

## Morocco Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Moroccan's national cooperative legal framework, based on the work of national legal experts and ICA member input.

In Morocco, cooperatives are regulated by law 112-12 on cooperatives of November 21, 2014. Other texts regulating housing cooperatives, mining cooperatives, the national federation of cooperatives and agrarian reform cooperatives.

**Main regulations:** This table displays a selection of cooperative regulations identified by experts and ICA members. For the full analysis including all relevant regulations, see the full report.

| Regulation  | Brief description   |
|---|---|
| Law 112-12 on cooperatives  | All cooperatives are subject to this law, with the exception of agrarian reform cooperatives.   |
| Royal Decree No. 552-67 of December 17, 1968  | Relative to land credit, construction credit and concerns housing cooperatives  |
| law 74-15 relating to the mining region of Tafilalet and Figuig promulgated on August 25, 2016, | It concerns the procedures for obtaining the authorization to mine mineral deposits.  |
| Dahir n ° 1-58-376 of November 15, 1958 regulating the right of association,                    | This law concerns the constitution and the functioning of the national federation of cooperatives, For the missions they are mentioned at the level of the law 112-12 |
| Dahir bearing law n ° 1-72-277 of December 29, 1972   | Relating to the allocation to farmers of agricultural land in the private domain of the State.  |

**Cooperative Friendliness:** Law 112-12 is suitable for the Moroccan cooperative movement and has many characteristics, including: Simplification of the creation procedure, Reduction of the number of members from 7 to 5, Abolition of the approval prior to the exercise, Submission to public procurement, and possibility for cooperatives to become a company. There remains a problem and an issue related to co-operative financing because banks treat cooperatives as any private enterprise in financing their projects, hence the importance of thinking about creating a cooperative bank.

**Key recommendations for improvement:** In order for national cooperative legislation to be more appropriate for cooperative development, recommendations need to focus on: Mandatory requirement for a feasibility study, Remuneration of board members, the supervisory committee must be mandatory, the establishment of a 2% reserve called the Education and Training Fund when the surplus is distributed and the reinforcement of the material and human resources of the ODCO.

**Conclusions:** it is important that the cooperatives in Morocco are all subject to law 112-12 including the agrarian reform cooperatives. It is also necessary to train decision-makers and legislators to enable them to understand the specificity of cooperatives. Consequently, it is necessary to revise article 102 to reinforce the attributions of ODCO and its financial and human resources and to envisage an annual subsidy for the national federation of the cooperatives.

