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**Circular of the Moroccan Capital Market
Authority no. 01/19 on the authorization of
management companies of undertakings for
collective investment in capital and managing
institutions of securitization collective
investment funds**

**THE MOROCCAN CAPITAL MARKET
AUTHORITY,**

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

Having regard to law no. 41-05 on undertakings for collective investment in capital enacted by Dahir no. 1-06-13 of 15th Muharram 1427 (14th February 2006), as amended and completed;

Having regard to law no. 33-06 on the securitization of assets enacted by Dahir no. 1-08-95 of 20th Shawwal 1429 (20th October 2008), as amended and completed;

Having regard to decree no. 2-07-1300 of 3rd Jumada II 1430 (28th May 2009) adopted for the implementation of law no. 41-05 on undertakings for collective investment in capital, as amended and completed;

Having regard to decree no. 2-08-530 of 17th Rajab 1431 (30th June 2010) adopted for the application of the law no. 33-06 on the securitization of assets, as amended and completed,

After consultation with the professionals concerned,

HEREBY DECIDES:

Article one

Within the meaning of this circular, the following terms shall be defined as:

– Management company: the management company as defined in article 2-2 of law no 41-05 above-mentioned;

- Managing institution: managing institution as defined in article 2 of law no. 33-06 above-mentioned;
- Manager: any person who, in any capacity whatsoever, participates in the direction or management of the management company or the managing institution. This includes the chairman and chief executive officer, the chief executive officers, the deputy chief executive officers, the members of the management board, the secretary-general, the officers, as well as any person who, actually, performs any of these functions;
- OPCC: collective investment undertakings defined in article 2 of law no. 41-05 above-mentioned;
- FPCT: Securitization Collective Investment Funds as defined in article 3 of law no. 33-06 above-mentioned;
- Group: all companies and bodies whose capital is, wholly or partly, owned, either directly or indirectly, by the same company or body.

Article 2

Every OPCC management company must, before carrying out its activity, be approved by the minister of finance after consulting with the AMMC, in accordance with article 26 of law no. 41-05 above-mentioned.

FPCT management institutions must, before carrying out its activity, be approved by the minister of finance, after consulting with the AMMC, in accordance with article 39 of law no. 33-06 above-mentioned.

Article 3

The application for authorization must be sent to the AMMC, for examination purposes, by the founders of the company in the process of being incorporated or by the legal representative of a company already incorporated.

Article 4

The application for authorization referred to in article 3 above shall be accompanied by a file containing, in addition to the form included in the annex to this circular, duly completed by the applicant, the following information:

1-Information relating to the applicant:

- a copy of the articles of association accompanied by the draft of their harmonization with the laws and regulations on the proposed activity where the applicant company is already incorporated, or a copy of the draft articles of association where the applicant is in the process of incorporation;
- a certificate of registration in the trade register where the applicant is a company already incorporated;
- statement(s) of subscription and payment of capital;
 - the amount and distribution of the share capital;
 - the report of the contributions auditor, where applicable;
 - a bank certificate justifying the full payment of the share capital;
- a note listing the specialized committees established or to be established by the applicant's administrative body, specifying their duties, composition and operating procedures;
- a detailed note relating to the human, technical and organizational resources that the applicant has or will have and that are necessary for them to carry out the activities subject of the request. The means to be put in place must be accompanied by an implementation schedule;
- a detailed note of the technical means that the applicant has allowing for the implementation of their information system, and ensuring its maintenance and security. This note must be accompanied by the manual for the installation and use of the information system, a guide for the administration of this system and the policy of data safety and security of the aforementioned system;
- a descriptive note of the applicant's proposed organization for the performance of its activities, together with its detailed organizational chart, specifying the identity, function and reporting line of its staff and its foreseeable development in the light of the evolution of its activities;
- a plan, drawn up by an architect, for the development of the applicant's registered

office, indicating the location of the archives area and the technical premises. The layout of the premises, as set out in the said plan, must make it possible, in particular, to secure their access and to physically separate between incompatible functions, in particular between the offices of the portfolio managers and those of the other operational functions;

– where the applicant is part of a group, a document setting out the structure of the group's direct and indirect holdings in the capital of the different companies and bodies as well as the percentages of ownership of those holdings;

– where the applicant is a company already incorporated, a true copy of the minutes of the general meeting and of the administrative body of the said company and the annual activity reports as well as the annual summary financial statements certified by the statutory auditor(s) accompanied by the report(s) of the said statutory auditor(s), for the last three financial years preceding the application for authorization or since its incorporation, if it has been incorporated for less than three years;

– a copy of the agreements or draft agreements that it intends to conclude with:

- the main service providers;
- other companies of the group;
- one of the members of its administrative body.

– a note on the strategy to be implemented to develop the activity for which the authorization is requested;

– for the first five years of activity, a forward plan comprising the revenue and expenditure accounts and the projected balance sheet, together with details of the assumptions made and in particular the trend in outstanding amounts and management expenditure and fees;

– for the first five years of operation, a note on the applicant's trade policy;

– the draft internal procedures manual;

– the draft code of ethics.

2-Information relating to the applicant's shareholders, managers and staff members

2.1. Concerning shareholders:

- a document proving the identity of each shareholder, natural person;
- the certificate of registration in the trade register for each shareholder, legal entity, its organizational chart and a description note of its activities as well as its turnover, its own funds and its operating results for the last five financial years or since its constitution if it has been constituted less than five years ago.

2.2. Concerning members of the administrative body of the applicant and its managers:

- a document proving the identity of each manager or individual member of its administrative body;
- the certificate of registration in the trade register for each legal entity member of the administrative body;
- an extract from the criminal record or an anthropometric record of each manager or individual who is a member of the administration body, no older than three (3) months;
- a CV indicating the nature of their current professional activities and those they carried out prior to the request for authorization;
- the commitment of the applicant's legal representative to deploy the means necessary for the exercise of its activity as set out in its request for authorization;
- declarations and commitments by the applicant's managers to comply with the provisions of 6 and 7 of article 37 of law no. 33-06 aforementioned, where the envisaged activity is the management of an FPCT.

2.3. Concerning staff members:

- an updated CV accompanied by the contracts or draft employment agreements that concern them, as the case may be;
- a detailed description of the different functions and/or positions specifying the skills and qualifications necessary to fulfil them.

In addition, the commitment of members of the administrative body of the applicant, its managers and members of its staff to comply with the rules contained in the code of ethics must be submitted.

In addition to the information provided for above, the applicant may attach to the application for authorization file any other information deemed necessary for the examination of the said file.

The application for authorization is filed at the AMMC headquarters, which gives a dated and signed receipt.

Article 5

For the purpose of examining the application for authorization, the AMMC may:

- require the applicant to communicate, within the time limits it sets, any additional information it considers useful;
- conduct one or more interviews with the applicant's legal representatives and/or principal managers;
- carry out, if necessary, a visit to the applicant's headquarters and/or the premises intended for the exercise of its activity during working hours.

Article 6

In accordance with the provisions of article 29 of law no. 41-05 aforementioned, amendments affecting one of the conditions under which the OPCC management company was granted the authorization are subject to the granting of a new authorization.

In accordance with the provisions of the first paragraph of article 40 of law no. 33-06 aforementioned, amendments affecting the control of an FPCT management institution within the meaning of article 144 of law no. 17-95 on public limited companies, or the nature of the activities it carries out or its legal form are subject to the grant of a new authorization.

Article 7

Pursuant to the provisions of the second paragraph of article 40 of law no. 33-06 aforementioned, changes to the location of the registered office, or to the actual location of the activity of the FPCT management institution on the national territory, are subject to the prior agreement of the AMMC.

The request for the agreement is sent to the AMMC, which acknowledges receipt. It is

accompanied by a file containing the following elements:

- a copy of the minutes of the body having deliberated on the decision to change the location of the registered office, or the actual location of activity of the FPCT management institution;
- a note specifying the reasons for the above-mentioned amendments and the accompanying measures taken or envisaged, including the material and technical means necessary for this purpose;
- a plan, drawn up by an architect, for the layout of the new registered office of the managing institution or the new actual place of its activity, indicating the location of the area dedicated to archives and the technical premises. The layout of the premises, as set out in the said plan, must make it possible, in particular, to secure their access and to physically separate between incompatible functions, in particular between the offices of portfolio managers and those of other operational functions.

The AMMC may require the managing institution to communicate, within the time limits it sets, any additional document or information that it considers relevant to the examination of the request for agreement. It may also visit, during working hours, the new registered office of the managing institution or the new actual place of its activity.

Article 8

Upon publication of the new authorization referred to in article 6 above and/or notification of the authorization referred to in article 7 above, by the AMMC, the OPCC management company or the FPCT managing institution, as the case may be, shall communicate, by any means providing proof of receipt, the amendments mentioned in articles 6 and 7 above-mentioned to security holders and shall publish them on its website.

**Annex to the Circular of the Moroccan Capital Market Authority No. 01/19 on the
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funds**

Form provided for in article 4 of this circular

I - Information relating to the applicant

| | |
|--|---|
| Corporate name | |
| Company address (registered office and actual place of business) | |
| Date of incorporation of the company or indication that it is in the process of being incorporated | |
| Date and no. of registration in the Trade Register or any amending registration | |
| Company Common Identifier (ICE) | |
| Share capital and amount of paid-up capital | |
| Accounting financial year | |
| Nature of the activities planned | |
| Administrative body | |
| Legal representative | First and last names, Electronic national identity card (CNIE) No., Phone No., Email. |

II - Information relating to the administrative body of the applicant, its managers and the person responsible for preparing its application for authorization

1. Information relating to the administrative body

| First & last names or corporate name of the members of the administrative body | Legal form (natural or legal person, resident or non-resident) | First and last names of the permanent representative of the legal person member of the administrative body | CNIE no./ Rc no./ICE | Quality | Start date of the term of office | Other positions or terms of office held in other entities |
|--|--|--|----------------------|---------|----------------------------------|---|
| | | | | | | |
| | | | | | | |

2. Information relating to managers

| Identity of the manager | CNIE no. | Function | Duration of the term of office | Start date of the term of office | Other positions held in other entities |
|-------------------------|----------|----------|--------------------------------|----------------------------------|--|
| | | | | | |
| | | | | | |

3. Information relating to the person responsible for preparing the request for authorization

| First & last names or corporate name | Title/Function | Phone no. / fax no. | E-mail address |
|--------------------------------------|----------------|---------------------|----------------|
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III. - Information relating to shareholders and the distribution of the share capital and voting rights

| First & last names or corporate name of shareholders | Legal form (natural or legal person, resident or non-resident) | CNIE/RC/ ICE no. | Number of securities held by each shareholder | Total amount of the value of the securities held by each shareholder | Percentage of the share capital represented by the securities held by each shareholder | Percentage of voting rights held by each shareholder | Shareholding start date |
|--|--|------------------|---|--|--|--|-------------------------|
| | | | | | | | |
| Total for all shareholders | | | | | | | |

IV. - Information in the event of an envisaged increase in the share capital where the applicant is a company already incorporated

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|---|--|
| The amount of capital after the increase | |
| Type of the contribution | |
| The timetable for the completion of the capital increase | |

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