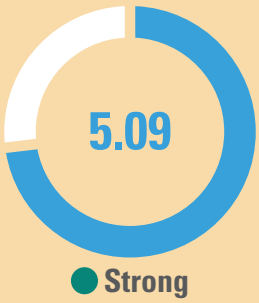
UNITED NATIONS
الاسكوا
ESCWA

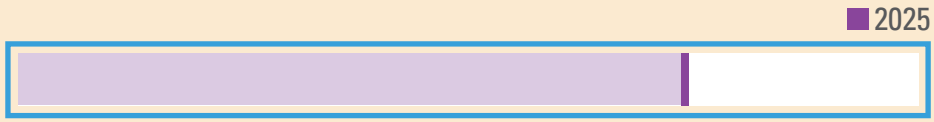
Shared Prosperity Dignified Life

Country profile
MOROCCO

ARAB BUSINESS LEGISLATIVE FRAMEWORKS



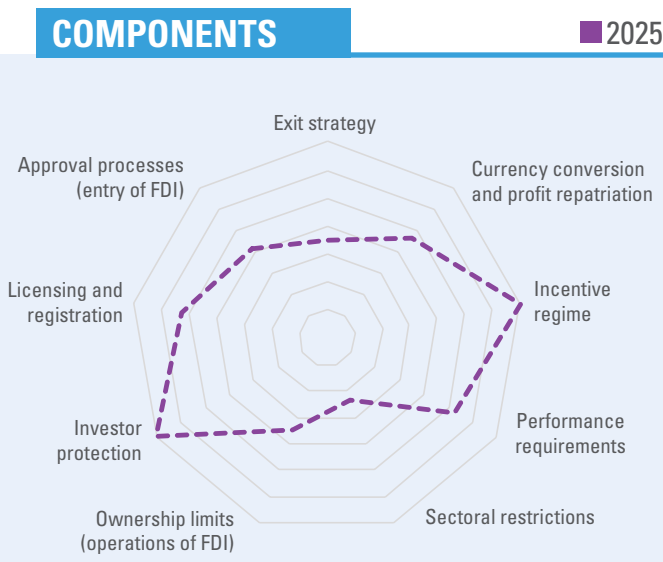
FOREIGN DIRECT INVESTMENT



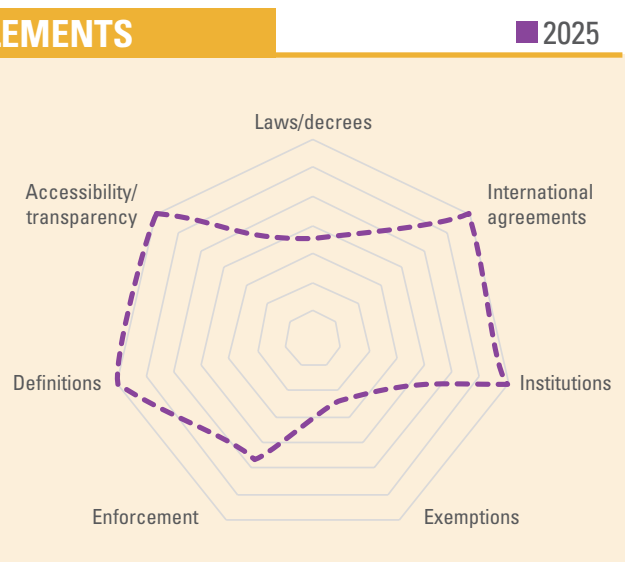
Very weak | Weak | Basic | Moderate | Developed | Strong | Very strong

COMPONENTS	2025
Approval processes (entry of FDI)	4.20
Licensing and registration	5.25
Investor protection	7.00
Ownership limits (operations of FDI)	3.50
Sectoral restrictions	2.33
Performance requirements	5.25
Incentive regime	7.00
Currency conversion and profit repatriation	4.67
Exit strategy	3.50

COMPONENTS



ELEMENTS



Note on methodology: The foreign direct investment (FDI) pillar was fully revised in 2023 following a legal and methodological review and first applied in the 2025 assessment. The 2020 edition assessed the macroeconomic enabling environment for investment. The revised methodology shifts to a business-conducting perspective, assessing the regulatory treatment of foreign investment.

2020 EDITION

Basic

Foreign direct investment framework assessment

Macroeconomic enabling environment lens

The 2020 assessment examined whether the country's **macroeconomic policies** provided a stable foundation for investment, whether the **investment regulatory framework** set clear rules of engagement, how far **incentivization schemes** attracted foreign capital, the extent to which **bilateral treaties** offered investors legal certainty, and whether **banking regulations** enabled the financial operations required for investment.



Macroeconomic policies



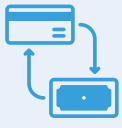
Investment regulatory framework



Incentivization schemes



Bilateral treaties



Banking regulations

This country profile is prepared based on the legal and regulatory framework in force as at April 2025.

This country profile assesses the foreign direct investment (FDI) framework of Morocco based on the nine FDI assessment components adopted under the Arab Business Legislative Frameworks methodology. The analysis is structured to ensure that each component is examined against its specific definition and indicators, supported by relevant legal and regulatory evidence.

In 2022, Morocco adopted a new Investment Charter (Framework Law No. 03–22). The charter establishes the general framework of the country's investment policy, focusing on the organization of investment incentive schemes, the improvement of the business climate, and the establishment of a unified and centralized governance structure for investment. Its implementation is ensured through implementing regulations, notably Decree No. 2.23.1. Foreign direct investment in Morocco is also governed by other applicable legislation such as the Commercial Code.



Approval processes

This assessment component examines the mechanisms and institutional arrangements governing the authorization of FDI, the applicable regulatory requirements, and the legal basis for international investment commitments and access to bank financing.

Pursuant to article 34 of Framework Law No. 03–22, the National Investment Commission is entrusted with approving investment agreements under the basic and strategic support schemes, classifying strategic projects, and monitoring the implementation of the Investment Charter and its implementing texts.

At the international level, Morocco has established a legal and regulatory framework governing bilateral and multilateral agreements pertaining to foreign direct investment. It has concluded several free trade agreements and bilateral investment treaties, including with Egypt, the United States of America and the United Arab Emirates, which contain provisions aimed at promoting and protecting

investments. The application and enforceability of such agreements are governed by the constitutional framework regulating the status of duly ratified international treaties within the domestic legal order.

However, the Investment Charter does not expressly provide for registration fees applicable to foreign investment.



Licensing and registration

This assessment component reviews the legal and regulatory framework for the licensing and registration of foreign investment projects in Morocco, with particular attention to transparency and predictability in administrative procedures, land use and ownership conditions, and streamlining of registration processes.

There is no general legal restriction preventing foreign investors from acquiring real estate in Morocco, although specific categories of land may be subject to regulatory conditions or prior approval requirements under applicable legislation.

Alongside the legal framework governing real estate acquisition, corporate establishment is regulated through company law provisions applicable to all investors.

Company formation is governed by the Commercial Code, which establishes capital requirements applicable on a non-discriminatory basis. Law No. 17–95, as amended, requires public limited companies (sociétés anonymes) to have a minimum share capital of 3 million Moroccan dirhams where a public offering is made, and 300,000 Moroccan dirhams otherwise. Law No. 5–96, as amended by Law No. 21–05 and subsequent reforms, abolished the statutory minimum capital requirement for limited liability companies (sociétés à responsabilité limitée), allowing the capital to be freely determined by the partners. These provisions confirm that no foreign investment-specific capital thresholds are imposed at the stage of company incorporation.

In parallel with the substantive rules governing market entry, Moroccan legislation also addresses licensing and registration procedures. Streamlining of licensing and registration procedures is addressed in Law No. 47–18, which reformed regional investment centres and introduced an integrated framework for processing investment-related authorizations. Article 4 mandates regional investment centres to assist investors with administrative procedures and to develop digital platforms, including an electronic portal that provides access to information and enables the monitoring of procedural status.



Investor protection

This assessment component reviews the legal protections available to foreign investors in Morocco, including statutory guarantees, access to dispute resolution mechanisms, and the role of domestic courts and arbitration frameworks in ensuring the enforcement of investor rights and investment-related obligations.

Under chapter 4, "Guarantees to Investors", articles 31 to 33 of the Investment Charter provide for various guarantees for foreign investors. The charter guarantees the intellectual property rights of investors, and imposes a duty of confidentiality on public employees who examine foreign investors' documents. Investor protection is further reinforced through dispute-settlement guarantees. Article 37 provides for the possibility of arbitration as a means of resolving investment disputes, while article 38 complements this provision by establishing a formal dispute-resolution framework that ensures fairness and legal certainty. The ratification by Morocco of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID) and the New York Convention further reinforces these protections by providing for the recognition and enforcement of international arbitral awards and strengthening legal protection for foreign investors.

Ownership limits

This assessment component examines the extent to which Moroccan legislation imposes ownership limits, foreign equity restrictions, or screening and prior approval mechanisms on foreign investment operations, including restrictions related to acquisition of real estate or participation in certain economic activities.

As a general rule, Moroccan investment legislation guarantees equal treatment for domestic and foreign investors as provided under article 2 of the Investment Charter. It also allows foreign investors to hold up to 100 per cent of the capital in most economic sectors. However, specific sector-based restrictions remain in place. For instance, foreign participation in the capital of companies operating in air and maritime transport and fishing activities is limited to 49 per cent. These restrictions are sector-specific and do not constitute a general limitation on foreign direct investment across the economy.

Moroccan legislation also regulates foreign ownership in relation to real estate acquisition. Foreign investors are generally allowed to acquire real estate with full ownership, and there is no general cap on foreign ownership in ordinary real estate transactions. However, a specific restriction applies to agricultural land.

Under Law No. 62–19, certain company forms, most notably public limited companies (SA) and partnerships limited by shares (SCA), may acquire land for agricultural purposes even if wholly or partially foreign-owned, subject to prior approval by the competent Unified Regional Investment Commission and in compliance with the applicable regulatory procedures.

Sectoral restrictions

This assessment component reviews sector-specific regulations that affect foreign direct investment in Morocco, focusing on market access limitations, competition-related considerations, and exceptions justified on grounds.

The investment framework of Morocco incorporates competition-related principles aimed at fostering an open and attractive market environment for foreign direct investment. Article 1 of the Investment Charter identifies improving the business climate and facilitating investment as core objectives of State investment policy. In parallel, Morocco has adopted Competition Law No. 104–12, which enshrines the principle of freedom of competition and prohibits anti-competitive practices. The coexistence of an investment promotion framework and a competition law governing market practices contributes to maintaining open and competitive market conditions, and supporting foreign direct investment.

The investment framework of Morocco also provides for differentiated treatment of projects classified as strategic. Article 15 of Decree No. 2.23.1 states that an investment project may be classified as strategic if it effectively contributes to ensuring water, energy, food or health security in Morocco. Investments falling within these strategic categories are subject to specific eligibility criteria and procedural requirements in order to benefit from the applicable support schemes. These provisions introduce exceptions linked to national strategic interests, while maintaining a defined legal mechanism governing access to investment incentives.

Performance requirements

This assessment component examines whether Moroccan investment legislation or policies impose performance-related obligations on foreign investors, such as requirements related to employment, skills development, export promotion, or compliance with social and labour standards.

The investment policy framework of Morocco addresses performance-related elements through policy orientations and legally defined eligibility criteria. Education and labour development are supported through State-led public policy measures that indirectly support skills development relevant to investment activity. In this regard, article 27 of the Investment Charter provides that the State, in partnership with the private sector, shall promote research and development activities, encourage innovation, and facilitate access to modern information and communication technologies. These measures contribute to strengthening the skills base and productive capacity of the economy, thereby supporting the investment environment.

The Investment Charter also identifies export promotion as a core objective of the country's investment policy. Article 1 provides that the policy aims to increase export volumes and strengthen local production, particularly through investment projects implemented in priority sectors.

Additionally, article 6 of Decree No. 2.23.1 establishes objective thresholds linked to investment size and employment creation. Under this provision, access to the basic support scheme is conditional on meeting criteria related to total investment amount and permanent job creation, or alternatively on creating at least 150 permanent jobs. These criteria are used by the State to assess the effectiveness and efficiency of investment support schemes and constitute social and labour market-related requirements applicable to foreign investors seeking to benefit from investment incentives.



Incentive regime

This assessment component reviews the legal framework governing investment incentives in Morocco, which includes defining incentive schemes in legislation, specifying the adopted incentive regime, and identifying the competent authorities responsible for administering and implementing these incentives.

Framework Law No. 03–22 establishes a comprehensive investment incentive regime aimed at promoting both domestic and foreign private investment and enhancing the overall investment attractiveness of Morocco. Articles 8 to 10 require investors to conclude an investment agreement that defines the commitments of the State and the investor before they can become eligible for incentives.

The Charter establishes a basic investment support scheme under which investment premiums are granted as a percentage of eligible investment costs, subject to an overall cap of 30 per cent of the project cost. The scheme comprises three types of premiums: a basic investment premium, a territorial premium and a sectoral premium, awarded on the basis of objective eligibility criteria such as employment creation, geographical location, and sectoral priorities.

Additional schemes target specific categories of investment projects, including strategic projects, projects benefiting small and medium-sized enterprises, and those supporting the international expansion of Moroccan companies.

The conditions, premium rates, and implementation modalities of these incentive schemes are determined through implementing regulations, including Decree No. 2.23.1, which operationalizes both the basic investment support scheme and the specific support scheme applicable to strategic investment projects and sets the applicable premium rates and eligibility conditions.

Institutionally, article 34 of the Investment Charter designates the National Investment Commission, established as a ministerial committee, as the authority responsible for the approval, implementation and monitoring of investment incentive schemes. The Commission is responsible for approving investment agreements, determining the strategic character of projects, overseeing special support schemes, and periodically evaluating the effectiveness of the incentive regime, thereby confirming the existence of a legally mandated institutional authority to uphold and implement investment incentives.

Currency conversion and profit repatriation

This assessment component examines the legal provisions governing currency conversion and the repatriation of profits by foreign investors in Morocco, including guarantees for capital transfers, the role of financial and banking authorities, and applicable capital control measures.

The foreign exchange legal framework in Morocco provides a statutory basis for currency convertibility and the repatriation of investment-related revenues for foreign investors. The 2024 General Instruction for Foreign Exchange Transactions (IGOC 2024) defines foreign investment, under article 155, as operations carried out by foreign persons or Moroccan nationals residing abroad that result in the creation of a financial or tangible asset in Morocco. The instruction further confirms that investments financed in foreign currency benefit from a convertibility regime guaranteeing the freedom to transfer investment revenues.

This guarantee is reinforced by article 31 of the Investment Charter, which establishes the convertibility regime and grants eligible investors the right to transfer profits and investment proceeds abroad. These provisions establish a legal framework ensuring the repatriation of profits and revenues generated by foreign investments.

With regard to institutional oversight, the Foreign Exchange Office is designated as the central authority responsible for regulating, supervising and controlling foreign exchange operations, including transactions related to foreign direct investment.

The Investment Charter does not contain explicit provisions setting out capital control measures or specific restrictions on capital liquidity within the banking sector applicable to foreign investors.

Exit strategy

This assessment component assesses the legal framework governing the exit of foreign investors from the Moroccan market, focusing on provisions related to divestment, liquidation, mergers and acquisitions.

Article 31 of Framework Law No. 03–22 establishes an explicit legal guarantee allowing foreign natural and legal persons to transfer the proceeds resulting from the disposal or liquidation of their investment, in whole or in part, including capital gains. This provision provides a statutory basis for investor exit through divestment or liquidation.

The Investment Charter does not contain specific provisions regulating mergers and acquisitions involving foreign investors.

RECOMMENDATIONS

- Clarify and consolidate applicable registration and administrative fees in a single, publicly accessible reference to enhance transparency for foreign investors.
- Explicitly codify the eligibility of foreign investors to access mortgage financing on equal terms.
- Introduce explicit legislative or regulatory criteria governing cost-benefit analysis for investment projects benefiting from public support to strengthen transparency and accountability.
- Introduce explicit regulatory provisions requiring investment projects benefiting from public support schemes to include training or skills-transfer commitments as part of the assessment criteria.
- Clarify, through legislative or regulatory guidance, the rules governing foreign-led mergers and acquisitions within the foreign direct investment framework, in order to address the current absence of explicit provisions governing such transactions.

www.unescwa.org

E/ESCWA/CL6.GCP/2025/ABLF/1/Series.4/CP.1/Morocco

260150E