



Tax alert

Morocco

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Suspension of the CbCR local filing

Background

- Under the provisions of article 154 Ter I ^(a,b,c) of the Moroccan Tax Code (MTC), ultimate parent companies (UPE) with direct or indirect shareholding overseas and a consolidated turnover of at least 8,122,500,000 MAD during the prior year, are required to file their CbC report in Morocco.
- The provisions of articles 154 ter II ^(1,2) and 154 Ter III of the MTC also require from companies part of multinational enterprises, to file the CbC report when their UPE is located in a State which does not require the filing of such CbC report or in a State with which Morocco has not concluded an agreement allowing exchange of information for tax purposes or has concluded such agreement but the tax authorities face failure to exchange information.
- The provisions of article 154 Ter II ⁽³⁾ of the MTC also refer to the situation where a company in Morocco is appointed as a surrogate parent entity and as such this company is required to submit the CbC report in Morocco.
- While Morocco is a signatory of the CbC MCAA, it does not have yet bilateral relationships activated under such MCAA. Therefore, provisions of articles 154 Ter II ^(1,2) and 154 Ter III are likely to take prominence.

Announcement

- In an announcement issued on December 16, 2022, the Moroccan Tax Authorities (MTA) reminded companies' whose UPE or surrogate parent entity is a tax resident of Morocco of their obligation to e-file the CbC report for fiscal year 2021 and by December 31st, 2022 deadline.
- This announcement provides in a note a temporary exception to companies part of multinational enterprises operating in Morocco referred to under the provisions of articles 154 ter II ^(1,2) and 154 Ter III.
- For reference, the announcement includes a link to practical guide on how to complete the CbC report. It indicates also that the SIMPL tax platform has been updated by a functionality of for the purpose of such e-filing.

KPMG Comment

- In practice and until a notice from the MTA, no filing of CbC report is expected from Moroccan subsidiaries of multinational groups unless such subsidiaries are appointed as a surrogate parent entity.

Source

- Moroccan Tax Authorities web site (www.tax.gov.ma)

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