

**CIRCULAR OF THE MOROCCAN CAPITAL MARKET
AUTHORITY No. 02/19 ON REAL ESTATE COLLECTIVE
INVESTMENT UNDERTAKINGS**

THE MOROCCAN CAPITAL MARKET AUTHORITY,

Having regard to law no. 43-12 on the Moroccan Capital Market Authority enacted by the Dahir no. 1-13-21 of 1 Jumada I 1434 (13 March 2013), as amended, in particular articles 3,4, 5 and 6 thereof;

Having regard to law no. 70-14 on Real estate collective investment undertakings enacted by the Dahir no. I-16-130 of 21 Dhu al-Qidah 1437 (25 August 2016);

After consulting the professionals concerned,

HEREBY DECIDES:

Chapter one

Authorization of the Real Estate Collective Investment Undertakings

Article one

Pursuant to the provisions of article 14 of law no. 70-14 aforementioned, the constitution of any Real Estate Collective Investment Undertaking «OPCI» or the creation of any OPCI sub-fund must be approved by the Moroccan Capital Market Authority «AMMC», which approves its draft management regulations or the draft annex of the sub-fund concerned, as the case may be.

Article 2

In order to obtain the authorization referred to in article 1 above, the management company submits the complete file containing the request for authorization, accompanied by the draft management regulations of the OPCI, or the draft annex of the sub-fund concerned, as the case may be, to the AMMC, which gives a signed and dated receipt thereof. The said draft management regulations, including the annexes specific to each sub-fund, is drawn up by the management company in accordance with the model set out in annex 1 to this circular.

The file referred to in the first paragraph above must contain, in addition to the request for authorization drawn up in writing, the documents and information set out in annex 2 to this circular.

Article 3

When examining the request for authorization file, the AMMC may, within thirty (30) clear days from the date of the receipt referred to in article 2 of this circular, request, by any means providing proof of receipt, the management company to produce any additional document whose provision is deemed necessary.

Additional documents must be submitted to the AMMC within the time limits it sets.

Article 4

The AMMC May, for the purpose of examining the request for authorization file referred to in article 2 above, carry out one or more interviews with the legal representatives of the management company.

Chapter II

Conditions and procedures for drawing up and amending the background paper

Section one.- Conditions and procedures for the preparation of the background paper

Article 5

After the constitution of the OPCI and prior to the first issue of units or shares to the public, the management company must submit to authorization by the AMMC the background paper of the OPCI drawn up in accordance with the standard model set out in annex 3 to this circular.

The background paper must include all information necessary for the subscribers to assess the product offered.

To this end, the background paper must be drawn up in Arabic or in French in a clear, precise and objective manner so as not to attenuate the unfavourable aspect of the information, nor to accentuate its favourable aspect. The information contained therein must be consistent with the one contained in the request for authorization.

Article 6

The background paper submitted to the AMMC for authorization must be accompanied by a file containing, in addition to the request for authorization, the documents and information set out in annex 4 to this circular.

Article 7

The AMMC may, within forty-five (45) clear days from the date of the acknowledgement of receipt of the file referred to in article 6 above, request, by any means providing proof of receipt, the management company to provide any additional documents deemed necessary for

the examination of the said file in the light of the information and documents referred to in article 6 above.

Additional documents must be submitted to the AMMC within the time limits it sets.

Article 8

The grant or refusal of the approval is notified by the AMMC to the management company by registered letter with acknowledgement of receipt or by any other means providing proof of receipt, within forty-five (45) clear days of the date of the acknowledgement of receipt of the file referred to in article 6 above, or of the date of deposit of the last additional document requested in accordance with the provisions of article 7 above.

Article 9

An extract from the background paper must be drawn up, in accordance with the model set out in annex 5 to this circular, and published by the management company in a legal announcements newspaper within a maximum of ten (10) clear days from the date of notification of the granting of the AMMC's authorization. It may also be published on the website of the said company.

The text of the extract published must be consistent with the content of the background paper approved by the AMMC.

The above extract may be translated into English by a certified translator and published in a legal announcements newspaper and on the website of the management company.

In the event of a discrepancy between the content of the background paper approved by the AMMC and that of the extract referred to in the first and third paragraphs of this article, only the content of the background paper approved by the AMMC is authentic.

Article 10

Where the extract from the background paper published contains omissions or errors, these must be the subject of an erratum published in the same newspaper used for the publication of the said extract. The erratum must be published no later than five (5) clear days after the discovery of the omission or error.

Section 2.- **Conditions and procedures for amending the background paper**

Article 11

In accordance with the second paragraph of article 6 of law no. 70-14 aforementioned, any amendment to the document is subject to the preparation of a new background paper. This document is approved and published in accordance with the procedure set out in section one of this chapter.

Article 12

The management company draws up a new extract from the background paper following any amendment to the said document and publishes it in a legal announcements newspaper no later than ten (10) clear days from the date of notification of the granting of the AMMC's approval. It may also be published on the website of the said company.

Article 13

The amendments referred to in article 11 above must be brought to the knowledge of the security holders by any means providing proof of receipt in order to allow them to take their decision, in full knowledge of the facts, either to maintain their investment in the OPCI or to disinvest.

In addition, the amendments, set out in annex 6 to this circular, must be disclosed to security holders in accordance with the information procedures set out in the same annex.

Article 14

The management company sets up and maintains in operation an appropriate mechanism to inform future subscribers of amendments affecting the background paper during the period between the communication of those amendments to security holders and the date they take effect.

Chapter III

Operation of the OPCI

Section one.- **Indebtedness**

Article 15

An OPCI may contract loans and incur debts up to 40% of the value of the assets referred to in paragraph 1, 2, 3, 4 and 5 of article 3 of law no. 70-14 above-mentioned, hereinafter referred to as « real estate assets », in the form of:

- bonds issued in accordance with the provisions of law no. 17-95 on public limited companies enacted by Dahir no. 1-96-124 of Rabii II 1417 (30 August 1996), as amended and completed;
- partners' current account advances;
- bank loans with maturities of more than one year.

In order to assess the limit referred to in the first paragraph, account is taken of all the loans and debts subscribed directly or indirectly by the OPCI up to the percentage of its shareholding in the companies and OPCIs respectively referred to in paragraphs 4 and 5 of article 3 of law no. 70-14 above-mentioned.

In accordance with the management regulations of the OPCI, the loans and debts referred to in the first paragraph above must be devoted to the financing of operations falling within the main purpose of the OPCI as provided for

in article 1 of law no. 70-14 aforementioned, and/or, on an exceptional basis, to meeting requests for repurchases of OPCI securities of an unusual nature.

Article 16

An OPCI may contract cash borrowings within the limit of 10% of the value of the assets referred to in paragraphs 6, 7 and 8 of article 3 of law no. 70-14 referred to above, hereinafter referred to as « financial assets », in the form of:

- issues of commercial paper as defined in article 4 of law no. 35-94 on certain marketable debt securities enacted by Dahir no. 1-95-3 of 24 Shaabane 1415 (26 January 1995), as amended and completed;
- bank loans with a maximum maturity of one year.

Section 2. Real estate valuation

Article 17

The management company must appoint real estate appraisers in accordance with the provisions of chapter III of law no. 70-14.aforementioned.

The appointment of the real estate appraisers and their relationship with the management company is the subject of an agreement concluded for this purpose. This agreement specifies, in particular, the respective rights and obligations of the parties, namely the procedures for the remuneration of these appraisers as laid down in the management regulations of the OPCI. It also lays down the contingency plan of the said real estate appraisers.

The OPCI management company must provide the real estate appraisers with all documents and information necessary for their real estate appraisal mission.

Article 18

In accordance with the first paragraph of article 29 of law no. 70-14 aforementioned, buildings and real rights directly or indirectly held by an OPCI are valued periodically and at least once every semester, by two real estate appraisers of OPCI assets that must be independent of each other and must carry out their valuation mission separately.

To this purpose, each real estate appraiser carries out, by alternation from one financial year to another, the real estate valuation of the same asset by carrying out one of the following tasks:

- a full real estate valuation of the OPCI's real estate assets, including, in particular, the value retained for each asset, all of the calculations performed as well as all of the assumptions and elements that led to the said value;
- a critical review of the abovementioned full real estate valuation including, in particular, the controls carried out, the methodology used, the elements and

assumptions retained, the reasons for any negative opinion and the proposal for an alternative valuation.

– a full real estate valuation of the OPCI's real estate assets must be carried out, at least, in the following phases:

- formalization of the valuation mission, in particular, through the drawing up of an engagement letter recalling the purpose of the valuation mission, the confidentiality rules to be respected, the completion deadlines, the identification of the assets to be valued and the information to be collected;
- visits, at least annually, to the buildings to be appraised;
- analysis of the documents and information sent by the management company to the real estate appraisers;
- a description of the assets to be valued;
- an analysis of the real estate market;
- a real estate valuation;
- a record of the findings in a detailed valuation report.

Article 19

The two real estate appraisers must jointly draw up:

- a detailed valuation report giving an account, in particular, of the methodology implemented and the work carried out. The full real estate valuation must be the subject of a section separate from the one relating to its critical review;
- a summary report of the detailed valuation report.

The detailed valuation report must include at least the following elements:

- a presentation of the tasks of real estate appraisers;
- the procedures carried out;
- a description of the real estate assets to be valued;
- the geographical, legal, urban and rental situation of each real estate asset to be valued;
- a study of the real estate market;
- the valuation methods used;
- the full valuation and its critical review,
- the conclusions;
- the annexes, in particular, the documents justifying the ownership of the assets by the OPCI, photographs, rental statuses, lease agreements or list of leaseholds, where applicable, as well as any other document that does not need to be fully transcribed in the report.

The detailed valuation report must be submitted by the real estate appraisers, within ten (10) clear days before the publication of the net asset value, with the OPCI management company, the depository institution and the statutory auditors.

The real estate appraisers shall communicate the summary report to the management company, within the same period.

Article 20

In accordance with the provisions of the third paragraph of article 29 of law no. 70-14 aforementioned, when the real estate appraisers are unable to perform all or part of their duties for any reason whatsoever, they must immediately inform the management company, which must take the measures necessary to enable them to perform their duties. The real estate appraisers must mention the difficulties encountered in their report.

The management company immediately informs the AMMC thereof.

Article 21

The real estate appraisers must value the real estate assets of the OPCI through at least two of the following valuation methods:

- the direct comparison method, which consists in determining the value of an asset by comparing the asset being valued with assets of the same nature and location that have been the subject of purchase, sale or lease transactions at the date closest to the date of valuation;
- the income capitalization method, which consists of determining the value of an asset by applying a capitalization or return rate to an annual income generated by the real estate asset to be valued;
- the discounted cash flows method, which consists of determining the value of an asset by applying a discount rate to expected future income;
- the replacement cost method, which consists of determining the value of an asset by estimating the cost of reconstituting an asset identical or equivalent to the one being valued.

In addition to the two methods chosen by the real estate appraisers, the latter may use any other valuation method provided that they can justify its use.

Section 3. - Depository institution

Article 22

The designation of a depository institution by the management company of the OPCI must be the subject of an agreement entered into between the two parties for this purpose.

This agreement specifies in particular the respective rights and obligations of the parties, in particular, the procedures for the compensation of the depository institution as laid down in the management regulations of the OPCI.

Subsection one. - Asset safekeeping and liability management

Article 23

In accordance with the provisions of article 78 of law no. 70-14 aforementioned, the depository institution ensures:

- the conservation of the OPCI assets excluding the assets mentioned in paragraphs 1, 2, 3 and 4 of article 3 of law no. 70-14 aforementioned;
- the control of the inventory of the OPCI assets mentioned in paragraphs 1, 2, 3 and 4 of article 3 of law no. 70-14 aforementioned;
- the execution of the management company's decisions concerning purchases and sales of securities as well as those relating to the rights attached to the securities making up the assets of the OPCI and the maintenance of a chronological record of the operations carried out on behalf of the latter.

To this end, the depository institution:

- must, in particular, keep a record and verify the ownership of the assets mentioned in paragraphs 1, 2, 3 and 4 of article 3 of law no. 70-14 aforementioned. In this respect, the management company must forward to the depository institution, upon its request, all documents, in particular land titles and ownership certificates of securities enabling it to ensure that the said assets are the property of the OPCI;
- may not carry out any operations on the assets that it conserves or whose records it keeps without prior instructions from the management company;
- must inform the management company of events affecting the securities held in the portfolio by writing and as soon as it becomes aware of them;;
- must certify on a quarterly basis the inventory of all assets held by the OPCI.

Article 24

When the OPCI directly or indirectly controls the companies mentioned in paragraph 4 of article 3 of law no. 70-14 aforementioned, which hold one or more underlying assets, the obligations of the OPCI's depository institution with regard to safekeeping apply to the said underlying assets.

Article 25

In order to ensure the management of liabilities of an OPCI in accordance with the provisions of article 77 of law no. 70-14 aforementioned, the depository institution:

- ensures the receipt of subscriptions and repurchases of shares or units and their registration;
- monitors compliance with the deadline for the receipt of the subscription and repurchase orders mentioned in the OPCI's background paper;
- ensures the identification of holders of OPCI units or shares and the recording, for each holder, of the number of units or shares held;

- ensures, for each subscription or acquisition operation covering securities of an OPCI with simplified operating rules "OPCI-RFA", that the subscriber or purchaser is a qualified investor;
- performs a reconciliation between the portfolio obtained from the management company and the securities recorded in the OPCI's account, on the one hand, and between the number of units or shares obtained from the management company and the number recorded in its books, on the other;
- ensures the organization of the payment of distributable sums, as well as the processing of operations on the OPCI units or shares;
- ensures the maintenance and updating of a register of holders of OPCI units or shares.

Sub-section 2 - Monitoring and control

Article 26

In order to ensure an adequate monitoring of the OPCI's cash flows, the depository institution must, in particular:

- ensure that all payments made by or on behalf of unit holders or shareholders when subscribing for OPCI units or shares have been received and that all cash has been accounted for;
- perform a reconciliation of all liquidity movements at the time of each movement;
- set up measures allowing the detection of cash flows that may not correspond to the OPCI's activities;
- ensure continuous monitoring of the irregularities identified.

Article 27

The depository institution keeps a chronological record of the operations carried out on behalf of the OPCI. This record must include the following minimum information:

- The type of the operation;
- The date of the operation;
- The value date of the operation, where applicable;
- The asset subject covered by the operation;
- The direction of the operation;
- The number of securities covered by the operation, where applicable;
- The price of the operation, where applicable;
- The gross amount of the operation;
- The amount of fees and commissions applied, where applicable;
- The net amount of the operation;
- The identity of the intermediary, where applicable;
- The identity of the counterparty, where applicable.

Article 28

Prior to the execution of the decisions of the management company provided for in the third indent of article 78 of law no. 70-14 aforementioned, the depository institution ensures that they comply with the provisions of

the said law, the management regulations and the background paper of the OPCI.

It ensures, in particular, that the OPCI complies with the eligibility criteria of the assets held, the rules of composition of its assets, the prudential rules, its category and its investment policy.

Article 29

The depository institution ensures that the calculation of the net asset value of OPCI units or shares is carried out by the management company in accordance with the regulatory provisions in force.

To this end, it makes sure that:

- The valuation of the assets referred to in paragraphs 1, 2, 3 and 4 of article 3 of law no. 70-14 aforementioned has been carried out in accordance with the provisions of articles 18, 19 and 21 of this circular;
- The valuation of the assets other than those referred to in paragraphs 1, 2, 3 and 4 of article 3 of law no. 70-14 aforementioned, has been carried out on the basis of the methods applied by the management company, which the latter must communicate to the depository institution.

For the purposes of controlling the calculation of the net asset value referred to in the first paragraph above, the depository institution recalculates the value of the OPCI units or shares.

Article 30

The depository institution ensures that the management fee rate applied and the subscription and repurchase fees charged by the management company are consistent with those indicated in the background paper of the OPCI.

Article 31

Control sheets are prepared for the controls carried out by the depository institution in order to ensure the traceability of those controls.

Article 32

In accordance with the provisions of the second paragraph of article 77 of law no. 70-14 aforementioned, the depository institution must present sufficient guarantees in terms of the safekeeping of assets, in particular with regard to its human, technical, financial and organizational resources.

To this end, the depository institution implements a system allowing the correction of the irregularities detected during its control mission.

It must immediately send a letter against acknowledgement of receipt to the management company pointing out the irregularities noted, and must take any

precautionary measures it deems necessary. A copy of the said letter must immediately be forwarded to the AMMC by the depositary institution.

Article 33

The depositary institution must inform the AMMC without delay of any irregularity it identifies or of which it becomes aware in the course of carrying on its activities, in accordance with the provisions of the second paragraph of article 78 of law no. 70-14 aforementioned.

Section 4 - Submission of documents and information to the AMMC and security holders

Subsection one - Submission of documents and information to the AMMC

Article 34

Any management company of an OPCI must provide the AMMC with the documents and information relating to the OPCI it manages.

The list, procedures, frequency and deadlines for the submission of the above-mentioned documents and information are set out in annex 7 to this circular.

Subsection 2 - Submission of documents to security holders of the OPCI

Article 35

The management company must, for each OPCI or sub-fund, draw up an annual report for each financial year in accordance with the model set out in annex 7.1 to this circular, as well as a report covering the first semester of the financial year in accordance with the model set out in annex 7.2 to this circular.

In accordance with the provisions of article 57 of law no. 70-14 aforementioned, the annual report must be made available for consultation by the security holders of the OPCI or the sub-fund concerned, no later than three (3) months after the end of the financial year it covers.

The semi-annual report must be made available for consultation by the security holders of the OPCI or the sub-fund concerned no later than two (2) months after the end of the first semester of each financial year.

Article 36

The management company must publish, at a frequency corresponding to that at which the net asset value of an OPCI or one of its sub-funds is determined, and at least once every semester, the said value as well as the subscription and repurchase prices of shares and units of the OPCI, in a legal announcements newspaper, where applicable.

Where the management regulations of the OPCI provide for a frequency of determination of the net asset value exceeding three (3) months, the management company must determine an estimated net asset value at least every three (3) months.

The publication of the information provided for in the first paragraph above, in a legal announcements newspaper, must be carried out within five (5) clear days from the date of determination of the net asset value of an OPCI or one of its sub-funds.

Article 37

At the end of each quarter, the management company must draw up an inventory of the assets held by the OPCI, broken down by sub-fund, where applicable, in accordance with the model set out in annex 7.3 to this circular.

The inventory, certified by the asset depositary institution of the OPCI's assets, is made available to the security holders of the OPCI on the premises of the management company no later than ten (10) clear days from the end of each quarter. The said security holders may obtain a copy thereof.

The aforementioned inventory must be immediately submitted by the management company to the statutory auditor of the OPCI at the latter's request.

Article 38

The management company must inform the security holders of the OPCI or sub-fund, by any means providing proof of receipt, of any contribution in kind made during the existence of the said OPCI or sub-fund within five (5) clear days from the date on which the aforementioned contribution is made.

The management company must also make the synthesis report of the valuation of contributions in kind, as well as the statutory auditors' report regarding these contributions, available for consultation on its premises.

Article 39

The management company of the OPCI must:

- make the detailed real estate valuation report referred to in article 19 of this circular available on its premises for consultation by the shareholders or unitholders of the OPCI;
- transmit a copy of the synthesis report of the real estate appraisers referred to in article 19 to this circular to any shareholder or unit holder of the OPCI immediately upon receipt of their request.

**ANNEX 1 TO THE AMMC CIRCULAR NO. 02/19
- STANDARD MODEL OF THE MANAGEMENT REGULATIONS OF AN
OPCI-**

MANAGEMENT REGULATIONS

Designation or name of the OPCI:.....

**Governed by the provisions of law no. 70-14 on Real Estate Collective Investment
Undertakings**

Date of authorization of the OPCI by the AMMC:...

Authorization number of the OPCI by the AMMC:...

Designation of the management company:...

Address of the registered office of the management company:...

Title I.- Presentation of the OPCI

1.- Constitution

- Identify the management company on whose initiative the OPCI is created (*corporate designation, registered office, corporate purpose, share capital, company representative, authorization references*);
- Specify the form of the OPCI (real estate investment fund or real estate investment company) and its category;
- Specify whether the OPCI is subject to simplified operating rules (FPI-RFA or SPI-RFA).

2.- Object

Define the object of the OPCI, in accordance with the provisions of law no. 70-14 aforementioned.

3.- Designation or Name

Specify the designation or name of the OPCI followed, as the case may be, by the statement "FPI", "SPI", "FPI-RFA" or "SPI-RFA".

4.- Contributions

- Determine the contributions collected for the constitution of the OPCI, and the procedures for their release;
- Specify the valuation of the contributions in kind made at the time of constitution;
- Specify the guarantees attached to contributions in kind, where applicable.

5.- Duration

Indicate the duration of the OPCI.

6.- Existence of sub-funds

- Present the procedures for creating sub-funds;
- Indicate that the specific provisions for each sub-fund are set out in a specific annex to the management regulations.

7.- Financial year

- Specify the opening and ending dates of the financial statements as well as the duration of the financial year, in accordance with the provisions of law no. 70-14 aforementioned;
- Specify the accounting rules governing the OPCI in accordance with the laws and regulations in force.

Title II - Assets and Liabilities of the OPCI

8. .- Issue of units or shares

- Determine the conditions and procedures for the issue of units or shares of the OPCI as well as those for the restriction, limitation or suspension of issues;

- Determine, where applicable, the conditions for the acquisition of OPCI units or shares by the depository institution of the said OPCI's assets, in particular those relating to the preservation of the exclusive interest of the security holders and the prevention of conflicts of interest.

9.– Repurchase of units or shares

Set the conditions and procedures for the repurchase of OPCI units or shares as well as those for the restriction, limitation or suspension of repurchases.

10.– Nature and composition of assets

Provide a general description of the composition and nature of the OPCI assets in accordance with the rules relating to dispersion, risk capping and to the proportions provided for by law no. 70-14 aforementioned and the texts adopted for its implementation.

11.– Valuation of assets

Specify the procedures for the valuation of the OPCI assets, in accordance with the provisions of law no. 70-14 aforementioned.

12.– Net asset value

Specify the procedures and frequency for determining the net asset value of the OPCI share or unit.

Title III - Operation of the OPCI

13.– The management company

- Provide a general description of the duties and responsibilities of the management company with regard to the OPCI and the security holders, in accordance with the provisions of law no. 70-14 aforementioned;
- Specify:
 - the designation, purpose, capital, registered office and legal representative of the management company;
 - the references of its authorization;
 - the conditions and procedures for the revocation and replacement of the management company.
- In case of delegation of a part of the financial management of the OPCI, specify the information mentioned above concerning the delegated management company, as well as the control procedures of the delegatee.

14.- The depository institution

- Provide a general description of the duties and responsibilities of the depository institution, in accordance with the provisions of law no. 70-14 above-mentioned;
- Specify:
 - the name, capital, registered office and the legal representative of the depository institution;

- the conditions and procedures for the revocation and replacement of the depository institution;
- the period of notice during which the depository institution's responsibility remains engaged in the event of termination of its functions.

15.-The real estate appraisers

- Provide a general description of duties and responsibilities of real estate appraisers, in accordance with the provisions of law no. 70-14 above-mentioned;
- Specify:
 - the name or designation of the first real estate appraisers of the OPCI's assets and their representatives, where applicable;
 - the authorization references of the said appraisers;
 - the extent of risks incurred to be covered by the insurance contract as well as the minimum level of cover;
 - the conditions and procedures for the revocation and replacement of real estate appraisers.

16.- The statutory auditor

- Provide a general description of the statutory auditor's duties and responsibilities, in accordance with the provisions of the above-mentioned law no. 70-14;
- Specify:
 - the designation or name of the first statutory auditor(s) and their representatives, where applicable;
 - the conditions and procedures for the replacement of the statutory auditor.

17.- Investment policy

- Provide a general description of the objectives to be achieved as well as the criteria, type, nature and national or international location of the investments;
- Provide a general description of the investment strategy implemented by the management company to achieve the above-mentioned objectives;
- Provide a general description of risk factors that are specific to the OPCI and related to its investment strategy by differentiating the risks related to real estate assets from those related to financial assets of the OPCI concerned. This description must also explain the risks related to the debt policy of the OPCI, where applicable.

18. - Debt policy

- Specify the debt policy of the OPCI and the procedures and conditions of recourse to borrowing;
- Set, where applicable, the conditions for granting loans to the OPCI by the depository institution, in particular, those relating to the preservation of the exclusive interest of security holders and the prevention of conflicts of interest.

19. - Subscription of the securities issued (*debt securities and sukuk certificates*)

Specify the conditions and procedures for subscribing to the securities issued (*debt securities and sukuk certificates*) as well as the procedures for assessing their value.

20. - Coverage mechanisms

Specify:

- the means of coverage against the financial risks incurred by the OPCI;
- the coverage operations envisaged in order to match the financial flows received by the OPCI with the flows to be paid to security holders.

21. - Liquidity management

Specify the procedures for managing the liquidity generated by the assets of the OPCI and their distribution to security holders, in accordance with the provisions of law no. 70-14 aforementioned.

22. - Distribution of products and revenues

Specify the terms and conditions for the distribution of any products or revenue to security holders.

23. - Contributions in kind

Specify the conditions and procedures according to which new contributions in kind must be made in favour of the OPCI after its incorporation, in accordance with the provisions of law no. 70-14 aforementioned.

24. - Fees and commissions

Specify the terms and conditions for the compensation of the management company, the depository institution, the real estate appraisers as well as the commissions received upon the issuance or repurchase of securities and the terms and conditions for determining all management fees.

25. Operations on account-registered securities

Specify the forms and procedures relating to operations involving the securities issued by the OPCI and registered in an account, in accordance with the provisions of law no. 70-14 aforementioned.

Title IV - General meetings¹

26. General meetings

- Specify the quorum conditions required for the holding of general meetings and the majority requirements for decision making by the latter, subject to the provisions of paragraph 21 of article 15 and article 24 of law no. 70-14 aforementioned;
- Recall:
 - the powers of the general meetings;
 - the procedures for holding general meetings.

Title V. - Administration and general management²

27. - Board of directors

- Specify the identity of the first Directors and the conditions for their re-eligibility, where applicable;
- Recall:
 - the procedures for the appointment of directors other than the first directors;
 - the duration of the term of office of directors;
 - the compensation of directors;
 - the operating procedures of the board of directors;
 - the powers of the board of directors.

28. - General management

- Specify the identity of the chief executive officer;
- Recall the powers of the chief executive officer.

Title VI,- Term of office³

29. Term of office

- Specify the identity of the officer;
- Recall the purpose of the term of office and the powers of the agent.

¹This title relates to the OPCI constituted in the form of a Real Estate Investment Fund "SPI".

² This title relates to the OPCI constituted in the form of a Real Estate Investment Fund "SPI".

³ This title relates to the OPCI constituted as a Real Estate Investment Fund "FPI".

Title VII. - Information

30. - Information for security holders and the public

Specify the procedures, nature and frequency of the information to be provided to security holders and the public, subject to the provisions of law no. 70-14 aforementioned and the texts adopted for its application.

31. - Background paper

Specify that:

- the background paper is established by the management company, in accordance with the provisions of law no. 70-14 aforementioned;
- the management company may make amendments to the background paper, in accordance with the provisions of law no. 70-14 aforementioned.

Title VIII.- Dissolution - liquidation

32. - Dissolution and liquidation

Specify the cases of dissolution, the conditions of liquidation and the procedures for the distribution of assets and information of security holders.

Title IX.- Amendment - settlement of disputes

33. - Amendment to the management regulations

Specify the procedures for amending the management regulations of the OPCI.

34. - Settlement of disputes

Specify the methods for settling disputes relating to the OPCI.

ANNEX 2 TO THE AMMC CIRCULAR NO. 02/19
- THE DOCUMENTS AND INFORMATION THAT MUST BE INCLUDED IN THE
REQUEST FOR APPROVAL FILE OF THE OPCI -

The request for authorization file of the OPCI must include the following documents and information:

I-. Documents and information relating to the OPCI

- A detailed note that specifies:
 - the form of the OPCI (SPI, FPI, SPI-RFA, FPI-RFA);
 - the reasons and objectives for creating the OPCI;
 - the strategic position that shall be given to the OPCI;
 - the targeted subscribers (*individuals, legal entities, qualified investors*).
- A document that includes, in detail:
 - the investment policy envisaged;
 - the financing resources of the OPCI, including its debt policy;
 - where applicable, the specific operating procedures of the OPCI in terms of the management of real estate assets and financial assets taking into account their nature and their specificities, in particular, their financial, legal, tax and commercial characteristics.
- The draft documents relating to the constitution, operation and marketing of the OPCI's securities, in particular, the draft articles of association of the SPI or the draft management mandate of the FPI;
- The evaluation report of the contributions in kind carried out for the purposes of the constitution of the OPCI, where applicable.

II-. Documents and information relating to the management company

- The detailed organization chart of the management company;
- A detailed note on the human, technical and organizational resources available to the management company;
- The identity of the portfolio manager(s) appointed to manage the OPCI and the list of the OPCI they manage and/or have managed;
- In case of delegation of part of the financial management of the OPCI:
 - the draft agreement on the delegation of part of the financial management;
 - the identity of persons belonging to the delegated management company who are responsible for the said financial management.

III-. Documents and information relating to real estate appraisers

- The copies of insurance contracts covering the civil responsibility of real estate appraisers as part of their appraisal missions;
- The draft agreements for the appointment of real estate appraisers provided for in article 17 of this circular;
- A sworn statement drawn up by each of the real estate appraisers attesting to their independence in relation to the other real estate appraiser, the statutory auditors, the management company and the depository institution.

IV-. Documents and information relating to the depository institution

- The detailed organization chart of the depository institution;
- A detailed note on the human, technical and organizational resources of the depository institution;
- The draft agreement for the appointment of the depository institution provided for in article 22 of this circular.

V-. Documents and information relating to the statutory auditor

- The letter of acceptance of the statutory auditor's duties indicating their commitment to comply with the approach and the work program set out for the OPCI;
- A certificate attesting to the registration of the statutory auditor on the official list of chartered accountants;
- A sworn statement by the statutory auditor attesting to their independence in accordance with the provisions of the legislation in force.

VI-.Documents and information relating to the institution responsible for collecting the subscriptions of units or shares of the OPCI

- The designation of the institution responsible for collecting the subscriptions of OPCI units or shares;
- The detailed organization chart of the above-mentioned institution;
- The draft agreement to be concluded between the management company and the above-mentioned institution.

ANNEX 3 TO THE AMMC CIRCULAR NO. 02/19 - STANDARD –
STANDARD MODEL OF THE INFORMATION DOCUMENT

Background paper

Designation or name of the OPCI:...

Governed by the provisions of law no. 70-14 on Real Estate Collective Investment Undertakings

Incorporated on the initiative of the management company: Designation of the management company

Address of the management company's registered office:...

Depository institution:...

Real estate appraisers:...

Statutory auditor:...

Approval of the Moroccan Capital Market Authority

In accordance with the provisions of article 6 of law no. 70-14 on Real Estate

Collective Investment Undertakings enacted by Dahir no. 1-16-130 of 21 Dhu al-Qidah 1437 (25 August 2016), as well as the provisions of law no. 44-12 on public offerings and the information required from legal entities and organizations making public offerings enacted by Dahir no. 1-12-55 of 14 Safar 1434 (28 December 2012), as amended and completed, the original version of this background paper has been approved by the AMMC on [...] under the reference [...]

The approval of this background paper by the AMMC neither implies an approval of the advisability of investment in the OPCI, nor an authentication of the information presented. It is attributed after examination of the relevance and consistency of the information granted with a view to the marketing of the units or shares of the said OPCI to the public.

This background paper has been prepared by the management company...represented by...in their capacity as...which attests to the sincerity of the information it contains.

First and last names and capacity of the representative of the management company

WARNING

The warning should highlight the illiquid nature of the real estate assets as well as the risks associated with investment in the real estate market.

This warning must be adapted according to the liquidity characteristics of the OPCI.

I.- General characteristics

1.- Designation or name of the OPCI

Indicate the name or the designation of the OPCI followed, as the case may be, by the words "FPI", "SPI", "FPI-RFA" or "SPI-RFA".

2.- Legal form and registered office of the OPCI

Indicate the form of the OPCI (real estate investment fund or real estate investment company), its class and its registered office. However, in the case of an FPI, the management company's registered office must be specified.

3.- Date and reference of the OPCI authorization

4.- Constitution date of the OPCI and its duration of existence

5.- Financial year

- Indicate the opening and ending dates of the financial accounts as well as the duration of the financial year, in accordance with the provisions of law no. 70-14 aforementioned;
- Indicate the accounting rules to which the OPCI is subject in accordance with the laws and regulations in force.

6.- Details on the classes of subscribers concerned

7.- Details on the recommended investment period

8.- Indicate, where applicable, the different sub-funds of the OPCI, their names or designations, and their principal characteristics.

II.- the various actors

1.- The management company

Indicate:

- The designation, purpose, capital, registered office and legal representative of the management company;
- the references of its authorization;
- the duties and responsibilities of the management company with regard to the OPCI and the security holders;

- in the case of contributions in kind to the OPCI, the direct or indirect shareholdings held by the contributors of the assets in the management company or vice versa.

In case of delegation of part of the financial management of the OPCI, indicate the information mentioned above concerning the delegated management company, as well as the control procedures of the delegatee.

2.- The depository institution

Indicate:

- the designation, share capital, registered office and legal representative of the depository institution;
- the functions performed by the depository institution, in particular, the procedures for the safekeeping of assets and liability management of the OPCI.

3.- The real estate appraisers

Indicate:

- the designation or name of the real estate appraisers of the OPCI's assets and their representatives, where applicable;
- the authorization references of the said appraisers;
- the duties and responsibilities of real estate appraisers.

4.-The statutory auditor

Indicate:

- the designation or name of the statutory auditor(s) and their representatives, where applicable;
- the duties and responsibilities of the statutory auditor(s).

5.- The institution in charge of collecting the subscriptions of OPCI units or shares;

Indicate:

- the designation and the registered office of the institution responsible for collecting the subscriptions of OPCI units or shares;
- the duties carried out by the aforementioned institution.

III.- Investment policy of the OPCI

1.- Objectives set

Set the management objectives of the OPCI, taking into account its category and the nature of the risks to which it is exposed, namely, those related to the investment strategy envisaged.

2.- Reference indicator, where applicable

- Provide a reference index to which the investor can compare the performance and risk taken by the OPCI;
- Specify the source and the procedures of publication of this index;
- Provide all details on the procedures used to compare the performance of the OPCI to the index [e.g.: restatement, calculation procedures, etc.).

3.- Investment strategy

Indicate the means to be deployed, the measures to be taken and the procedures to be implemented by the management company in order to achieve the management objectives set, specifying in particular:

3.1.- The overall investment strategy

- the investment universe of the OPCI:
 - the nature of the real estate assets: type of real estate assets, national or international location, sector of business;
 - the nature of the financial assets.
- The allocation strategy between real estate assets and financial assets;
- The limits relating to the composition of the assets that the OPCI intends to set for itself in accordance with the limits set by the laws and the regulations in force;
- The debt policy envisaged, specifying:
 - the conditions of recourse to debt;
 - the borrowing limits that the OPCI intends to set itself in compliance with the limits set by the laws and regulations in force;
 - the nature, limits and procedures for the granting, where applicable, by the OPCI, of guarantees on its assets in the context of recourse to borrowing;
 - the procedures for informing security holders about the situation of the OPCI's indebtedness;
 - where applicable, the conditions for granting loans to the OPCI by the depository institution, in particular, those relating to the preservation of the exclusive interest of security holders and the prevention of conflicts of interest;
 - the terms and conditions for subscribing to the securities issued (debt securities and sukuk certificates) as well as the procedures for assessing their value.
- The conditions under which the OPCI intends to grant partners' current account advances to the companies mentioned in paragraph 4 of article 3 of law no. 70-14 aforementioned.

3.2.-The investment strategy adopted according to the nature of assets

- Real estate assets;
- Financial assets.

4.-Risk factors and hedging mechanisms

4.1.- Risk factors

- Describe in a detailed and hierarchical manner:
 - the risk factors relating to investment in the OPCI compared to other collective investment undertakings governed by the legislation in force;
 - the risk factors specific to the OPCI and linked to its investment strategy by differentiating the risks linked to real estate assets from those linked to the OPCI's financial assets. This description must also explain the risks related to the debt policy of the OPCI, where applicable.
- Indicate that the risks associated with the OPCI in question may change.

4.2.- Coverage mechanisms

Specify:

- the coverage means against the financial risks incurred by the OPCI;
- the hedging activities envisaged in order to match the financial flows received by the OPCI with the flows it must pay to the security holders.

5.- Liquidity management

Specify the procedures for managing the liquidity generated by the assets of the OPCI and their distribution to security holders, in accordance with the provisions of law no. 70-14 aforementioned.

IV.- Assets and Liabilities of the OPCI

1.- Issue of units or shares

Specify:

- the conditions and procedures for the issue of units or shares of the OPCI as well as those for the restriction, limitation or suspension of the issue and its recovery;
- the procedures for informing security holders of the OPCI in the event of suspension of the issue of securities and the resumption of such issue;
- where applicable, the conditions for the acquisition of units or shares of the OPCI by the depository institution of assets of the said OPCI, in particular, those relating to the preservation of exclusive interests of security holders and the prevention of conflicts of interest.

2.- Repurchase of units or shares

Specify:

- the conditions and procedures for the repurchase of units or shares of the OPCI as well as those of the restriction, limitation or suspension of repurchase and its resumption;
- the procedures for informing security holders of the OPCI in the event of the suspension of repurchase of securities and the resumption of this repurchase.

3.- Nature and composition of assets

Specify the composition and nature of the OPCI assets in accordance with the rules of dispersion, risk capping and the proportions provided for by law no. 70-14 aforementioned and the texts adopted for its implementation.

4.- Valuation of assets

Specify the procedures for valuing the assets of the OPCI assets, in accordance with the provisions of law no. 70-14 aforementioned.

5.- Net asset value

Specify:

- the procedures and frequency for determining the net asset value of the share or unit of the OPCI;
- the procedures and frequency of dissemination of the net asset value of the share or unit of the OPCI.

V.- Operation of the OPCI

1.- Contributions in kind

Specify the conditions and procedures according to which contributions in kind of new assets must be made to the benefit of the OPCI after its incorporation, in accordance with the provisions of law no. 70-14 aforementioned.

2.- Acquisition of new assets

Specify, subject to the laws and regulations in force:

- the characteristics and eligibility requirements for new assets during the existence of the OPCI;
- the conditions and procedures for the acquisition of new assets during the existence of the OPCI.

3.- Fees and commissions

Reproduce the following formula: *"the fees and commissions borne by the investor serve to cover the operating expenses of the OPCI, including fees directly related to the marketing and distribution of units or shares, and that these fees are likely to reduce the income and performance of its investments"*.

3.1.- Commissions on issues and repurchases of OPCI units or shares

Provide a detailed description of the mechanism of the fees relating to the issue and repurchase of OPCI units or shares.

Accompany this description with the following table:

Breakdown of issue and repurchase commissions borne by the investor	Calculation basis	Rate (excl. tax)
Issue commission not paid to the OPCI		
Issue commission paid to the OPCI		
Repurchase commission not paid to the OPCI		
Repurchase commission paid to the OPCI		

3.2.- Management fees

– Provide a detailed description of the fees and remunerations of the various participants and service providers, specifying in particular:

- the operating expenses of the OPCI, in particular, the management fees of the OPCI (*Fund Management*), the management fees of the real estate assets (*Asset Management*), the remuneration of the various actors, in particular the AMMC, the depository institution, the real estate appraisers, the statutory auditor and the members of the governance body,

where applicable;

- the real estate operating costs (*repairs, maintenance,...*);
- the costs related to real estate and financial transactions;
- other expenses (*to be specified*).

– Specify the frequency of provisioning and the payment of management fees.

Accompany the above description with the following table:

Breakdown of management fees charged to investors	Calculation basis	Rate (Excl. tax)
The OPCI Operating costs		
Real estate operating costs		
Outperformance fee		
Costs related to real estate and financial transactions		
Other costs (to be specified)		

4.- Distribution of products and revenues

Specify the procedures for the distribution of any product or revenue to security holders.

5. - operations on securities registered in an account

Specify the forms and procedures relating to operations involving the securities issued by the OPCI and registered in an account in accordance with the provisions of law no. 70-14 aforementioned.

6.- General Meetings⁴

- Specify the quorum requirements for holding general meetings and the majority requirements for decision-making by these meetings, subject to the provisions of article 15 (21) and article 24 of law no. 70-14 aforementioned;
- Recall:
 - the powers of the general meetings;
 - the procedures for holding general meetings.

7.- Administration and general management⁵

7.1.- Board of directors

- Specify the identity of the directors and the conditions of their re-election, where applicable;

⁴This point concerns only OPCs constituted in the form of a Real Estate Investment Company "SPI".

⁵ This point concerns only OPCs constituted in the form of a Real Estate Investment Company "SPI"

- Recall:
 - the procedures for the appointment of directors other than the first directors;
 - the duration of the term of office of directors;
 - the compensation of directors;
 - the operating procedures of the board of directors;
 - the powers of the board of directors.

7.2.- General management

- Specify the identity of the chief executive officer;
- Underline the powers of the chief executive officer.

8.- Term of office⁶

- Specify the identity of the agent;
- Underline the purpose of the term of office and the powers of the agent.

VI.- Information for security holders and the public

Specify the procedures, nature and frequency of the information to be provided to security holders and the public, subject to the provisions of law no. 70-14 aforementioned and the texts adopted for its application.

VII.- Tax system

- Describe the tax system to which the OPCI is subject.
- The security holder must be informed that a note on the tax system to which the OPCI is subject is available in the management company.

⁶ This point concerns only the OPCI constituted in the form of a Real Estate Investment Trust "FPI"

- LIST OF DOCUMENTS AND INFORMATION THAT MUST ACCOMPANY THE BACKGROUND
PAPER SUBMITTED TO THE AMMC FOR APPROVAL.

- An extract of the background paper drawn up in accordance with the standard model set out in annex 5;
- The documents and information of a promotional nature relating to the characteristics of the OPCI as well as the risks relating thereto, intended for the public;
- In the case of an amendment to the background paper, an explanatory note of the intended amendment must also be produced.

* * *

Extract from the background paper

Denomination or name of the OPCI: ...

Governed by the provisions of law no. 70-14 on Collective Investment undertakings.

Approved by the AMMC on [...] under the reference [...].

Constituted at the initiative of the management company "Denomination of the management company".

Address of the registered office of the management company:...

Approved by the AMMC on [...] under the reference [...].

This document is an extract from the background paper approved by the AMMC on [...] under the reference [...], as provided for by article 6 of law no. 70-14 on Real estate collective investment undertakings enacted by the Dahir no. 1-16-130 of 21 Dhu al-Qidah 1437 (25 August 2016).

The approval of the background paper by the AMMC does not imply approval of the opportunity to invest in the OPCI, nor does it imply authentication of the information presented. It is awarded after examination of the relevance and consistency of the information provided with a view to the marketing of units or shares of the said OPCI to the public.

The extract from the background paper provides essential information for investors of this OPCI. This is not a promotional document. The information it contains is provided in accordance with a legal obligation, in order to help the investors understand what an investment in this OPCI consists of and the risks associated with it. The investors are invited to read it in order to make an informed decision to invest or not.

This extract provides investors with the following information:

1-The investment period recommended. (*Inform investors, where applicable, that the OPCI concerned may not be appropriate for investors who plan to withdraw their contributions before the recommended investment period has elapsed*).

2-The investment policy

2.1.- Set the management objectives and describe the investment strategy of the OPCI using understandable, clear and simple language. This investment strategy must indicate:

- the investment universe of the OPCI:
 - the nature of the real estate assets, type of real estate assets, national or international location, sector of activity;
 - the nature of the financial assets.
- the debt policy envisaged by the OPCI as well as the borrowing limits that the OPCI intends to impose while complying with the limits set by the laws and regulations in force.

2.2.- Provide, where applicable, a benchmark index through which the investor will be able to compare the performance and the risk taken by the OPCI as well as the source and publication procedures of this indicator.

2.3.- Risk factors:

- describe in a detailed and hierarchical manner:
 - the risk factors relating to investment in the OPCI compared to other collective investment undertakings governed by the legislation in force;
 - the risk factors specific to the OPCI and linked to its investment strategy while differentiating the risks linked to real estate assets from those linked to the OPCI's financial assets. This description must also clarify the risks related to the debt policy of the OPCI, where applicable.
- Indicate that the risks associated with the OPCI in question may change.

2.4.- Hedging mechanisms:

Specify:

- the means of coverage against the financial risks incurred by the OPCI;
- the hedging activities envisaged in order to match the financial flows received by the OPCI with the flows it must pay to the security holders.

3- the conditions and procedures relating to the issue of OPCI units or shares as well as those relating to the restriction, limitation or suspension of the issue and its resumption;

4- the terms and procedures relating to the repurchase of OPCI units or shares as well as those relating to the restriction, limitation or suspension of the repurchase and its resumption;

5- the procedures and frequency for determining the net asset value of the OPCI share or unit;

6- the fees and commissions

Reproduce the following formula: *"the fees and commissions charged to the investor serve to cover the operating expenses of the OPCI, including expenses directly related to the marketing and distribution of the units or shares, and that these expenses are likely to reduce the income and performance of its investments"*.

6.1.- Commissions on issues and repurchases of OPCI units or shares

Provide a detailed description of the mechanism of the fees relating to the issue and repurchase of OPCI units or shares.

Accompany this description with the following table:

Breakdown of issue and repurchase fees borne by the investor	Calculation basis	Rate (excl. tax)
Issue commission not paid to the OPCI		
Issue commission paid to the OPCI		
Repurchase commission not paid to the OPCI		
Repurchase commission paid to the OPCI		

6.2.- Management fees

- Provide a detailed description of the fees and remunerations of the various participants and service providers;
- Specify the frequency of provisioning and the payment of management fees.

Accompany the above description with the following table:

Breakdown of management fees borne by investors	Calculation basis	Rate (Excl. tax)
The OPCI Operating costs		
Real estate operating costs		
Outperformance fee		
Costs related to real estate and financial transactions		
Other expenses (to be specified)		

7- The procedures relating to the distribution of any product or income to security holders

8- Practical information

- Name of the depositary institution;
- Names or designation of real estate appraisers;
- Name or designation of the statutory auditor;

- Place and procedures for obtaining information on the OPCI (management regulations, background paper, conflicts of interest policy and the latest semi-annual and annual reports of the OPCI);
- Administration and general management of the Real Estate Investment Company, while specifying the composition of its board of directors and the identity of its chief executive officer;
- The identity of the agent of the Real Estate Investment Fund.

* * *

ANNEX 5 TO THE AMMC CIRCULAR NO. 02/19

- STANDARD MODEL FOR THE EXTRACT OF THE BACKGROUND PAPER.

<i>Amendment to the information contained in the background paper relating to:</i>	<i>Amendment granting entitlement to exit free of charge</i>	<i>Minimum number of months between the information of investors and the end of the free of charge exit period</i>	<i>Investor information procedures</i>
<i>The management company</i>	<i>Yes</i>	6 months. This period may be adapted, after agreement with the AMMC, according to the frequency of calculation of the net asset value.	For amendments granting entitlement to exit free of charge: the publication of a press release setting out the nature of the amendments made to the background paper in a legal announcements newspaper and on the website of the management company and the information of investors by any means providing proof of receipt.
<i>The delegated management company</i>	<i>Yes</i>		
<i>The depositary institution</i>	<i>Yes</i>		
<i>The statutory auditor</i>	<i>No</i>		
<i>The real estate appraisers</i>	<i>No</i>		
<i>the investment policy</i>	<i>Yes</i>		
<i>The recommended investment period</i>	<i>Yes (if the duration is increased)</i>		
<i>The subscription and repurchase commission</i>	<i>Yes (in case of increase)</i>		
<i>The management fees</i>	<i>Yes (in case of increase)</i>		
<i>The frequency of net asset value asset value</i>	<i>Yes (in case of decrease)</i>		
<i>The place and procedures for dissemination of</i>	<i>No</i>		For other amendments: The publication on the website of the management company and information of investors by any means providing proof of receipt.
<i>The terms and procedures for repurchasing OPCV units or shares</i>	<i>Yes (in case the maximum repurchase period is extended)</i>		
<i>The distribution of products and revenues</i>	<i>Yes (in case of an amendment to the procedures for distribution of the products and income to the investor's disadvantage)</i>		

ANNEX 7 TO THE AMMC CIRCULAR NO. 02/19

- LIST OF DOCUMENTS AND INFORMATION TO BE COMMUNICATED TO AMMC BY OPCI MANAGEMENT COMPANIES AND THE TERMS AND CONDITIONS OF COMMUNICATION THEREOF -

NATURE OF DOCUMENTS/INFORMATION	COMMUNICATION PERIODICITY	COMMUNICATION PROCEDURE	COMMUNICATION DEADLINE
<p>The annual report of the OPCI, established in accordance with the model set out in annex 7.1 of this circular, including:</p> <ul style="list-style-type: none"> - the management report; - the real estate appraisers' summary report; - the report of the statutory auditor(s) on the valuation of contributions in kind, where applicable; - the balance sheet; - the income and expense account; - the statement of management balances; - the inventory of assets certified by the depository institution; - a description of the activities of the past financial year; - any information that allows knowing the state of the assets of the OPCI or of the sub-fund concerned. 	ANNUAL	Electronic	No later than three (3) months from the end of the financial year.
<p>The semi-annual report of the OPCI, established in accordance with the model set out in annex 7.2 of this circular, including:</p> <ul style="list-style-type: none"> - the information relating to the state of the assets of the OPCI or the sub-fund concerned and its development; - the real estate appraisers' summary report; - the statutory auditors' report on the valuation of contributions in kind, where applicable; - a description of the activities of the past semester. 	SEMI-ANNUAL	Electronic	No later than two (2) months from the end of the first semester of the financial year.

The net asset value of the OPCI or one of its sub-funds.	AT LEAST ONCE EVERY SEMESTER	Electronic	No later than the first business day following its determination.
<i>The detailed property valuation report.</i>	AT LEAST ONCE EVERY SEMESTER	<i>On paper and electronic format</i>	<i>At the latest ten (10) clear days before the publication of the net asset value</i>
<i>The estimated net asset value of the OPCI or one of its sub-funds.</i>	QUARTERLY	Electronic	<i>No later than the first business day following its determination.</i>
<i>The inventory of the assets of the OPCI established according to the model set out in annex 7.3 of this circular.</i>	QUARTERLY	<i>On paper and electronic format</i>	<i>No later than ten (10) clear days from the end of each quarter.</i>
<i>Monitoring report on the rules of risk dispersion and capping as well as on the representation levels of the OPCI's assets, hereinafter referred to as the "monitoring report on regulatory ratios" drawn up in accordance with the model set out in annex 7.4 of this circular.</i>	QUARTERLY	Electronic	<i>No later than five (5) clear days from the end of each quarter.</i>
<i>The summary report of the valuation of in-kind contributions.</i>	PUNCTUAL	<i>On paper and electronic format</i>	<i>No later than five (5) clear days from the date of completion of the subscription by contribution in kind.</i>
<i>The statutory auditors' report on contributions in kind.</i>			
<i>Any operation carried out between OPCI managed by the same management company, established according to the model set out in annex 7.5 of this circular.</i>	PUNCTUAL	Electronic	<i>No later than the first business day following the date of completion of the said operation.</i>

ANNEX 7.1. ANNEX 7.1. TO THE AMMC CIRCULAR NO. 02/19

- OPCI ANNUAL REPORT FORM -

[Name or name of OPCI]

ANNUAL REPORT

Accounting financial year [year]

I. Management report

including:

- *a presentation of the OPCI ;*
- *a presentation of the OPCI's investment policy*
a description of developments in the real estate and financial markets during the financial year
- *the risk factors specific to the OPCI and the risk factors related to its investment strategy ;*
an annotated description of the performance of the OPCI presented over a probative period
- *a commented description of the activity and significant events of the financial year;*
the changes in the composition of the portfolio during the financial year;
- *quantified and commented information on the main elements of the management of the OPCI;*
- *a table including distributions of proceeds or income to securityholders over the last five financial years;*
- *general information on the valuation of real estate assets ;*
- *changes in valuation methods and their reasons the situation at the closing of the OPCI's accounts;*
- *the allocation of income for the financial year, in particular, the amounts to be distributed and the distribution rate ;*
- *regulatory ratios at the end of the financial year ;*
- *information relating to compliance with the rules of good conduct and ethics applicable to the members of the governance body; the managers and staff of the management company;*
- *the expected development of the activity of the OPCI at least for the coming financial year, with regard to the development of the real estate and financial markets; the details of the securities issued by the OPCI;*
- *the debt and liquidity situation of the OPCI, specifying*
 - *the circumstances of recourse to indebtedness ;*
 - *the total amount of indebtedness*
 - *the amount and limit of the Treasury borrowings contracted ;*
 - *the amount and the limit of the real estate loans contracted;*
 - *the OPCIs liquidity situation, in particular the amount of treasury available, the nature of the liquid assets and the liquid financial instruments of which the OPCIs assets are composed.*
- *the detailed inventory of the assets held by the OPCI certified by the depository institution ;*
- *details of contributions in kind ;*
- *significant events occurring after the end of the financial year,]*

II. the summary financial statements

[the summary statements defined by the chart of accounts of the OPCI certified by the auditor]

III. Property appraisers ' synthesis report

[mention of the validity of the insurance taken out by the property appraiser covering his civil liability as part of his appraisal missions]

IV. Statutory auditors' report on the valuation of contributions in kind, where applicable

ANNEX 7.2. TO THE AMMC CIRCULAR NO. 02/19

- SEMI-ANNUAL REPORT FORM OF AN OPCI -

[Name or name of OPCI]

SEMI-ANNUAL REPORT

SEMESTER CONCERNED [semester/year]

I. Description of activity for the semester

[including:

- *a presentation of the OPCI ;
an annotated description of the activity and significant events during the half-year period*
- *a commented description of the performance of the OPCI presented over a probative period of time]*

II State of the OPCI's patrimony

[which :

- *the detailed inventory of the assets held by the OPCI certified by the depository institution; the net asset value of the OPCI ;*
- *movements in the composition of the portfolio during the semester concerned.]*

III. Liabilities of the OPCI

[which :

- *the number of units or shares outstanding ;*

details of other securities issued by the OPCI

- *The details of the OPCI's debt.]*

IV. Other information

[which :

- *statement of regulatory ratios at the end of the semester;*
- *the management fees and expenses incurred by the OPCI during the past half-year, making a distinction between operating and management fees and non-recurring costs incurred by the OPCI].*

V. Property appraisers ' synthesis report

VI. Statutory auditors' report on the valuation of contributions in kind, where applicable

ANNEX 7.3. TO THE AMMC CIRCULAR NO. 02/19
- CERTIFIED QUARTERLY INVENTORY OF ASSETS -

OPCI	Management company	Depository institution	Inventory date

I. Real estate asset inventory

Nature of assets	Assets	Appointmen ts	Quantity	Acquisition date	Overall cost price in MAD	Valuation per security in MAD	Overall valuation in MAD	(+/-) unrealiz ed values in MAD	The ratio between the overall valuation and the total assets expressed as a percentage
Registered immovable property acquired or constructed	(asset 1)								
	(asset 2)								
Real rights in registered immovable property acquired or constructed	(asset 1)								
	(asset 2)								
Real rights granted by securities or leases for the occupation of an outbuilding in public domain	(asset 1)								
	(asset 2)								
Real rights provided for by a foreign legislation	(asset 1)								
	(asset 2)								
Direct or indirect shareholdings of capital in companies with a preponderance of real estate assets	(asset 1)								
	(asset 2)								
Securities of other OPCI	(asset 1)								
	(asset 2)								

Total real-estate asset								

II. Financial asset inventory

Nature of assets	Assets	Appointme nts	Quantit y	Acquisition date	Overall cost price in MAD	Valuation per security in MAD	Overall valuation in MAD	(+/-) unrealize d values in MAD	The ratio between the overall valuation and the total assets expressed as a percentage
Financial instruments with a liquid nature	(asset 1)								
	(asset 2)								
Debt security	(asset 1)								
	(asset 2)								
Partners' current account advances	(asset 1)								
	(asset 2)								
Liquidity									
Total financial assets									
TOTAL ASSETS OF THE OPCI									

III. Additional information relating to asset inventory

		Amount / Quantity
Debt	Commercial paper	
	Bonds	
	Bank loans:	
	Bank loans > 1 year	
	Bank loans ≤ 1 year	
	Breakdown of Other debts :	
	...	
Net Assets		
Number of shares or units		
Net asset value	□ Effective	
	□ Indicative (estimated)	

Including management fees and bank costs.

ANNEX 7.4. TO THE AMMC CIRCULAR NO. 02/19
- REGULATORY RATIO MONITORING STATUS -

<i>Ratios per OPCI managed as at [quarter-end date]</i>	[Name or designation OPCI 1]	[Name or designation OPCI 2]	...
	<i>[FPI or SPI] or ["FPI - RFA" or "SPI-RFA"]</i>	<i>[FPI or SPI] or ["FPI - RFA" or "SPI-RFA"]</i>	
<i>Value of assets referred to in 1), 2), 3), 4) and 5) of article 3 of law n° 70-14 relating to OPCI, hereinafter referred to as "real estate assets".</i>			
<i>OPCI assets</i>			
<i>(R1) The value of real estate assets must not be less than 60% of the OPCI's assets.</i>			
<i>Value of assets referred to in 1) and 2) of article 3 of the aforementioned law no. 70-14</i>			
<i>(R2) The value of assets referred to in 1) and 2) of article 3 of the aforementioned law no. 70-14 must not be less than 50% of the value of real estate assets</i>			
<i>Value of assets provided for in 3) of article 3 of the aforementioned law no. 70-14</i>			
<i>(R3) The value of assets provided for in 3) of article 3 of the aforementioned law no. 70-14 must not exceed 10% of (R1)</i>			
<i>Value of undeveloped land held for construction and buildings under construction</i>			
<i>Value of assets provided for in 1) of article 3 of the aforementioned law no. 70-14</i>			
<i>(R4)⁷ The value of undeveloped land intended for construction and buildings under construction shall not exceed 20% of the value of the assets provided for in 1) of article 3 of the aforementioned law no. 70-14</i>			

⁷ The OPCI-RFA may derogate from this ratio.

<i>Value of cash and liquid financial instruments</i>			
<i>(R5)⁸ The value of cash and liquid financial instruments must not be less than 10% of the OPCI's assets.</i>			
<i>Value of debt securities that do not allow participation in share capital</i>			
<i>(R6) The value of debt securities that do not permit the participation in share capital must not exceed 10% of the OPCI's assets.</i>			
<i>Value of investments in the form of partner current account advances</i>			
<i>(R7) The value of investments in the form of partner current account advances must not exceed 10% of the assets of the OPCI.</i>			
<i>Outstanding borrowings other than cash borrowings</i>			
<i>(R8) Outstanding borrowings other than cash borrowings must not exceed 40% of the value of the real estate assets (60% for OPCI -RFA).</i>			
<i>Outstanding cash borrowings</i>			
<i>Value of assets referred to in 6), 7) and 8) of article 3 of law no. 70-14 relating to OPCI, hereinafter referred to as "financial assets"</i>			
<i>(R9) Outstanding cash borrowings must not exceed 10% of the value of the financial assets (15% for OPCI- RFA)</i>			

⁸ The OPCI-RFAs and the SPIs listed on the Stock Exchange may derogate from this ratio.

ANNEX 7.5. TO THE AMMC CIRCULAR NO. 02/19

- STATEMENT OF OPERATIONS CARRIED OUT BETWEEN THE OPCIs MANAGED BY THE SAME
MANAGEMENT COMPANY -

OPCI transferor	OPCI purchaser	Transf erred assets	Nature of the transferred asset	Transactio n price	Operation date	Interest and objective of the operation for the OPCI concerned