

FRAMEWORK LAW N° 03-22 ON INVESTMENT CHARTER

The new Investment Charter provides investment grants in the form of a **direct subsidy** to the overall investment amount (% of total CAPEX). These incentives are specified by an **investment agreement** to be signed between the company and the Moroccan state.

Eligibility: To be eligible for the signature of an investment agreement, the project must meet one of the following conditions:

- An investment amount equal or superior to **50 million dirhams** (\$ 5 million) **or**
- The creation of a minimum of **150 permanent¹ jobs**

The incentives are divided into **3 main categories**:

A. Common incentives

- a. A **job creation** bonus calculated according to the number of jobs created per million dirhams invested (ratio):
 - Ratio between 1 and 1.5 -> **5%** of capex
 - Ratio between 1.5 and 3 -> **7%** of capex
 - Ratio superior to 3 -> **10%** of capex
- b. A **gender** bonus:
 - At least 30% of the total payroll reserved for women -> **3%** of capex
- c. A bonus for **technological content/high development potential**:
 - A list of activities will be defined by order of the Head of Government -> **3%** of capex.
- d. A **sustainability** bonus:
 - Projects that comply with the conditions of sustainability defined by an order of the Head of Government -> **3%** of capex.
- e. A **local content** bonus:
 - Projects that respect a local integration rate defined by an order of the Head of Government -> **3%** of capex

B. Territorial incentives:

- a. Projects that are in **provinces** defined by a decree of the Head of Government and classified in 2 categories:
 - Category A -> **10%** of capex
 - Category B -> **15%** of capex

C. Sectorial incentives:

- a. Projects carried out in **sectors promoted** by the Moroccan State:
 - Industry, Tourism, digital economy, renewable energies, logistics and transport, processing and waste recovery, outsourcing -> **5%** of capex

Additional information:

- Incentives A, B and C can be cumulated **up to 30%** of the total amount of the investment.
- Incentives for projects in the **renewable energy sector are capped at 30 million dirhams**.
- Incentives are disbursed **progressively in stages**.

¹ A job is considered permanent if it is contracted for a minimum of 18 months