

The 31st of December 2018

Press release

Objet : Publication of the 2019th General Instruction of Foreign Exchange Transactions

The Foreign Exchange Office has published, on the 31st of December 2018, the new version of the General Instruction of Foreign Exchange Transactions. The provisions of this instruction will be applied starting from the **14th of January 2019**.

The 2019th General Instruction of Foreign Exchange transactions provides important liberalization and easing measures for both current and capital transactions. These measures, thus, reinforce the process of liberalization of the exchange regulations initiated since the 1980^s and consolidate the convertibility regime.

In terms of current transactions, the new provisions mainly concern imports and exports of goods and services and travel operations.

The 2019th General Instruction for Foreign Exchange Operations harmonized the advance settlement of imports of goods up to 200.000 dirhams, raised to 100 000 dirhams, the ceiling for advance settlement of imports of services and extended the remittance period of the product of service exports from 60 to 90 days.

In addition, companies categorized « *Office des Changes / Direction Générale des Impôts* » or « *Office des Changes / Administration des Douanes et Impôts Indirects* » may, in accordance with the provisions of the new Instruction, settle their imports of goods in advance.

Furthermore, Innovative start-ups in new technologies are allowed to pay for imports of services related to their business by international payment cards under the "e-commerce" title up to 500.000 dirhams per calendar year.

The main measures introduced in relation to travel also include the increase of the tourist endowment to 45.000 dirhams per calendar year with an additional 10% of income tax, all capped at 100.000 dirhams.

In regards to the capital transactions, the new Instruction has given exporters of services with foreign markets, the possibility of opening accounts abroad.

It also enables Moroccan banks to finance the operating cycle of industrial companies located in the export-processing zones in Morocco by using the foreign currency held into their accounts and also allows them to grant loans by using their reserve of foreign currencies held into their accounts to finance import, export, international trading and investment transactions.

Furthermore, the new instruction takes into account the extension of the outward investment regime to Collective Investment Undertakings "CIU", with the possibility for Collective Investment in Transferable Securities "UCITS" and "CIU", to invest abroad up to 100% of the collected subscriptions in foreign currencies.

The 2019 General Instruction of Foreign Exchange transactions can be consulted and downloaded from the website of the Foreign Exchange Office : www.oc.gov.ma.