

GENERAL TEXTS

Order of the minister of economy and finance no. 2169-16 of 9 Shawwal 1437 (14 July 2016) approving the General Regulations of the Moroccan Capital Market Authority

THE MINISTER OF ECONOMY AND FINANCE.

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

ORDERS:

ARTICLE ONE. – The general regulations of the Moroccan Capital Market Authority are approved, as annexed to this order.

ART. 2. – This order is published in the *Official Gazette*.

Rabat, 9 Shawwal 1437 (14 July 2016).

MOHAMED BOUSSAID.

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Annex to the order no. 2169-16 of the Minister of Economy and Finance of 9 Shawwal 1437 (14 July 2016) approving the General Regulations of the Moroccan Capital Market Authority

The General Regulations of the Moroccan Capital Market Authority

TITLE I- GENERAL PROVISIONS

Article one – Pursuant to the provisions of article 21 of law no. 43-12 on the Moroccan capital market authority, enacted by Dahir no. 1-13-21 of 1st Jumada I 1434 (13 March 2013), the purpose of these general regulations is to specify in particular:

- the ethical rules applicable to the AMMC staff, the members of its board of directors and the members of the Sanctions Committee;
- the operating rules applicable to the board of directors of the AMMC and to the Sanctions Committee;
- the rules of procedure applicable by the AMMC to the handling of claims and complaints, to the sanctions, to the preparation of the circular and to the empowerment.

Article 2 – For the purposes of these general regulations, the following terms shall have the following meanings:

Director: member of the board of directors of the AMMC;

Independent Director: Director appointed *intuitu personae* in accordance with the 3rd indent of article 15 of the aforementioned law no. 43-12;

Sanctions Committee: AMMC Sanctions Committee;

Confidential Information: any Information subject to processing or assessment of the AMMC, of a secret nature, not made known to the public, either by the laws and regulations or by its nature;

Financial instruments: the financial instruments defined in article 2 of law no. 44-12 on the public offering and information required from legal entities and bodies making public offerings enacted by Dahir no. 1-12-55 of 14 Safar 1434 (28 December 2012);

Day: the calendar day, with the understanding that when the deadline is a Saturday, Sunday or public holiday, this deadline is extended until the next working day;

AMMC collegial bodies: the Board of Directors and the Sanctions Committee;

Member(s): the member(s) of the AMMC collegial bodies;

Market operator: any legal entity subject to the control of AMMC referred to in article 4 of the aforementioned law no. 43-12;

Offending party: the individual(s) or legal entity(ies) complained against in a procedure for handling a claim or complaint, an inquiry procedure before the AMMC or a sanction procedure before the Sanctions Committee;

Chairman: the Chairman of the AMMC and the Chairman of its Board of Directors;

Chairman of the College: the Chairman of the Sanctions Committee;

Article 3 – Without prejudice to the obligations laid down in their specific articles of association, in particular, the general civil service article of association for Directors representing the administration, and the article of association of judges for the Chairman of the college, the staff and members of the AMMC shall be subject to compliance with the provisions of these general regulations.

Article 4 –The acceptance of any mandate, function or mission with the AMMC, whether remunerated or not, implies express, pure and simple acceptance of the subjection to the obligations provided for in these general regulations.

TITLE II - ETHICAL RULES APPLICABLE TO THE STAFF AND MEMBERS OF THE AMMC

CHAPTER I – COMMON RULES

Article 5 – Professional ethics

The staff and members of the AMMC must carry out their duties or accomplish their mandates in a spirit of ethics compatible with the missions assigned to the AMMC. In particular, they must ensure that the recommendations they propose and the decisions they take are dictated by the pursuit of equity, transparency, and integrity in the capital market, thus ensuring the protection of savings and the proper functioning of the market.

Article 6 – Professional secrecy and Confidentiality

The staff and members of the AMMC must ensure the strict confidentiality of oral or written information of which they have knowledge in the context of the performance of their duties or the accomplishment of their mandates, in accordance with the provisions of article 58 of the

aforementioned law no. 43-12. They must also ensure that they are not used for personal purposes by themselves or by third parties.

Under penalty of the sanctions provided for in article 42 of the aforementioned law no. 43-12, the disclosure or communication of a privileged piece of information as defined in the second and third paragraphs of the said article 42 or of confidential nature, by any member of the staff of the AMMC or their collegial bodies who is the depository is prohibited until it is made public or the confidential nature is withdrawn, notwithstanding the fact that the information is known by other persons.

The prohibition referred to in the preceding paragraph covers any fact, information or document of which the staff and members of the AMMC have knowledge in the context of the performance of their functions or the accomplishment of their mandates, and which are related:

- to the content of the files processed by the AMMC;
- to the conduct of inquiries and instructions of the sanction records;
- to the handling of claims or complaints;
- to the content of the hearings and deliberations;
- to the exchanges of the AMMC with any person or body under its control;
- in general, to any activity carried out within the AMMC.

The obligations referred to in the preceding paragraphs also apply to any person or organisation whose advice or collaboration is requested by the AMMC, including its external boards and auditors.

This obligation is waived:

- when the right of access to the information covered by professional secrecy is recognised by the law for certain persons or bodies;
- when the law prohibits the opposition of professional secrecy and confidentiality to certain institutions, authorities, and courts;
- under the conditions provided for by article 59 of the aforementioned law n° 43-12.

Article 7 - Termination of functions or mandates

Staff and members of the AMMC who have ceased to perform their duties or whose term of office has ended must continue to respect the obligations of professional secrecy and confidentiality provided for in article 6 above for a period of three (3) years from the date of the cessation of their duties or the end of their terms of office.

With the exception of personal belongings and documents, the staff and members referred to in the preceding paragraph must hand over, before their departure, all means made available to them to carry out their duties or accomplish their mandates, as well as any folder, document or file, whatever the medium, containing any information or data relating to the performance of their duties within the AMMC to the person appointed by the WMA for this purpose, among their staff and before their departure, They shall also refrain from keeping copies of them on any medium known to them.

Article 8 – Processing of personal data

AMMC staff and members are subject to the provisions of law no. 09-08 on the protection of individuals with regard to the processing of personal data.

For this reason, they must refrain from processing any personal data of identified or identifiable persons, in particular, the collection, recording, organization, storage, use, extraction, whether or not carried out by electronic means, in breach of the provisions of the aforementioned law no. 09-08, under penalty of the sanctions provided for by the said law, and without prejudice to any correlative disciplinary sanctions that may be imposed by the AMMC.

AMMC staff and members must refrain from making any copy or recording on any medium and from sending or transferring by interactive means of communication any data in their possession, in any form whatsoever, in the performance of their duties or the accomplishment of their mandates at the risk of correlative legal proceedings.

CHAPTER II - RULES APPLICABLE TO THE MEMBERS OF THE BOARD OF DIRECTORS

Article 9 – Secrecy of deliberations

The Directors are bound by the secrecy of the deliberations of the Board of Directors' meetings.

This obligation also applies to any member of the AMMC staff appealed in any capacity and who attends the deliberations of the Board of Directors.

Article 10 – Declaration of interest

Each Director must, as of the effective date of their term of office at the AMMC, and no later than thirty (30) days from that date, make a written statement to the Chairman, drawing up in detail the duties they perform and the terms of office held by them as of that date, where applicable.

This list also includes details of any participation they hold that may give them a right to the capital or financial result of a person or entity subject to the control of the AMMC or a financial contribution of such person or entity.

Throughout their term of office, the Director shall ensure that their declaration is updated no later than thirty (30) days as of the date of the change in the list referred to above.

Article 11 – Conflicts of interest

When a Director is called upon to deliberate on a matter likely to give rise to a potential conflict of interest, in particular, because of the duties they perform or the mandates they accomplish, the latter shall immediately refer the matter to the Chairman so that the Board of Directors can decide on the action it intends to take.

The Board of Directors shall assess the potential conflict of interest resulting from the situation. If, after processing and analysis, the Board of Directors, deliberating in the absence of the member concerned, considers that the situation is characterized by a conflict of interest, they shall ask the Director concerned not to take part in the processing, deliberation, and decision-making relating to the file in question,

When the Chairman is in a situation of potential conflict of interest, they shall immediately refer the matter to the Board of Directors and shall refrain from taking part in the processing, deliberation, and decision-making relating to the file in question.

The Management Board shall meet without the Chairman and shall immediately elect a Chairman from among its members to decide on the file in question. The Board of Directors may, after having decided on the action to be taken on the file giving rise to the conflict of interest, entrust their application to the Chairman or appoint one of its members for this purpose. The Chairman shall be cleared of any suspicion of a conflict of interest, provided that they act in accordance with the decision of the Management Board.

CHAPTER III - RULES APPLICABLE TO THE MEMBERS OF THE SANCTIONS COMMITTEE

Article 12 – Secrecy of deliberations

The members of the College are bound by the secrecy of the deliberations of their meetings

Article 13 – Conflicts of interest

From the date of their appointment and throughout their term of office, the members of the College may not deal with files in which their impartiality could be called into question, in particular, when they are in a conflict of interest situation.

The fact of deliberating in a matter inherent to any person or body subject to the control of the AMMC in which a member of the College performs functions, acts under mandate or holds, directly or through an intermediary, a private or professional interest, is considered a conflict of interest.

Article 14 – Management of conflicts of interest

In the event that a situation likely to give rise to a conflict of interest arises during the processing of a file by the College, the member concerned must make a declaration of the conflict of interest situation to the Chairman of the College and refrain from taking part in the procedure and deliberations relating to the file under suspicion until the Chairman of the College has made a decision on the conflict of interest situation.

The Chairman of the College shall inform the Chairman with that. Where the Chairman of the College is in the situation referred to in the previous paragraph, another member of the College shall inform the Chairman.

CHAPTER IV- RULES APPLICABLE TO AMMC STAFF

Article 15 – Compliance with the rules

The Chairman may designate one or more members of the AMMC staff, who shall be responsible for ensuring the implementation of the provisions of these general regulations and for ensuring that they are complied with by AMMC staff.

Article 16 – Good conduct

The AMMC staff members shall refrain from accepting any gratuity or advantage from persons and bodies under its control or from engaging in conduct likely to interfere with the free exercise of their functions within the AMMC.

A staff member may, however, accept a token of hospitality, a token of courtesy, a gift of a symbolic nature and modest value or an occasional invitation to a meal or event from a third party. An internal AMMC procedure sets the terms and conditions for the application of this paragraph.

Article 17 – Obligation of professional reserve

The obligation of professional reserve implies a duty to refrain from taking any public position on matters that are or have been the subject of a decision, position or opinion of the AMMC.

The obligation of the professional reserve is waived by the Chairman and in their discretion with regard to any person designated to make public the decision, position or opinion of the AMMC.

Any employee who has ceased to perform his duties within the AMMC must continue to comply with the obligation referred to in the first paragraph above for a period of three (3) years as of the date of termination of his duties.

Article 18 – Declaration of interest

All AMMC staff members must, as of the date of their appointment, and no later than thirty (30) days from that date, draw up a written statement listing in detail the financial instruments they hold as well as those held by their spouse and minor descendants.

All employees must refrain from trading in financial instruments with a person or body when they become aware, by any means whatsoever, that the person or body has a file being processed by the AMMC.

The Chairman may, at their sole discretion, prohibit or restrict staff members performing certain functions from trading in financial instruments.

When an employee enters into a transaction in financial instruments, they are required, within five (5) days of receipt of the notice of execution of such transaction, to inform the Chairman or the person designated by them for this purpose, by a written declaration in accordance with a model established by the AMMC.

Any member of the AMMC staff shall forward a declaration as at 31 December of the previous year and stating the detailed list of financial instruments which they hold and those held by their spouse and minor descendants to the person designated by the Chairman for this purpose, no later than 31 January of each calendar year.

Article 19 – Conflict of Interest

An AMMC staff member may not deal with files in which their impartiality could be questioned, particularly when they are in a situation of potential conflict of interest.

In the event of a situation likely to give rise to a conflict of interest, the member of staff shall immediately inform their superiors and shall be released from the file under suspicion. They may therefore neither participate in decision-making nor give an opinion on the said file.

TITLE III - OPERATING RULES APPLICABLE TO THE COLLEGIATE BODIES OF THE AMMC

CHAPTER 1 - THE BOARD OF DIRECTORS

Article 20 – Convening to the meetings of the Board of Directors

The Board of Directors shall meet when convened by its Chairman, on their own initiative or at the request of at least four of its members.

The notice of meeting shall be drawn up in writing on any medium enabling it to be delivered or transmitted and the correlative acknowledgement of receipt being obtained.

The notice of meeting, in a paper medium, may be sent to the Directors and the government commissioner either by post to the address elected by the latter and communicated to the Chairman's secretariat, or by fax to the number communicated by the addressee to the Chairman's secretariat, or hand-delivered.

The notice of meeting sent by fax must be followed by a postal transmission or hand-delivering.

When the notice is sent to the addressee by electronic means, the latter must confirm receipt by the same means.

Article 21 – Contents of the notice of meeting

The notice of meeting must indicate, in addition to the elements enabling the author and addressee to be identified, their respective qualities and addresses, the following elements:

- the date and place of the meeting;
- the agenda of the meeting;
- the draft resolutions to be adopted at the meeting;
- and, if applicable, a list of documents or reports to be presented at the meeting.

When the notice of meeting is of an urgent nature, it shall be mentioned and the reasons shall be given.

Article 22 – Documents and reports accompanying the notice of meeting

The notice of meeting provided for in article 20 above shall be accompanied, where appropriate, by the documents or reports on the basis of which the Directors and the government commissioner may participate in the debates.

When these documents or reports cannot be communicated by the AMMC for any reason whatsoever, mention is made of this fact on the notice of meeting, informing the Directors and the government commissioner that these documents or reports are kept at their disposal at the secretariat of the chairmanship at the registered office of the AMMC for the entire period preceding the date of the meeting of the Board of Directors.

Article 23 – Notice of meeting period

The notice of meeting must reach the Directors and the government commissioner no later than ten (10) days before the date of the meeting of the Board of Directors.

When the Board of Directors must meet urgently or if exceptional circumstances justify it, the notice of meeting shall be sent in the same form as provided for in articles 20 and 21 above, without respecting the deadline provided for in the previous paragraph.

Article 24 – Agenda of the Board of Directors

The agenda of the Board of Directors is set by the Chairman. However, a Director may request the inclusion of one or more items or draft resolutions in the agenda.

The request referred to in the previous paragraph must be sent to the AMMC's registered office at least five (5) days before the date of the Board of Directors' meeting.

Article 25 – Presence and Absence

The attendance of the Directors is recorded on an attendance sheet attached to the minutes of the meeting. It is signed by the attending Directors and the agents of the Directors represented, where appropriate, as well as by any other person attending the meeting of the Board of Directors.

In the event of absence, a Director may only be represented at a Board meeting by one of their peers. A Director may not, during the same meeting, represent more than one Director at a time.

A copy of the written mandate granting this power of representation shall be given to the secretary of the Board of Directors.

The Secretary of the Board of Directors refers to the representation mandates received by the Directors or addressed to the AMMC on the present sheet and mention thereof is included in the minutes of the meeting.

Article 26 – Consultative assistance

The Chairman may call, in an advisory basis, any person whose participation in the meetings of the Board of Directors seems useful to them to enlighten the said Board on a point or a draft resolution to be discussed.

The choice of any person called upon to act as a consultant to the Board of Directors must be made on the basis of criteria of professional competence and mastery of the issues on which they are called upon to intervene.

The Board of Directors may decide, where applicable, that the AMMC shall cover the remuneration of the consultant referred to in this article,

The person called upon, as a consultant, may take part in the debates. However, they are not allowed to attend deliberations or take part in the votes.

Article 27 – Record of deliberations

The work of the Board of Directors is transcribed in the minutes which must be approved by their members either at the current meeting or at the next meeting of the Board of Directors at the latest, in accordance with the provisions of article 17 of the aforementioned law no. 43-12.

The said minutes shall be signed by the Chairman and at least two Directors.

The copies or extracts of the minutes of the Board of Directors' deliberations shall be validly certified by the Chairman.

The copies or extracts of the minutes of the proceedings of the Board of Directors may be communicated to the Directors and the government commissioner at their request.

Article 28 - Secretariat of the Board of Directors

The Chairman may, at his discretion, appoint a secretary of the Board of Directors from among the staff of the AMMC to attend meetings of the Board of Directors in order to:

- keep the attendance sheet;

- verify immediately the quorum required;
- take note of absences, representation mandates and take copies of them if necessary;
- draw up the minutes of the meetings of the Board of Directors;
- record the votes on resolutions on the minutes;
- submit the minutes for the approval of the Directors no later than the next meeting of the Board and for their signature, in accordance with the terms of article 27 above;
- record the minutes of the Board of Directors' meetings in a special register kept at the AMMC registered office.

Article 29 – Restricted committees

The Board of Directors may set up ad hoc or permanent restricted committees from among its members, comprising at least one independent Director.

At a proposal from the Chairman, the Board of Directors shall determine, in particular, the duties and duration, as appropriate.

At a proposal from the Chairman, the Board of Directors shall appoint the members of the said restricted committees, define their powers and grant the status of Chairman to one of them.

Any validly constituted restricted committee may convene to its meetings any person whose participation is deemed necessary or useful.

The Board of Directors shall determine the methods of remuneration and compensation, as appropriate, of the members of the restricted committees and the terms and conditions of their payment.

Restricted committees are subject to the operating rules of the Board of Directors insofar as they are compatible with their missions.

The copies or extracts of the minutes of the proceedings of the select committees may be communicated to the members of the select committees and to the government commissioner at their request.

The chairmen of the restricted committees are required to submit a report on the performance of the tasks entrusted to their restricted committees and the difficulties encountered, as appropriate, to the Board of Directors in accordance with a schedule set by the latter.

Article 30 – Allocations granted to independent Directors

The Board of Directors allocates an annual total amount determined by the Board of Directors and distributed among them by the Chairman in proportions they deem appropriate to the independent Directors as compensation.

In addition, the AMMC may cover travelling, representation or mission expenses of these directors when they are called to represent AMMC in a specific mission or to chair a restricted committee of the AMMC or serving on it.

CHAPTER II – SANCTIONS COMMITTEE

Article 31 - Appointment of non-justices committee members

In accordance with the first paragraph of article 19 of the aforementioned law no. 43-12, the members of the non-justices committee are appointed by the AMMC Board of Directors basing on their curriculum vitae.

Each application proposed by the Chairman must include a document describing in particular the candidate's professional background in order to enable the directors to assess the suitability of the application for the position concerned.

Selecting criteria of members of the committee are their competence in the legal and financial fields, their professional and academic experience, as well as their objectivity and integrity.

The Management Board shall appoint the members of non-justices committee from the applications submitted. However, they may ask for an interview with the candidates prior to any appointing decision.

Article 32 - Renewal of the term of office of non-justices committee members

The Management Board alone is empowered to decide on the renewal of the terms of office of the non-justices committee members.

At the latest, six (6) months before the end of their terms of office, the Management Board shall either renew the term of office of the non-justices committee members or notify them that their terms of office have not been renewed.

In case of non-renewal, the Board of Directors shall make new appointments in accordance with the procedures provided for in article 31 above, taking effect from the day following the last day of the outgoing member's expired term of office.

Article 33 - Removal of non-justices committee members

In accordance with the last paragraph of article 19 of the aforementioned law no. 43-12, non-justices committee members may be removed by the board of directors when they:

- have become incapable of performing their duties;
- have been guilty of serious misconduct;
- and have acted in violation of the provisions of article 20, paragraph 8, of the aforementioned law no. 43-12.

The Board of Directors is the only body empowered to rule on facts that may constitute incapacity to exercise, serious misconduct or a breach of the provisions of paragraph 8 of the aforementioned article 20.

In case of dismissal of a non-justices committee member, the Board shall appoint another member in accordance with the same procedures provided for in article 31 above. The member appointed to replace the dismissed one shall complete the term of office of the member being replaced.

Article 34 - Remuneration of members of the committee

The members of the committee receive a remuneration annually set by the Board of Directors upon proposal of the Chairman.

In addition, the AMMC may cover travelling, representation or mission expenses of committee members incurred while performing their duties.

Article 35 - Frequency of holding committee meetings

The committee meets as many times as necessary. The committee bylaws referred to in article 39 of these General Regulations shall set the minimum number of meetings and their frequency.

Article 36 - Committee meetings notice

Meetings of the committee shall be held at the headquarters of the AMMC upon notice of its chairman. The bylaws referred to in article 39 of these general regulations may confer this prerogative on a non-justices member in accordance with the procedures set therein.

The notice must be in writing in any form that allows transferring it to the committee members with the corresponding acknowledgement of receipt to be obtained.

The above-mentioned bylaws shall determine the content of the notice.

Article 37 - Deadline for convening members of the committee

The convening of the committee meeting must reach the members at least five (5) days before the date of holding the meeting.

In case of urgent meeting of the committee for any reason whatsoever, the notice shall be sent in the same form as provided for in article 36 above, without respecting the aforementioned deadline.

Article 38 - Deliberations of the Committee

In accordance with the provisions of article 20 of the aforementioned law no. 43-12, the committee duly deliberates when all its members are present.

The deliberations of the committee shall be recorded in the meeting minutes, signed by all its members and recorded in a register kept in the discretion of the chairman of the committee.

The chairman of the committee has a secretariat provided by the AMMC.

Article 39 – Bylaws of the Committee

The Chairman of the committee shall set bylaws which shall include the operating rules governing relations between its members and those of its secretariat.

The committee shall adopt the bylaws after being presented to the Board of Directors.

Article 40 – Committee meeting with the Board of Directors

In accordance with the provisions of the last paragraph of the article 16 of the aforementioned law no. 43-12, the members of the committee meet at least once a year with the board of directors upon notice of the chairman in order to examine the board's activity report.

The Board of Directors shall set the annual calendar of such meetings and shall inform the Chairman of the committee thereof.

TITLE IV - PROCEDURE RULES APPLICABLE FOR HANDLING CLAIMS AND COMPLAINTS, PENALTIES, CIRCULAR ELABORATION AND EMPOWERMENT

CHAPTER 1 - PROCEDURE FOR HANDLING CLAIMS AND COMPLAINTS

Article 41 - Referral

In accordance with the provisions of article 52 of the aforementioned law no. 43-12, the AMMC may be seized of claims or complaints relating to a dispute or disagreement within its field of competence, made by any party concerned or by any association of financial instruments holders duly constituted against any party involved.

The AMMC receives any claim or complaint in writing against notice or acknowledgement of receipt. The letter of referral must be accompanied by any document or evidence of such nature establishing its validity.

Article 42 - Admissibility criteria

The claim or complaint can only be handled by the AMMC once it is admissible. The admissibility of any claim or complaint must comply in particular with the following requirements:

- have made a prior complaint to the party in question without effect for more than one month from the date of transmission or has been totally or partially rejected;
- has not been subject of ongoing legal proceedings before any court or has been subject of a judicial decision having the force of res judicata.

The claim under 1st dash of the previous paragraph is not required by the AMMC when it could adversely affect the interests of the claimant.

The criteria for admissibility of claims and complaints are explained in the internal procedure referred to in article 44 of this General Regulations.

Article 43- Handling the admissibility of claims and complaints

As soon as it is seized, the AMMC shall examine the subject matter of the claim or complaint and any document attached to the letter of referral provided for in article 41 above in order to decide on its admissibility.

When the AMMC deems the claim or complaint inadmissible, the AMMC shall notify the claimant no later than fifteen (15) days from the date of referral.

When the AMMC deems the claim or complaint admissible, it examines it in accordance with the internal procedure provided for in article 44 below.

Article 44 – Handling procedure of claims and complaints

The Chairman shall set an internal procedure for dealing with claims and complaints in accordance with the rules laid down in this Chapter.

Article 45 – Terms for handling claims and complaints

The AMMC may require the position of the party involved on the alleged facts against them in the context of the claim or complaint being processed.

The AMMC examines the documents and compares the arguments of the parties to verify the validity of each party's position with regard to the legislation and regulations in force or, where applicable, the principles of equity.

The AMMC may hear or question the parties to the dispute and get their statements.

The AMMC shall inform the parties to the dispute of their respective positions and justifications.

When it deems that the exchanges have been exhausted, the AMMC closes the complaints and claims procedure by issuing opinions, recommendations or guidelines that it the parties to the dispute are informed of.

The claimant and the respondent shall inform the AMMC of the action they intend to take regarding its opinion or recommendation.

Article 46 - Failure and breach of laws or regulations

When the AMMC decides that the claim or complaint is admissible and deems that the said claim or complaint concerns a fact likely to constitute a breach or infringement of the laws and regulations in force, it decides, at its discretion, to initiate, as the case may be, an investigation or sanction procedure.

The claims and complaints handling procedure is therefore closed and the claimant is notified accordingly.

The outcome of one of the procedures thus initiated shall be notified to the claimant after publication, where appropriate, of the resulting sanction decision.

Article 47 - Time limit to process claims and complaints

The AMMC has a period of three (3) months to process the claim or complaint, running from the date of its admissibility unless extended by the Chairman.

Notification is issued to the parties of the dispute.

During the processing of the claim or complaint, the AMMC may request from the claimant any clarification, document or additional information it deems useful, within the time limits it sets. These time limits shall suspend the time limit for processing the claim or complaint provided for in the first paragraph of this article.

Article 48 - Confidentiality of the procedure

The parties to the dispute are bound by the strictest confidentiality regarding the exchanges that take place during the processing of the claim or the complaint with the AMMC and its outcome.

CHAPTER II – SANCTIONING PROCEDURE

Section 1 - Referral to the sanctions committee

Article 49 - Referral

In accordance with the provisions of the first paragraph of article 20 of the aforementioned law no. 43-12, the chairman of the AMMC shall refer to the committee in his capacity regarding any fact liable to constitute an administrative failure or infringement of laws and regulations in force, detected by AMMC agents during control and investigation missions they carry out upon order of the AMMC chairman.

Article 50 – Referring terms to the committee

The referral letter to the committee must mainly:

- be made in writing via any medium enabling its transfer and getting the corresponding acknowledgement of receipt;
- report the facts behind the referral;
- be motivated by all suspicious items liable to enlighten the committee in its investigation;
- be supported by all documents and sufficiently convincing evidence, in particular investigation and/or control reports.

Section II - Procedure for examining files

Article 51- Committee meetings

The Committee shall meet no later than fifteen (15) days from the date of being seized by the chairman of the AMMC. However, when circumstances so require, the chairman of the AMMC and the chairman of the committee may agree on a shorter period.

The committee shall meet upon notice of the chairman or at the request of one of its members, when provided for in the bylaws of the committee, to examine the case transmitted by the chairman of the AMMC and to initiate the corresponding investigation.

The committee may appoint a rapporteur among its members who shall be responsible for managing the investigation procedure subject of the referral.

Article 52 - Notification of grievances to the respondent

Pursuant to the provisions of the second paragraph of article 20 of the aforementioned law no. 43-12, the committee shall notify the party complained against of the alleged grievances no later than ten (10) days from the date of the meeting of the committee provided for in article 51 above.

The committee must send notification to the party complained against by registered letter against notice or acknowledgement of receipt and may be carried out using a bailiff.

The chairman of the committee shall ensure that the content of the notification complies with the obligations laid down in article 20 of the aforementioned law no. 43-12, and shall mainly include the following details:

- the date of issue of the notification;
- the identity of its issuer;
- a statement of facts and grievances alleged against the respondent;
- a reminder of the time limit for submitting their observations and defences;
- a reminder of their right to examine or request a copy of the case documents from the committee;
- a reminder of their right to be assisted or represented by any advisor of their choice.

Article 53 - Procedural rules

The procedure before the committee shall be written and in presence of the parties.

In accordance with the provisions of the third paragraph of article 20 of the aforementioned law no. 43- 12, the respondent or their advisor, as the case may be, shall send to the chairman of the committee, to the address of the AMMC, a written statement containing their observations on the grievances alleged against them, at the latest one (1) month from the date of being notified.

The declaration referred to in the preceding paragraph may be personally submitted to the secretariat of the committee against acknowledgement of receipt within the same period provided for in that paragraph. This time limit cannot be extended.

Failure of the respondent to submit their statement is recorded in the case file.

Article 54 - The respondent right to information

The Committee shall notify the respondent or their advisor, where applicable, that they can consult their case file and obtain a copy of its constituting documents from the date of being notified of the grievances they are accused of.

The respondent or their advisor, if any, may become aware of and/or obtain a copy during the investigation:

- of any document included in the case file:
- and, where appropriate, the minutes of the various hearings being held during the investigation.

This right to information ends as soon as the committee closes the investigation and puts the case under deliberation.

Article 55 – Additional information

When examining the case file being under investigation, the chairman of the committee considers that the information accompanying the file remains insufficient, they may request from

the chairman of the AMMC additional information or an additional on-site inspection with the respondent to collect such information in reasonable time limit they set in their request.

The chairman of the committee shall submit their requisitions to the chairman of the AMMC in writing against notice or acknowledgement of receipt. The chairman of the AMMC must proceed with these requests and prepare a reply within the time limits they have in the same way as for the referral provided for in article 50 of these general regulations, depending on the additional information required.

Where the Chairman does not have the additional information subject of the requisition, they shall send the chairman of the committee a negative declaration in the same form and within the same time limits as provided for in the preceding paragraphs.

Article 56 – Discussions between the committee and the parties of the case file

Pursuant to the provisions of the fifth paragraph of article 20 of the aforementioned law no. 43-12, the committee examines the referred case in the light of the observations made by the accused party or their advisor.

The committee may ask the respondent to complete any information or clarify any point it deems necessary for the investigation of the case within the time limits it sets, in writing against notice or acknowledgement of receipt or by using a bailiff.

The respondent shall send their observations to the committee in writing against notice or acknowledgement of receipt.

The Committee may also receive written statements from any person called to testify.

The respondent or any person called to testify may include to the case file any document or instrument justifying their position. The committee acknowledges its receipt.

Article 57 – Call for hearing

Pursuant to the provisions of article 20 of the aforementioned law no. 43-12, the committee may request a hearing of the accused party and, to this end, it convenes it.

When the respondent has not been heard by the committee, the latter may, on its own initiative, request its chairman, in writing against a notice or acknowledgement of receipt, to be heard.

The summons of the respondent shall be notified to the address they choose, at the latest five (5) days before the date fixed for the hearing.

When the respondent is a legal person or body, the summons shall be sent to its legal representative.

When the respondent is assisted by a lawyer, the notification shall also be sent to the address of that lawyer.

When the respondent has failed to receive the notification, they shall be notified again in the same forms and time limits provided for above. In case of failure, a defaulting report shall be drawn up and the party involved shall, as a result, be deemed to have been duly notified in respect of the

second summons that remained unanswered and the procedure considered as being in their presence.

When the respondent has been notified for the first time and has not appeared at the hearing, he shall be summoned again and the committee shall mention in the notice that the proceedings shall be deemed as being present in case of default.

Article 58 - Hearing of parties to the complaint

Pursuant to the provisions of article 20 of the aforementioned law no. 43-12, the hearings of parties to the complaint are conducted by at least two members of the committee, including the chairman and the member appointed as rapporteur where applicable.

The chairman of the committee shall remind the respondent of the facts in question and shall call them to appear and submit their interests in the case.

When the respondent is a legal person or body, the mandates serving as powers of representation produced shall be recorded in the file.

The chairman of the committee shall conduct hearing sessions.

The respondent may be heard by the chairman of the committee regarding facts related to the case and not raised at the hearing and that they wish to develop themselves or by their lawyer.

Minutes of the hearing shall be drawn up at the end of the meeting and signed by the chairman of the committee, a rapporteur member and, where appropriate, the member of the non-justices committee and the party being heard.

The same procedures shall be applied to the hearings of persons called as witnesses or of any person whose cooperation is deemed useful while investigating the case.

Section III – Closure of the investigation

Article 59 - Opinion of the sanctioning committee

In accordance with the provisions of article 20 of the aforementioned law no. 43-12, the committee shall deliver its conclusions within a maximum period of three (3) months from the date of referral by the chairman of the AMMC.

The opinions of the Committee shall be drawn up in writing and signed by all its members, including mainly:

- a reminder of the facts and procedure followed during the investigation;
- a reminder of the laws and regulations on which the committee bases its opinions;
- motivated judgement of facts;
- the opinion of the Committee.

The Committee's opinion may consider one or more of the following proposals:

- the closure of the case when the alleged facts have not been proven at the end of the investigation;

- a disciplinary and/or pecuniary sanction or a penalty for delay;
- referral to the competent judicial authorities of facts that may be deemed criminal offences.

The chairman of the committee shall send via a letter the committee's written notice to the chairman of the AMMC using any medium allowing its transfer with a corresponding acknowledgement of receipt.

Article 60 – Sanction order

The chairman of the AMMC, if applicable, orders the sanction according to the assent of the committee.

The Chairman may not impose the penalties provided for in articles 9 and 11 of the aforementioned law no. 43-12 without first having heard or duly summoned the respondent at least ten (10) days beforehand via a registered letter with notice or acknowledgement of receipt informing them of facts noted.

Article 61 - Notification and publication of sanction decisions

The chairman shall notify the sanction decision to the respondent at the address they choose, at the latest five (5) days from the date of being rendered, via a registered letter with notice or acknowledgement of receipt or by using a bailiff where applicable.

Where the respondent is a legal person or body, the sanction decision shall be notified to its legal representative.

Where the respondent is represented by a lawyer, a copy of the sanction decision validly certified by the chairman shall also be notified to the address of that lawyer.

The sanction decision is made public by any medium deemed appropriate by the AMMC, mainly its website.

The concomitance between the notification of the sanction decision and its publication is not required.

CHAPTER III - PROCEDURE FOR THE PREPARATION OF CIRCULARS

Section I – Preparation of or amendment to the draft circular

Article 62 – Scope of circulars

Pursuant to the last paragraph of article 6 and the sixth indent of the first paragraph of article 21 of the aforementioned law no. 43-12, the Chairman shall prepare a draft circular or a draft amendment to a circular in accordance with the procedures provided for in this chapter.

Article 63 – Consultation with professionals

The draft circular or draft amendment to a circular is submitted to the professionals concerned or, where appropriate, to their respective professional associations for consultation. To that end, the said drafts are delivered to them by any medium.

The AMMC may, if deemed necessary, submit the said draft for public consultation.

Any possible comments or proposals from the professionals consulted and/or their professional associations must be submitted to the AMMC by any means it deems appropriate.

Possible comments or proposals made under the public consultation may be entered in the form made available for this purpose on the AMMC's website. They may also be formulated in writing and submitted to the AMMC by any other means that the authority deems appropriate.

Article 64 – Consultation period

The consultation period begins on the day following the transmission of the draft to the professionals concerned and/or to their professional associations or its submission for public consultation on the AMMC's website, if applicable, and ends after no later than thirty (30) days.

During this period, the professionals concerned and/or their professional organizations or the public, as the case may be, must send their comments and opinions on the said draft to the AMMC.

Article 65 – Concertation

No later than thirty (30) days after the end of the consultation period, the AMMC shall meet with the professionals consulted and/or their professional associations to inform them of its position with regard to their remarks or proposals.

In this respect, the AMMC may take into consideration the remarks and proposals of professionals and/or their professional associations as well as those resulting from the public consultation, where applicable, when they particularly aim at:

- the pursuit of the general interest which must take precedence over the individual considerations of professionals or their professional associations or the public;
- the simplification of rules and practices applicable to professionals.

At the end of the various meetings with professionals and/or professional associations, minutes are drawn up on the initiative of the AMMC and the draft circular or draft amendment of a circular is reviewed if necessary.

Article 66 – Presentation note

At the end of the process of preparing the draft circular or amendment to a circular as provided for in this section, the AMMC draws up a presentation note for the said draft according to a model established by it.

Section II - Approval and publication of the circular

Article 67– Submission of the draft circular or its amendment to the minister of finance for approval

In accordance with the provisions of article 7 of the aforementioned law no. 43-12, the draft circular or draft amendment to a circular, accompanied by its presentation note, is submitted by the chairman to the minister of finance for approval.

Article 68 – Dissemination of the circular by the AMMC

As soon as the circular is published in the official gazette, the AMMC publishes it on its website.

CHAPTER IV - EMPOWERMENT PROCEDURE

Article 69 – The Empowerment Advisory Committee

An empowerment advisory committee shall be established with the chairman. To this end, it shall make proposals and issue opinions and/or recommendations to the chairman on all matters relating to empowerments.

Only the chairman shall give effect to the proposals, opinions or recommendations of the empowerment advisory committee through their approval.

The empowerment advisory committee shall propose to the chairman, in particular:

- the program of the training courses required;
- the content of examinations;
- the rules for the organization of the examinations, concerning in particular:
 - the opening dates of the examination;
 - the procedures for conducting the examination;
 - the procedures and methods for evaluating candidates for empowerment;
 - the conditions for a successful completion of the examination.
- the minimum information to be contained in the professional card referred to in article 76 of these general regulations.

The chairman may entrust the organization of examinations and the assessment of candidates to any person or body in accordance with specifications drawn up by the empowerment advisory committee and approved by the chairman.

Article 70 – Composition of the empowerment advisory committee

The empowerment advisory committee is composed of:

- three AMMC representatives, including the chairman of the committee, appointed by the chairman;
- one representative for each professional association of legal entities subject to the control of the AMMC on their proposal.

The chairman may convene, in an advisory capacity, any person whose participation in the meetings of the empowerment advisory committee they deem useful.

The operating rules of the empowerment advisory committee, in particular those relating to the convening, holding of meetings and deliberations, are laid down in its bylaws and approved by the chairman.

Article 71 – Empowerment

In accordance with the provisions of article 32 of the aforementioned law no. 43-12, the empowerment is the decision delivered by the chairman of the AMMC after an examination and materialized by the issuance of a professional card.

The chairman grants empowerment to perform one of the functions referred to in article 31 of the aforementioned law no. 43-12.

The empowerment shall be granted for a period of three (3) years from the date of delivery of the empowerment decision and shall be renewable under the conditions and in accordance with the procedures set out below.

In order to renew their empowerment for the same period provided for in paragraph 3 above, eligible persons are required to sit an examination organized by the AMMC in accordance with the rules laid down in this chapter.

However, eligible persons whose experience is equal to or greater than ten (10) years shall be exempted from sitting the said examination for the renewal of their empowerment without prejudice to the procedures for submitting the renewal requests provided for in article 74 of these general regulations.

At the end of the empowerment period provided for in paragraph 4 above, it shall be renewed under the same conditions and for the same period set in the said paragraph.

At the end of the period provided for in the paragraph above, the empowerment of eligible persons shall be renewed at the end of each three-year period (3) without the obligation to pass the renewal examination and without prejudice to the arrangements provided for in article 74 above-mentioned.

The empowered persons referred to in paragraphs 5 and 7 of this article shall be subject to a continuous knowledge assessment by the AMMC. The AMMC shall specify the conditions and procedures for the application of this paragraph.

Persons whose empowerment has expired shall continue to perform the functions for which they have been empowered until the date of the next renewal examination session.

The empowerment may be suspended or withdrawn under the conditions laid down in article 79 of these general regulations.

Article 72 - From eligibility to empowerment

Persons meeting the following requirements are eligible for the empowerment to perform one of the functions provided for in article 31 of the aforementioned law no. 43-12:

- having had a training attested by a higher education diploma;
- having at least two years' professional experience in the financial field;
- and exercising a full-time function with a market operator.

Article 73- Frequency of the review

The examinations are organized at a rate of at least two sessions per year.

Article 74 - Procedures for submitting requests for empowerment or renewal of empowerment

Subject to the procedures for conducting the empowerment examinations laid down by the chairman, any request for empowerment or renewal of empowerment must be submitted to the AMMC by market operators, in the name and on behalf of natural persons who meet the conditions laid down in article 72 above.

Requests for empowerment must be made at least thirty (30) days before the date scheduled for the examination.

Requests for renewal of the empowerment must be made at least thirty (30) days before the expiry date of the empowerment period referred to in article 71 of these general regulations.

Article 75 - Fees for filing requests for empowerment or renewal of empowerment

The filing of any request for empowerment or renewal of empowerment gives rise to the payment of a fee to the AMMC, the amount of which it shall determine. These costs are borne, for each candidate presented, by the employer and cover the registration fees of the examination and the costs of issuing the corresponding professional cards.

Article 76 - The grant of the professional card

The chairman determines the form and content of the professional card.

Article 77 - Transmission of the results of the examinations, the empowerment decision and the professional card

The results of the examinations, the empowerment decision and the corresponding professional card are sent by the AMMC to the relevant market operator.

Article 78 - Failure at the empowerment examination or empowerment renewal examination

In the event of failure at the empowerment examination or at the renewal of empowerment examination, the candidate may sit the following examination session.

The candidate having failed at the empowerment examination or at the renewal of empowerment examination shall continue to perform their duties with the market operator having presented them for the examination until their presentation for the following examination session.

The presentation of this candidate to the next examination session remains the responsibility of the market operator to which they belong.

Delay or failure to submit the file relating to the candidate to the next examination session, while the latter continues to perform the functions subject to empowerment or renewal of empowerment, entails the responsibility of the market operator in accordance with the provisions of article 12 of the aforementioned law no. 43-12.

When the candidate fails in two consecutive examination sessions, they temporarily cease to perform the function subject of the empowerment until they pass the next examination session.

Failure to pass three successive examination sessions shall result in the termination of the exercise of the functions subject of the empowerment under article 33 of the aforementioned law no. 43-12. They may, however, apply for a new examination in order to obtain a new empowerment. The said candidate regains their right to practice as soon as they pass the correlative exam.

Article 79 - Suspension and withdrawal of empowerment

In accordance with the provisions of the second paragraph of article 33 of the aforementioned law no. 43-12, the AMMC may suspend its empowerment as a disciplinary measure imposed in accordance with the provisions of article 9 of the aforementioned law no. 43-12.

In accordance with the provisions of the second paragraph of article 33 of the aforementioned law no. 43-12, the AMMC may withdraw its empowerment particularly due to:

- a cessation of duties for six (6) months or more without interruption, excluding the cases of exception provided for in article 80 of these general regulations; or a disciplinary sanction imposed in accordance with the provisions of article 9 of the said law no. 43-12.

Article 80 - Exceptions to the withdrawal of empowerment

The cessation of duties by any empowered person shall not be considered as a reason for termination of duties when it lasts for a period:

- equal to or greater than six (6) months but less than twelve (12) months uninterrupted for duly justified reasons relating to:
 - health;
 - training;
 - loss of employment due to dismissal.
- equal to or greater than six (6) months but less than eighteen (18) months, due to a professional training, exchange or secondment with any organization or company of the group to which the market operator where the authorized function is performed belongs and which is located outside Morocco;
- equal to or greater than six (6) months but less than eighteen (18) months, due to the provision of continuous training to the executives of the market operator, its subsidiaries or the companies and organizations of the group to which the market operator belongs.

The chairman shall specify the detailed implementation modalities for the exceptional cases listed above.

Article 81- empowerment of eligible persons newly recruited

For the eligible persons newly recruited to obtain an empowerment, market operators have a maximum period of (6) months to submit the corresponding applications for the next empowerment examination session.

Article 82 - The register of persons empowered

The AMMC shall keep and update a register of the natural persons empowered which it shall publish by any means it deems appropriate.

TITLE V- DELAY PENALTIES

Article 83 - Delay in disseminating information to the public

In accordance with the provisions of article 10 of the aforementioned law no. 43-12, any delay in disseminating to the public the information provided for by the legislative and regulatory texts governing the bodies and persons subject to the control of the AMMC as referred to in article 4 of the aforementioned law no. 43-12 or by the AMMC circulars shall be subject to a penalty of five thousand (5,000) dirhams per day of delay.

Article 84 - Delay in transmitting documents or information to the AMMC

In accordance with the provisions of article 10 of the aforementioned law no. 43-12, any delay in transmitting to the AMMC a document or information provided for by the legislative and regulatory texts governing the bodies and persons subject to its control as referred to in article 4 of the aforementioned law no. 43-12 or by the AMMC circulars shall be subject to a penalty of three thousand (3,000) dirhams per day of delay.

Article 85 - Methods of calculating the amount of delay penalties

Delay penalties are calculated from the day following the deadline set for the dissemination of information to the public or the transmission of documents or information to the AMMC.

The count shall end on the date of dissemination of the said information to the public or on the date of transmission of the said documents or information to the AMMC. The dates of distribution and notification to the AMMC are binding.

TITLE VI - MISCELLANEOUS AND TRANSITIONAL PROVISIONS

Article 86 - Review of the AMMC general regulations

Pursuant to the provisions of the second indent of the second paragraph of article 16 of the aforementioned law no. 43-12, the chairman shall submit the draft general regulations or their amendment to the board of directors for review.

After deliberation and taking into account any observations and amendments, the chairman forwards the draft to the minister of finance for approval.

Article 87 - Publication of the audit report

Pursuant to the second paragraph of article 24 of the aforementioned law no. 43-12, the AMMC publishes the audit report within a maximum period of two (2) months from the date of its

examination by the board of directors, by any means it deems appropriate, particularly on its website:

Article 88:

The general regulations of the Securities Ethics Council, as approved by order no. 822-08 of the minister of the economy and finance of 7 Rabii II 1429 (14 April 2008), are repealed.

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