

Dahir no.1-15-07 of 29th Rabii II 1436 (19th February 2015) enacting law no.18-14 amending and completing law no.41-05 on venture capital investment undertakings.

PRAISE TO GOD ALONE!

(Great Seal of His Majesty the King Mohammed VI)

Let it be known hereby - May God elevate and strengthen the content!

That our Sherifian Majesty;

Having regard to the Constitution, particularly articles 42 and 50,

HAS DECIDED AS FOLLOWS:

Law no. 18-14 amending and completing law no. 41-05 on venture capital investment undertakings is hereby enacted and shall be published in the *Official Gazette*, further to this Dahir, as adopted by the House of Representatives and the House of Counsellors.

Done in Rabat, on 29th Rabii II 1436 (19th February 2015).

For countersignature:

The Head of the government

ABDEL-ILAH BENKIRAN.

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Law no.18-14

Amending and completing law no.41-05 on venture capital investment undertakings

Article One

The provisions of articles 2, 3, 4, 5, 6, 7, 8, 11, 12, 13 and 16 of law no.41-05 on venture capital investment undertakings, enacted by Dahir no.1-06-13 of 15th Muharram 1427 (14th February 2006) are hereby repealed and replaced as follows:

“Article 2. – OPCCs take the form of collective investment capital companies, hereinafter referred to as "SPCCs", or collective capital investment funds, hereinafter referred to as "FPCCs".

OPCCs are classified by categories, and where applicable, by subcategories under the conditions set by the administration, by regulatory means after consulting the Moroccan Capital Market Authority, hereinafter referred to as "AMMC".

“Article 3. - The provisions of the Dahir enacting law no.1-93-213 of 4th Rabii II 1414 (21st September

1993) on undertakings for collective investment in transferable securities are not applicable to OPCCs.

The provisions of law no.44-12 of 14th Safar 1434 (28th December 2012) on public offerings and the information required from legal entities and organizations making public offerings are applicable to OPCCs. However, and by way of derogation from the provisions of the said law, the subscription and acquisition by the managers, employees or natural persons acting on behalf of the management company of the OPCC and by the management company itself, of the securities issued by the said OPCC does not constitute a public offering operation.

OPCCs must comply with the exchange regulations in force.”

“Article 4. - The assets of an OPCC may only include the following elements:

1) the following equity securities, rights, debts and debt securities:

- a) shares;
- b) members' shares;
- c) investment certificates;
- d) the rights to allot or subscribe for equity securities;
- e) securities issued by other OPCCs;
- f) debts in the form of current account advances from shareholders with an irrevocable commitment to convert them into equity securities;
- g) debts whose repayment is subject to the prior repayment of all other creditors of companies fulfilling the conditions provided for in article 9 of this law;
- h) debts in the form of current account advances from shareholders blocked for a period exceeding two years;
- i) any other equity securities, rights, debts or debt securities granting direct or indirect access to the share capital set by the administration after consulting the AMMC.

2) any debt security not giving access to the share capital;

3) Cash consisting of funds deposited at sight or for a period not exceeding two years and investments in the form of current account advances of partners at sight or blocked for a period not exceeding two years;

4) any other category of similar transferable securities within the meaning of article 3 of the Dahir enacting law no.1-93-211 of 4th Rabii II 1414 (21st September 1993) on the Stock Exchange, as amended and completed;

5) any other assets as set by the administration, after notice of the AMMC subject to the

provisions of article 6 of this law.

The assets provided for in 1) to 5) of this article may be denominated in foreign currencies. They may also be located abroad and governed by foreign legislation.”

“**Article 5.** - An OPCC may only borrow money under the conditions set by the administration after consultation of the AMMC.”

“**Article 6.** - In accordance with the conditions provided for in article 7 below, the assets of an OPCC must consist of at least 50% of assets as set out in 1) of article 4 above representing debts, rights and securities granting direct or indirect access to the capital of companies meeting the conditions provided for in article 9 of this law. This proportion of assets is hereinafter referred to as "minimum allocation".

However, for OPCCs with an international investment, the minimum allocation provided for in the previous paragraph shall apply only to the part of their assets invested in Morocco and denominated in dirhams.

In the event of non-compliance with the minimum allocation, the OPCC shall not be deprived of its plan provided that it rectifies its situation no later than the following semester and that this is its first failure.

The conditions and frequency of valuation of assets taken into account in terms of compliance with the minimum allocation are set by the AMMC circular.”

“**Article 7.** - The following shall be taken into account for the calculation of the minimum allocation referred to in article 6 above:

- debts without a commitment to convert into equity securities provided for in g) and h) of 1) of article 4 above, up to a maximum level of the OPCC's assets set by the administration, after consultation of the AMMC, when they are held on companies meeting the conditions provided for in article 9 below in which the OPCC holds at least 5% of the capital;

- securities issued by companies meeting the conditions provided for in article 9 below, held by the OPCC for a period exceeding one year and which are subsequently listed on the Stock Exchange, it being understood that after such listing, these securities shall remain taken into account for the calculation of the minimum allocation for a maximum period set by the administration after consultation of the AMMC, from the date of the said listing;

- equity securities or securities granting access to the capital listed on the Stock Exchange, within the limit of 20% of the assets of the OPCC, issued by companies whose turnover is below a threshold set by the administration after consulting the AMMC, by derogation from the provisions of article 9 below;

- securities issued by other OPCCs up to the amount of the proportionate share they invest in assets taken into account in calculating the minimum allocation of these assets, by way of derogation from the provisions of article 9 below.

Securities issued by undertakings for collective investment in transferable securities are not taken into account in calculating the minimum allocation.”

“**Article 8.** - The OPCC must comply with the provisions of articles 6 and 7 above at the latest at the end of the two financial years following the financial year in which it was constituted.

New subscriptions are taken into account as of the closing date of the financial year following that in which they were paid up.”

“**Article 11.** - Securities representing contributions in kind made to an OPCC shall be fully paid up upon their issue.

Securities issued by an OPCC may be of different categories. By way of derogation from the provisions of article 1241 of the Dahir of 9th Ramadan 1331 (12th August 1913) forming the Code of Obligations and Contracts, these categories may represent different rights to all or part of the assets or to the products of the OPCC. Upon liquidation of the OPCC, a fraction of the assets may be allocated to the management company.

The characteristics of the securities issued by the OPCCs as well as their respective rights, ranks, preferences and priorities, their different categories and the fraction of the assets that may be allocated to the management company as provided for in the previous paragraph, are set out in the management regulations.

The subscription and acquisition of securities issued by an OPCC imply acceptance of the management regulations.

The management regulations of an OPCC may provide for one or more fixed-term subscription periods. The managing company may only distribute a fraction of the assets at the end of the last period of release of the subscribed funds.

The management regulations of an OPCC may

prohibit or impose conditions on the transfer of the securities it issues.”

“**Article 12.** Prior to the incorporation of an OPCC, the managing company is required to submit to the AMMC a request for approval of the draft management regulations provided for in article 11-3 above.

The application for approval referred to in the preceding paragraph must be accompanied by a file containing the documents set by the AMMC circular.

The AMMC shall render its decision to grant or refuse the authorization in view of the conformity of the documents referred to in the preceding paragraph with the provisions of this law.

The AMMC notifies the OPCC managing company of the granting or refusal of approval of the draft management regulations by registered letter with acknowledgement of receipt within 30 days of the filing date of the complete file accompanying the application for approval. Any request for additional information by the AMMC suspends the said time limit.

The deposit provided for in the preceding paragraph must be certified by a receipt duly dated and signed and issued immediately by the AMMC.

Reasons shall be given for any refusal of authorization.

Any amendment to the OPCC's management regulations is subject to a new approval by the AMMC, in the forms and under the conditions provided for in this article.

However, and by way of derogation from the provisions of the preceding paragraph, the AMMC shall draw up a list of amendments to the management regulations that do not require a new authorization but only the notification of the AMMC by the managing company.

If the OPCC is incorporated or managed under documents that do not comply with the legal provisions, the managing company is liable to the penalties provided for in article 43 below.”

“**Article 13.** Without prejudice to the provisions laid down in title II of the aforementioned law no. 44-12, the managing company is required to make available:

- to any subscriber or purchaser of securities of an OPCC a copy of the management regulations of the OPCC;
- to any subscriber or purchaser of securities of an

OPCC with sub-funds, a copy of the management regulations of the OPCC with the annex that is specific to the sub-fund over which the security holder has rights;

– to any holder of securities of an OPCC a copy of the report of each year per financial year of the OPCC, or in the case of an OPCC with sub-funds a copy of the annual report specific to the sub-fund over which the holder of securities has rights, unless the management regulations provide for a different periodicity.

The annual report(s) mentioned above must be made available to security holders no later than three months after the end of the financial year and must contain at least the balance sheet, the income and expense account and the statement of operating balances certified by the auditors, the inventory of assets certified by the depositary institution, as well as information on the implementation of the investment policy and on disinvestments.”

“**Article 16.** –FPCCs are a co-ownership of assets, as provided for in article 4 of this law.

They do not have a legal personality. However, the FPCC may be endowed with legal status under private law by decision of the managing company subject to the registration of the FPCC in the trade register on the basis of the document establishing the approval decision of the AMMC in accordance with the provisions of article 12 above. This decision is made upon the constitution of the FPCC. It is irrevocable.

The FPCC acquires legal status as from the date of its registration in the trade register. The managing company shall send the AMMC an extract from the trade register relating to the said FPCC.

The FPCC shall be validly constituted by the sole issue of at least two units representing the assets that are allocated to the FPCC, even if they are held only by a single holder.

The units represent co-ownership rights to all or part of the assets of the relevant FPCC.

The units of an FPCC are issued, redeemed and transferred under the conditions of and in the forms laid down in the management regulations.

The units issued by the FPCCs are treated as transferable securities in accordance with the provisions of article 2 of the aforementioned Dahir enacting law no.1-93-211 of 4th Rabii II 1414 (21st September 1993) on the stock exchange.

The provisions of articles 960 to 981 of the Dahir

of 9th Ramadan 1331 (12th August 1913) forming the Code of Obligations and Contracts do not apply to unincorporated FPCCs. The FPCC, with or without legal status, does not constitute a nonstock or commercial corporation, or a joint venture.

Unitholders of an FPCC are only liable for the liabilities of the fund up to the amount of the assets of the fund and in proportion to their share of the assets of such fund.”

Article 2

The provisions of articles 1, 9, 10, 14, 17, 20, 21, 22, 23, 25, 27, 28, 35, 36, 38, 39, 43, 48 and 51 of the aforementioned law no 41-05 on companies investing in risk capital are amended or completed as follows:

“**Article one.** The purpose of this law is to set the legal regime applicable to collective investment undertakings as defined in articles 16 and 20 below, hereinafter referred to as OPCC, the management of which must be carried out by a managing company as provided for in title III of this law.”

“**Article 9.** - Companies that are included in the calculation of the minimum allocation referred to in article 6 above must meet the following conditions:

- being governed by Moroccan law;
- not having their securities listed on the Stock Exchange;
- their managers,of the units issued by the FPCC.”

“**Article 10.** OPCCs are exempt.....disinvestment period.

For the purposes of this article, a disinvestment period means the period during which the OPCC may not make new investments, except for reinvestments in existing interests under the conditions set by the administration following consultation with the AMMC. During this period, the OPCC proceeds with the transfer of its interests.

An OPCC that has not yet entered into a period of disinvestment may transfer one or more of its interests.

The OPCC may only enter into a period of disinvestment after a period of time that runs from the date of its incorporation and which may not be less than a minimum period set by the administration after consulting the AMMC. This minimum period may not be less than 2 years.

The repurchase and/or redemption of securities issued by an OPCC, provided for in article 11-3 below, may not be carried out before the start of the

disinvestment period. During this period, holders of securities issued by an OPCC may require the liquidation of the OPCC if their requests for redemption and/or reimbursement made under the conditions required by the management regulations, have not been satisfied within one year.”

“**Article 14.** - A natural person,..... in the profits of an OPCC, if they hold, directly of votes of one of the companies that constitute the portfolio of the OPCC is admitted for the calculation.....of this law.”

“**Article 17.** An FPCC is formed at the initiative of a managing company.

An FPCC is considered subscribers.

The constitution of the FPCC shall be published without delay in a legal announcements newspaper included in a list set by the administration.”

“**Article 20.** – the SPCCs are joint-stock partnerships.

They are governed either this law.

The duration of the SPCC financial year may not exceed twelve (12) months. However, the first financial year may extend over a different period, without exceeding eighteen (18) months by way of derogation from law no. 9-88 on the accounting obligations for commercial activities, enacted by Dahir no. 1-92-138 of 30th Jumada II 1413 (25th December 1992).”

“**Article 21.** - An SPCC may be established, if applicable, at the initiative of a managing company.”

“**Article 22.** - By way of derogation from the provisions of law no. 17-95 on public limited companies, enacted by Dahir no. 1-96-124 of 14th Rabi II 1417 (30th August 1996) and those of law no. 5-96 on general partnerships, limited partnerships, limited joint-stock partnerships, limited liability companies and joint ventures, enacted by Dahir no. 1-97-49 of 5th Shawwal 1417 (13th February 1997):

- sharessubscription;
- no minimum share capital is required;
- where the SPCC is incorporated as a public limited company, the number of its shareholders must be at least equal to three;
- equity securities of the SPCC may be repurchased in the forms and under the conditions set out in the management regulations;

- SPCCs may proceed with.....already subscribed;
- the duration of the SPCC's first financial year may be more than 12 months but not more than eighteen (18) months;
- the SPCC is not required to set up the reserve fund provided for in article 329 of law no. 17-95 on public limited companies;
- where the SPCC is incorporated as a public limited company, simplified public limited company or a limited joint-stock partnerships, the management company shall, under its responsibility, exercise the general management, the presidency or management of the SPCC;
- the provisions of articles 4, 19 (paragraph 2), 22, 23 (paragraph 2), 44, 45, 47, 67, 70 and 330 (paragraph 2) of law no. 17-95 on public limited companies do not apply to SPCCs."

"Article 23. - Any company..... the following acts:

- the designation of the managing company and the duly authorized depositary institution;
- the application for approval of the draft management regulations under the conditions provided for in articles 11-3 and 12 above."

"Article 25. - Only legal entities that meet the following conditions may be considered as OPCC managing companies:

- having as main and usual activity the management of one or more OPCCs as well as related transactions and/or the management of foreign law capital investment undertakings, the list of which is determined by a circular of the AMMC. They may also carry out related activities, the list of which shall be determined by the administration, following consultation of the AMMC;
- having a share capital, consisting obligatorily of registered shares, that is fully paid up at the time of its incorporation and whose amount may not be less than one million (1,000,000) dirhams. The administration may set a higher amount on the proposal of the AMMC;
- providing proof of sufficient own funds, the threshold and calculation methods thereof shall be set by the administration, upon a proposal from the AMMC;
- provide guarantees..... the totality of their missions;
- Their managers..... this law;

The conditions..... of OPCC management."

"Article 27. - The managing company manages SPCCs pursuant to the management regulations provided for in article 11-3, which constitutes the management mandate.

Without prejudice to the other obligations.....Code of Obligations and Contracts."

"Article 28. - The management company manages the OPCC in the exclusive interest of security holders and in accordance with the OPCC management regulations and the provisions of this law.

In this respect, and without any possibility of limitation to its powers:

- it initiates to manage;
- it establishes the management regulations of the OPCC;
- it places information referred to in article 13 above;
- it represents and the interests of security holders;
- it holds, the minister of finance;
- it exercises..... the OPCC assets;
- it places the available liquidity of OPCCs in accordance with the conditions set out in the OPCC management regulations and in accordance with the provisions of this law.

The management company may not use the assets of the OPCC for its own purposes.

The management company..... single management."

"Article 35. - The AMMC exercises permanent control over OPCCs, their management company and their depositary institution in order to ensure that they comply with the legislative and regulatory provisions applicable to them under this law. The AMMC ensures:

- 1) compliance with the conditions set out in articles 12 and 25 above, which governed the granting of authorization to the management company and the OPCC's management regulations.
- 2) The compliance of the OPCC and its management company with or their implementation of:
 - the information obligations towards security holders of OPCCs and the public;
 - the policy.....this law.

- 3) compliance with the implementation by the depository institution of the rules for the safekeeping of assets and execution of orders.

The AMMC further controls that the OPCCs, their management company and their depository institution, comply with the provisionsapplicable to them.”

“**Article 36.** - The AMMC informs the following holders of OPCC securities of irregularities its control mission.”

“**Article 38.** - A statutory auditor is appointed for three financial years for each management company, and for each SPCC, as well as for each FPCC, by its management company.

As regards the first statutory auditor or auditors, they are appointed in the articles of association of the management company and the management regulations.

The appointment or renewal of the statutory auditor(s) must be approved in advance by the AMMC.

The provisions.....to security holders of the OPCC to the extent that they are not incompatible with the provisions of this law.”

“**Article 39.** - The statutory auditor(s) shall immediately inform the AMMC of any irregularities and inaccuracies that they may have identified in the performance of their duties, without this being considered a breach of professional secrecy.

The AMMC may ask the statutory auditor to refine in-depth investigations regarding certain managing aspects of the management company. The latter shall bear the costs of the said investigation.”

“**Article 43.** - The AMMC may impose a disciplinary sanction in the form of a warning or reprimand on the OPCC management companies that do not comply with the obligations of articles 4, 5, 6, 7, 8, 9, 10, 11, 11-1, 12, 13, 14, 15, 28, 29, 31, 34, 34-5, 37, 38 and 49 of this law.

When the sanctions..... to the administration:

- either to prohibit.....the management company of the OPCC;
- or to withdraw..... the management company of the OPCC.

Without prejudice to the disciplinary sanctions mentioned above, the AMMC may also impose

financial penalties not exceeding two hundred thousand (200,000) dirhams, for each failure, against OPCC management companies that do not comply with the obligations of articles 4, 5, 6, 12, 13, 15, and 38 of this law.”

“**Article 48.** - OPCCs.....upon the proposal of the AMMC. The rate of this commission may not exceed a rate of one per thousand.

Failure to pay.....upon the proposal of the AMMC.

Article 51. - The AMMC applicable to them.

It must in this field.

The AMMC studies issues related to the exercise of the profession, the creation of common services, the training of staff and relations with employee representatives.

It is authorized.....at issue”

Article 3

The aforementioned law no. 41-05 is completed by the following articles: 2-1, 2-2, 11-1, 11-2, 11-3, 28-1, 43-1, 54-1, 54-2, 55-1, 57 and the title III bis relating to the depository institution containing articles 34-1, 34-2, 34-3, 34-4 and 34-5.

“**Article 2-1.** - An OPCC may have several sub-funds if its management regulations so provide.

1. Each OPCC sub-fund corresponds to a separate part of its assets. The terms and conditions for the constitution of the sub-funds must be provided for in the management regulations of the OPCC.

2. The management regulations provided for in article 11-3 below contain provisions common to the OPCC all sub-funds combined and an annex specific to each sub-fund which sets out the characteristics and rules that are applicable to it.

3. Each sub-fund issues securities representative of the assets allocated to it. The holders of securities backed by the assets of a sub-fund of an OPCC are only liable for the sub-fund's debts up to the amount of its assets and in proportion to their share in the assets of this sub-fund.

The assets of a sub-fund represent exclusively the rights of investors relating to this sub-fund and the rights of creditors whose debt arose upon the constitution, operation or liquidation of the sub-fund, unless otherwise provided for in the management

regulations.

The rights of investors and creditors relating to a sub-fund or arising in connection with the creation, operation or liquidation of a sub-fund are limited to the assets of this sub-fund, unless otherwise provided in the management regulations.

4. Each sub-fund is treated as a separate entity.

The provisions of articles 6 to 11 and 15 shall apply to each sub-fund taken separately.

Each sub-fund may be liquidated separately without such liquidation resulting in the liquidation of another sub-fund. Only the liquidation of the last sub-fund of the OPCC leads to the liquidation of this OPCC.

Each sub-fund of an OPCC with a sub-funds undertakes to comply with the conditions applied to OPCCs provided for in this law and in the management regulations of the said OPCC including the annex specific to each sub-fund.”

“**Article 2-2.** - For the purposes of this law, the following definitions shall apply:

- management regulations: a document established by the OPCC management company in accordance with the provisions of article 11-3 and 2 of article 2-1 of this law;
- qualified investor: a qualified investor within the meaning of the legislation in force, applicable to public offerings;
- depository institution: any legal person referred to in article 34-2 of this law;
- management company: any legal person referred to in article 25 of this law;
- sukuk certificates (or in the singular sakk certificate): securities referred to in article 11-2 of this law;
- securities issued by an OPCC: sukuk certificates issued by an OPCC, shares issued by an SPCC and units issued by an FPCC.”

“**Article 11-1.** - Securities issued by an OPCC must, when they are subject to Moroccan legislation, be registered in an account, in accordance with the provisions of law no.35-96 on the creation of a central depository and the establishment of a general regime for the registration in account of certain securities.

The depository institution and the management company may only acquire the securities issued by the OPCC if the management regulations so provide and under the conditions provided for in the said regulations.

Securities issued by an OPCC may be denominated in foreign currencies under the conditions provided for in the management regulations. They may also be placed in a foreign country and governed by foreign law.

The terms and conditions for the registration of securities issued by the OPCC and governed by foreign legislation must be specified in the management regulations submitted for approval provided for in article 12.”

“**Article 11-2.** - The OPCC may issue sukuk certificates as defined in article 7-1 of law no. 33-06 on the securitization of assets and under the same conditions of the said article.

The rights created pursuant to sukuk certificates issued by an OPCC shall not affect the rights of the OPCC to hold, manage and dispose of its assets in accordance with the management regulations.”

“**Article 11-3.** - For any OPCC, the management company must establish draft management regulations in accordance with the provisions of this law. The draft of the said regulation must be accepted by the depository institution.

The OPCC management regulations must include at least the following information:

- the name and duration of the OPCC, as well as the name of the management company that manages it and the depository institution;
- the identity of the first holders of securities, as well as the amount of the payments made by each of them when the OPCC is not constituted by an initial public offering;
- the national and international investment policy, the specific objectives it aims to achieve and its investment criteria;
- the duration of the OPCC's financial year, which may not exceed twelve (12) months. However, the first financial year may extend over a different period, without exceeding eighteen (18) months by way of derogation from article 7 of the aforementioned law no. 9-88 on the accounting obligations for commercial activities;
- the terms and conditions of subscription of the securities issued by the OPCC and the valuation rules of the said securities;
- the terms and conditions for the allocation of income and, where applicable, the distribution of income;
- the terms and conditions for the release of contributions;

- the terms of remuneration of the management company and the depositary institution;
- the terms and conditions for the sale of the securities issued by the OPCC and, where appropriate, any possible restrictions on the marketability of such securities;
- the categories of securities, OPCCs and the rights attached thereto;
- the conditions and forms of repurchase and/or redemption of securities issued by the OPCC;
- the conditions, if any, for the acquisition by the depositary institution or management company of the securities issued by the OPCC;
- the nature and frequency of the information to be provided to security holders and the public;
- the procedures for amending the management regulations;
- the name or denomination of the first statutory auditor(s) and the duration of their term of office;
- the terms and conditions of substitution of the depositary institution and the management company, if applicable;
- the cases of dissolution of the OPCC, without prejudice to legal causes, as well as the conditions of liquidation and the modalities of asset allocation;
- any other indication provided for in this law and in the texts adopted for its application.”

“Article 28-1. - The management company may delegate all or part of the financial management of the OPCC to another authorized management company as long as it has the means to assume, under its responsibility, the control of its execution.

The delegate must respect the professional rules of practice and the ethical rules applicable to the management company. In any case, the delegation must not be of a nature as to generate conflicts of interest and must not hinder the effective exercise of control by the AMMC. The delegate must comply with the conditions set out in the management regulations. They may not sub-delegate the management delegated to him.

The management of the OPCC statistics and the control of financial flows relating to the OPCC receivables or assets cannot be delegated by the management company of the said OPCC.

Subject to the provisions of the preceding paragraphs, the management company may entrust any person with performing out all administrative and accounting tasks relating to the management of any OPCC.”

“Article 34-1. - The custody of the assets of an OPCC

must be entrusted to a single depositary institution that is independent of the management company referred to in Article 25.

Where the OPCC is an SPCC, the depositary institution must be independent of that company.

The terms and conditions for the safekeeping of the assets of an OPCC subject to foreign legislation must be set by the management regulations.”

“Article 34-2. The function of the depositary institution may only be carried out by:

- banks authorized in accordance with the legislation governing them;
- the Deposit and Management Fund, (CDG).
- institutions having their registered office in Morocco and having as their object the deposit, credit, guarantee, management of funds or the insurance and reinsurance operations.

The administration shall draw up the list of institutions after consulting the AMMC.”

“Article 34-3. - The depositary institution must provide sufficient guarantees, mainly in terms of its organization, technical and financial resources and the experience of its managers.”

“Article 34-4. -The depositary institution's mission is to ensure the safekeeping of the assets of OPCCs. It shall carry out the management company's orders regarding purchases and sales of securities and those relating to the rights attached to the securities comprising the assets of the OPCC and shall keep a chronological account of the transactions carried out on their behalf.

The depositary institution shall draw up and certify the inventory of the assets managed by the management company of the OPCC. This document must be made available to the statutory auditor (s) and the holders of the securities of the OPCC.

The depositary institution shall ensure that the orders it receives from the management comply with the provisions of this law, and the management regulations. It shall, where appropriate, take any precautionary measures that it considers appropriate. It must immediately inform the AMMC of any irregularities it notices or of which it has become aware when carrying its activities.”

“Article 34-5. In the event of the termination of the activity of the depositary institution of an OPCC, for any reason whatsoever, it must be replaced by one of the depositary institutions referred to in article 34-2

under the conditions provided for hereinafter.

Its replacement must be carried out immediately by the OPCC management company, in the forms and under the conditions prescribed by the OPCC management regulations. The depositary institution whose activity has ceased shall remain liable as long as the replacement of the depositary institution is not carried out. The latter must take all necessary measures to protect the interests of the OPCC security holders.

If the replacement is not carried out within the time limits set by the management regulations, the AMMC shall appoint a depositary institution for the OPCC. The depositary institution thus appointed shall remain in operation until the designation by the OPCC management company of a new depositary institution.

The depositary institution appointed by the AMMC may not operate for a period exceeding six months. In the absence of the appointment by the management company of a new depositary institution within the aforementioned period, the holders of the OPCC securities are entitled to a period of six months to appoint such institution. In the absence of its designation within the above-mentioned period, the OPCC shall enter into liquidation.”

“**Article 43-1.** - The AMMC may issue a warning or reprimand against a depositary institution that does not comply with the provisions of title III bis.”

“**Article 54-1.** - The management company and the depositary institution of an OPCC are individually or jointly, as the case may be, liable to third parties or to security holders for breaches of the laws or regulations applicable to OPCCs, for non-compliance with the management regulations and for the misconduct committed in the course of their duties under this law and the management regulations.”

“**Article 54-2.** When the OPCC makes a public offering, the court hearing the action for liability provided for in article 54-1 above may, at the request of any security holder, dismiss the officers of the management company.”

“**Article 55-1.** – The AMMC circulars issued pursuant to this law shall be approved by the administration and published in the “Official Gazette”.”

“**Article 57.** - Any other regulatory texts necessary for the application of the provisions of the articles of this law may be adopted, as necessary.”

Article 4

The provisions of articles 15, 18, 55 and 56 of the above-mentioned law no. 41-05 are hereby repealed.

Article 5

The title of the above-mentioned law no. 41-05 on venture capital investment undertakings is amended as follows:

Law no. 41-05 on undertakings for collective capital investment, enacted by Dahir no. 1-06-13 of 15th Muharram 1427 (14th February 2006).

Article 6

The OPCR's set up before the date of publication of this law shall remain governed by the provisions of the aforementioned law no. 41-05 in force before that date.

However, the said OPCR's may comply with the provisions of this law within one year from the said date.

Article 7

Management companies authorized in accordance with the aforementioned law no. 41-05 shall have a period of one year to comply with the provisions of this law.

Article 8

The names and their abbreviations “OPCR” “venture capital investment bodies”, “SCR” “venture capital companies” and “FCPR” “venture capital collective investment funds”, are replaced respectively by the following names: “collective capital investment undertakings” “OPCC”, “collective capital investment companies” “SPCC”, “collective capital investment funds” “FPCC”, in the aforementioned law no. 41-05, as amended and completed by this law, and in all laws and regulations in force.

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