervention of the said brokerage firm.
**Article 59:** The transactions referred to in article 58 of the present dahir providing law may not receive special treatment in comparison to all other client orders.

These transactions must be recorded in a register specially-opened for this purpose.

**Article 60:** In order to safeguard liquidity and solvency, brokerage firms are obliged to respect rules including, in particular, maintaining appropriate ratios:

- between shareholders’ equity and the level of commitments;
- between shareholders’ equity and the level of risks incurred on issued securities by the same issuer or the same group of issuers;
- between assets and liabilities as a whole or concerning specific items;

These ratios are fixed by the Minister of Finance on the proposal of the Council for the Code of Ethics in Securities Markets, in relation to the nature of the business activities performed by the brokerage firms.

**Article 61:** Brokerage firms are permitted to trade for their own account only after they have satisfied all outstanding client orders.

**Article 62:** Brokerage firms must notify Clients when executing client orders, partially or in full, in a counterparty transaction.

**Article 63:** Brokerage firms are not authorised to buy or sell securities as counterparty for their clients when they themselves manage their investment portfolios and, by definition, have full discretion to initiate transactions for these accounts.

**Article 64:** Brokerage firms are ultimately responsible for Clients’ potential failure to deliver or pay for securities bought or sold in the market.

**Article 65:** Brokerage firms are obliged to take out insurance against risks of loss, theft or destruction of funds and securities which clients place with them for safe-keeping or which they owe to clients.

The minimum insurance cover is fixed by the Council for the Code of Ethics in Securities Markets, taking into particular consideration the nature of business activities performed.

A copy of the insurance contract must be lodged with the Council for the Code of Ethics in Securities Markets by brokerage firms during the month following their authorisation. The insurance contract is renewed each year and a copy is immediately lodged with the Council for the Code of Ethics in Securities Markets.
Chapter III: Guarantee fund

Article 66: A guarantee fund is established for reimbursing clients of brokerage firms in liquidation.

Reimbursement is limited to 200,000 dirhams per client, whether individual or corporate.

However, use of the guarantee fund arising from the failure of a brokerage firm is limited to 30 million dirhams.

When there are insufficient funds to reimburse clients for the amount mentioned in the second paragraph of the present article, the said amount will be reduced on a proportionate basis.

The guarantee fund is managed by the Council for the Code of Ethics in Securities Markets. Management terms are fixed by the Minister of Finance.

Article 67: Commitments covered by the guarantee relate to the return of securities and cash deposited with brokerage firms following stock-market transactions or owed by them to undertake stock-market transactions for their clients, as well as securities deposited with brokerage firms for safe-keeping.

Article 68(i): All brokerage firms are obliged to contribute to the guarantee fund by paying a subscription for an amount expressed as a percentage of the total value of securities and cash held by each brokerage firm. This percentage, its method of calculation and the terms of payment, are fixed by the Minister of Finance on the proposal of the Council for the Code of Ethics in Securities Markets.

Article 68(ii): Use of the guarantee fund is subject to acknowledgement by the Council for the Code of Ethics in Securities Markets that the brokerage firm has gone into liquidation, for whatever reason.

Its use is subject to publication in the Official Bulletin by the Managing Company and in a newspaper containing legal announcements, inviting clients of brokerage firms that have gone into liquidation to make their claims to the guarantee fund by registered letter regarding their rights attached to securities registered in their accounts and/or their cash balances.

Requests for reimbursement are received within a period of three months from the date of publication of the aforesaid notice.

Use of the guarantee fund entails its subrogation as creditor for the liabilities covered by guarantee of the brokerage firm, regarding the rights of holders with financial claims, up to the maximum amount covered by the guarantee.
Chapter IV: Miscellaneous provisions

Article 68(iii): Any individual or corporate entity which comes to own more than one-twentieth, one-tenth, one-fifth, one-third, half or two-thirds of the share-capital of a company which has its registered office in Morocco and whose shares are listed on the Stock Exchange, notifies the company as well as the Council for the Code of Ethics in Securities Markets within a maximum five working days from the date that one of these shareholding thresholds have been breached, of the total number of shares acquired, as well as the number of giving access to the equity securities and attached voting rights.

In addition, it informs the Council for the Code of Ethics in Securities Markets within the same period of its intentions over the twelve months following the said breach of thresholds.

The obligation to provide information to the Council for the Code of Ethics in Securities Markets, as referred to in the previous paragraph, must be fulfilled pursuant to the terms fixed by the said Council and, in particular, specifies whether the acquirer intends:

- to cease or continue purchasing shares in the security concerned;
- to acquire control of the company concerned;
- to request that it is appointed as administrator of the company concerned.

The Council for the Code of Ethics in Securities Markets brings the information referred to in the previous paragraph to the attention of the public according to the terms specified in the General Rules referred to above in article 7.

Article 68(iv): Any individual or corporate entity owning more than one-twentieth, one-tenth, one-fifth, one-third, half or two-thirds of the share-capital of a company which has its registered office in Morocco and whose shares are listed on the Stock Exchange, and which comes to sell a portion or the totality of its shares or voting rights, must notify the company as well as the Council for the Code of Ethics in Securities Markets according to the same terms as those referred to in article 68(iii), if it downwardly breaches one of these shareholding thresholds.

The Council for the Code of Ethics in Securities Markets brings this information to the attention of the public according to the terms specified in the General Rules referred to above in article 7.
Title V: Sanctions

Chapter I: Disciplinary sanctions

Article 69: Without prejudice to the sanctions referred to in article 70 of the present dahir providing law, the Council for the Code of Ethics in Securities Markets may issue a warning or reprimand to brokerage firms which:

- do not respect the requirements for preparing information documents intended for the public and liquidity provision for securities of entities listed on the third compartment, referred to in the agreements signed with the said entities;

- do not time-stamp client and voice-record orders received by telephone, nor handle these orders with care, in violation of the above provisions of article 19;

- do not pay commissions to the Managing Company referred to in article 27 of the present law, or apply a commission rate for clients exceeding the limit referred to in this same article;

- do not respect the provisions relating to the registration and recording of transactions referred to above in articles 29, 30(i), 30(ii) and 31;

- do not build up margin with the Managing Company pursuant to the provisions of article 33 (3rd paragraph) above;

- do not comply with the provisions of article 19(v) above;

- do not deliver securities to clients within the deadline referred to above in article 33 (paragraph 10), except if failure to deliver is the fault of the Client's trustee;

- continue to perform their duties without obtaining re-authorisation following changes referred to above in the first paragraph of article 38, or change their registered office or effective place of business without the prior agreement of the Council for the Code of Ethics in Securities Markets referred to in the second paragraph of the said article 38;

- do not notify the Minister of Finance and the Council for the Code of Ethics in Securities Markets of changes referred to in the 2nd paragraph of article 38 of the present dahir providing law within the deadlines stipulated by the same article;

- do not comply with the provisions of article 42 above;

- do not respect the terms of communicating with clients such as referred to above in article 44;
• do not comply with the obligations of communication and publication stipulated by article 53 above;

• do not submit the list of shareholders to the Council for the Code of Ethics in Securities Markets as stated above in article 55;

• do not respect the rules of prudence as stated above in article 60;

• do not respect the provisions of the General Rules of the Stock Exchange referred to above in article 7(ii);

• do not comply with the provisions of articles 61, 62, 63 and 65 above;

• do not contribute to the guarantee fund pursuant to the provisions of article 68 above.

Article 70:

When the reprimand or warning referred to in article 69 of the present dahir providing law or the caution or order referred to in articles 45 and 46 of the present dahir providing law does not have any effect, the Council for the Code of Ethics in Securities Markets may suspend one or several members of the administrative, operational and management entities or the supervisory board of the brokerage firm concerned.

In addition, it may make a proposal to the Minister of Finance:

• either to prohibit or restrict the brokerage firm from performing certain business activities;

• or to appoint an interim administrator;

• or to rescind the authorisation of the brokerage firm.

Article 71:

The sanctions referred to in article 70 of the present dahir providing law are pronounced only after the representative of the offending institution has been duly summoned, with one week’s notice, to appear before the Council for the Code of Ethics in Securities Markets.

The representative of the firm concerned may be assisted by an advocate of his choice. The Council for the Code of Ethics in Securities Markets must inform him beforehand of the violations committed and communicate all details concerning the affair.

The Council for the Code of Ethics in Securities Markets may also summon for the hearing, on the request of the interested party, the representative of the Professional Association of Brokerage Firms referred to in article 82 of the present dahir providing law.
Chapter II: Criminal sanctions

Article 72: Any person who, acting for himself or behalf of another person, wrongfully uses a trade name, a company name, advertising and generally any other expression giving the impression that it he is authorised as a brokerage firm, or voluntarily misleads the public as to the lawfulness of his business activities, is punishable by a prison sentence of between three months and one year and a fine of 5,000 to 100,000 dirhams.

Article 73: Any person who, acting for himself or behalf of another person or for a corporate entity, who has not been duly authorised as a brokerage firm, undertakes the activities defined above in article 35 on a regular basis is liable to a prison sentence of between six months and three years and a fine of 50,000 to 500,000 dirhams or only one of the sentences.

Article 74: In the cases referred to in articles 72 and 73 of the present dahir providing law, the court orders the closure of the institution which employs the person responsible for the violation committed. It also orders the publication of the sentence in newspapers, the cost of which is incurred by the condemned person.

Article 75(i): The following are punishable by a fine of up to 1% of the value of the transaction:

- any individual who does not declare within the required period a direct transfer, other than that resulting from an inheritance or legacy pursuant to the provisions of the first paragraph of article 31 of the present text;

- any institution affiliated to the Central Securities Depositary which does not declare within the required period a direct transfer, other than that resulting from an inheritance or legacy pursuant to the provisions of the second paragraph of article 32 of the present law. The last quoted price for the security concerned is used as the reference for calculating this fine.

With the exception of direct transfers as defined in article 4 of the present law and transactions in equity securities listed on a regulated market outside Morocco, any transaction in transferable securities not executed on the Stock Exchange is automatically cancelled.

Any transaction relating to equity securities issued by corporate entities making a public offering in Morocco executed on a regulated exchange in Morocco other than the Stock Exchange is declared null and void by right.
In addition, any persons who have executed a transaction referred to above in the 2nd or 3rd paragraphs are jointly punishable by a fine equal to the value of the trade.

Article 75(ii): Any individual or corporate entity which does not declare within the required deadline the upward breach of one of the shareholding thresholds in a listed company or which does not inform the Council for the Code of Ethics in Securities Markets of its intentions pursuant to the provisions of article 68(iii) above, is liable to a fine of 5,000 to 100,000 dirhams. In addition, this person loses his voting rights attached to those shares exceeding the shareholding threshold which ought to have been declared for the purpose of shareholders meetings for a period of two years from the date of the violation. In the event that those shares are sold following the violation, voting rights are re-established.

Article 75(iii): Any individual or corporate entity which does not declare within the required deadline the downward breach of one of the shareholding thresholds in a listed company or which does not inform the Council for the Code of Ethics in Securities Markets of its intentions pursuant to the provisions of article 68(iv) above, is liable to a fine of 5,000 to 100,000 dirhams.

Article 76: Any person who is a member of the administrative, operational and management entities or the Supervisory board or is an employee of a brokerage firm which, directly or indirectly, in violation of the provisions of articles 58 and 59 of the present dahir providing law, undertakes stock-market dealings for his own account by means of another brokerage firm or gives special treatment to these dealings in comparison to client orders, is punishable by a fine of 5,000 to 200,000 dirhams.

Article 77: Whoever contravenes the prohibited practices referred to in article 56 of the present dahir providing law is liable to a prison sentence of between six months and three years and a fine of 10,000 to 500,000 dirhams or only one of the sentences.

Article 78: Any person who as a member of the administrative, operational and management entities or the Supervisory board or an employee of a brokerage firm contravenes the provisions of articles 57 of the present dahir providing law by being a member of one or more of the said entities of a company listed on the stock-market or by receiving remuneration for performing duties for this company, is liable to a fine of 10,000 to 500,000 dirhams.
Article 79: The authors, co-authors or accomplices of the violations defined in the present chapter may be pursued by the Council for the Code of Ethics in Securities Markets by criminal proceedings or by a civil action for damages.

Article 80(i): Members of the administrative, operational and management entities or the Supervisory board or an employee of the brokerage firm are bound by a strict code of confidentiality concerning all information of which they are aware, of whatever nature, under threat of sanctions referred to in article 446 of the penal code.

Article 80(ii): Members of the administrative, operational and management entities of the Managing Company who do not take the necessary measures in applying the provisions of article 8 of the present text are liable to a fine of fifty thousand (50,000) to five hundred thousand (500,000) dirhams.

Title VI: Miscellaneous and interim provisions

Chapter I: Fiscal provisions

Article 81: Individuals who are ordinarily resident in Morocco benefit from a 50% rebate on the amount of tax payable on shares and similar revenues relating to dividend income from their holdings in Moroccan companies, on the condition that the latter have been listed on the Stock Exchange for a period of at least six months during the financial year relating to the dividend payment.

This rebate is granted for a five-year period following the date of publication of the present dahir providing law.

To benefit from the rebate referred to above, interested parties must provide the paying bank with a certificate of ownership of the securities comprising:

- family name, first name and address of the tax-payer as well as his national identity card number or foreign residency permit number;
- the issuer’s company name and address of its registered office.

A tax-payer may not benefit from this rebate concurrently with the rebates referred to in article 99-I-b) and c) of law N° 17-89 relating to income tax.
Chapter II: Professional organisation

Article 82: All duly authorised brokerage firms are obliged to become a member of a professional association called the “Professional Association of Brokerage Firms” which is governed by the provisions of the dahir of 3 joumada I 1378 (15 November 1958) providing law governing associations.

Article 83: The Articles of Association of the aforesaid Professional Association as well as any revision relating to it must be approved by the administration, on the advice of the Council for the Code of Ethics in Securities Markets.

Article 84: The Professional Association of Brokerage Firms ensures that its members adhere to the provisions of the present dahir providing law and the relevant texts.

It must notify the Minister of Finance and the Council for the Code of Ethics in Securities Markets of any failure in this regard.

Article 85: For any issue pertaining to the profession, it is the Professional Association of Brokerage Firms and no other group, association or trade union which acts as intermediary between its members and public authorities or any other national or foreign organisation.

Article 86: The Professional Association of Brokerage Firms studies the issues pertaining to the profession, particularly with regard to improving stock-market practices, establishing common services, introducing new technology, staff training and relations with staff representatives.

It is authorised to go to court when it believes that the interests of the profession are compromised and particularly when one or several of its members are the cause.

Article 87: The Council for the Code of Ethics in Securities Markets may consult the Professional Association of Brokerage Firms on any issue pertaining to the profession. In the same way, the latter may submit proposals to the Council in this regard.
Chapter III: Fiscal provisions

Article 88: Authorised stock-market intermediaries pursuant to the provisions of royal decree N° 494-67 of 11 chaabane 1387 (14 November 1967) providing law, relating to the Stock Exchange have three months from the date of publication of the amount of subscribed share-capital, in application of the provisions of article 43 above, to comply with the provisions of the present dahir providing law.

Article 89: The provisions of the aforesaid royal decree N° 494-67 of 11 chaabane 1387 (14 November 1967) as well as those of the royal decree N° 495-67 of 12 chaabane 1387 (15 November 1967) relating to the organisation and the operation of the Stock Market have been repealed.

Article 90: The government’s allocation of net funds, established by the aforesaid royal decree N° 494-67 of 11 chaabane 1387 (14 November 1967) providing law, will be fixed by the Minister of Finance.

Article 91: The outstanding balance of the mutual fund referred to in article 27 of the aforesaid royal decree N° 494-67 of 11 chaabane 1387 (14 November 1967) providing law, is transferred to the “guarantee fund” referred to in article 66 of the present dahir providing law.

Article 92: The present dahir providing law will be published in the Official Bulletin.