

STRATEGIC PLAN

2024-2028

Message from the Chairperson and CEO



NEZHA HAYAT
Chairperson and CEO

This strategic plan, the third for the Moroccan Capital Market Authority (AMMC), outlines our vision and strategic directions for the next five years.

We have, once again, taken a collaborative approach, involving both the AMMC internal resources and external stakeholders, to ensure our plan reflects the industry needs and expectations. International regulatory trends were also considered to better anticipate the Authority's future operating environment.

Building on the experience gained from our two previous strategic plans, which have strengthened the AMMC's transformation and the capital market's role in financing the Moroccan economy, the 2024-2028 strategic plan takes into account the crucial challenges we face as a regulator, such as mobilizing investors, accelerating technological innovation, financing the energy transition and cyber security.

Thus, the AMMC's new strategic plan is built around a global vision supported by four thematic pillars and one cross-cutting pillar.

AN EFFICIENT AND INNOVATIVE CAPITAL MARKET FOR MOBILIZING SAVINGS AND DRIVING THE FINANCING OF THE ECONOMY

To achieve this vision, the AMMC is taking a proactive, multi-pronged approach. To enhance market efficiency and accessibility, we will continue expanding the investor base, diversifying financial instruments, and creating new markets. We will maintain our agile approach, embracing financial innovation and addressing sustainability challenges. We remain committed to promoting financial literacy among investors and building market participants' capacities. Additionally, modernizing our oversight system remains a priority to ensure continued protection of investor savings in financial instruments.

Finally, we are dedicated to strengthening our organizational performance through modernized tools, employee support and development, and fostering a strong corporate culture.

We are confident that this strategic plan fully aligns with the missions and aspirations of the AMMC, as well as the needs of the capital market and our national economy. These strategic directions will guide the actions of the AMMC's teams, whose dedication is the key to success.

Enjoy your reading!

AN EFFICIENT AND INNOVATIVE CAPITAL MARKET FOR MOBILIZING SAVINGS AND DRIVING THE FINANCING OF THE ECONOMY

1

Work towards the development of an efficient and accessible capital market

2

Address the new challenges of financial innovation and sustainability

3

Enhance financial literacy to mobilize savings and protect investors

4

Ensure effective oversight in a constantly evolving capital market



Strengthen organizational performance

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1

WORK TOWARDS THE DEVELOPMENT OF AN EFFICIENT AND ACCESSIBLE CAPITAL MARKET

Supporting the diversification of investment products and financing solutions

To increase accessibility to the capital market and foster innovation, an approach aimed at supporting the diversification of financial instruments will be pursued.

The new law on Collective Investment Schemes (UCITs) constitutes a fundamental pillar of this initiative, it provides a framework that encourages innovation while enhancing the sector's resilience. Once implemented, the AMMC will assist with the introduction of new products, such as exchange-traded funds (ETFs).

ETFs are more accessible, require lower investment minimums, and are highly liquid due to continuous trading on the market, compared to conventional UCITS. Additionally, streamlined UCITS rules for qualified investors will allow for a clear distinction between products offered to the general public and those targeting informed investors, who benefit from more flexible management.

Moreover, the AMMC is actively working to facilitate SMEs' access to capital market financing. This includes encouraging the creation of financial products and solutions specifically designed for this category of enterprises. In particular, developing mechanisms that combine the financing needs of SMEs and creating diversified investment portfolios attractive to investors. This will ultimately allow SMEs to raise capital on optimal terms.

In line with this, the AMMC actively participates in implementing the roadmap established by the CGEM (General Confederation of Moroccan Companies) and the Casablanca Stock Exchange for the development of the stock market. To this end, the AMMC will support initiatives aimed at creating a more incentive-based framework and providing appropriate support to companies, particularly SMEs.

Furthermore, as part of the deployment of the futures market, the AMMC will support the launch of new instruments designed to improve market liquidity and diversify investment strategies, starting with products designed to hedge against market risks, such as interest-rate and index futures.

Supporting professionals in implementing and deploying new financial instruments

The AMMC is solidifying its role as a supporter of financial professionals by fostering close relationships with players in the financial ecosystem. This collaboration will be intensified to better understand market developments and drive innovation.

The AMMC is actively promoting the growth of Real Estate Investment Schemes (OPCI) by finalizing a listing system that will make OPCIs more accessible and liquid for investors. Additionally, the Authority is working on standardizing real estate appraisers' reports to ensure consistent and transparent information.

The AMMC is also working to operationalize the new framework governing OPCCs (Private equity investment vehicles). This framework introduces a new category of investors referred to as "professional investors", and OPCCs with streamlined operating rules. It also grants the ability to offer loans, creating new prospects for the capital market. These evolutions, coupled with the launch of sub-funds under the Mohammed VI Investment Fund, will help attract a wider range of investors and significantly boost financing the real economy.

In addition, the Authority will contribute to the effective launch of the futures market, by establishing clear guidelines for approving participants and providing training and awareness - raising initiatives to support the industry actors.

Furthermore, the AMMC is working to consolidate the operating framework of the private debt market. The Authority is collaborating with market stakeholders to promote the use of credit ratings, centralized transactions, and standardized bond issuance contracts.

Accelerating the capital market regulatory development

Recognizing the dynamic and evolving nature of the capital market, the AMMC ensures that regulation is aligned with innovation and meets the expectations of the sector's professionals. Several developments, both legislative and regulatory, covering various areas are planned.

The AMMC is focusing on implementing texts that accompany the operationalization of the new laws. For instance, in the wake of the revision of UCITS law, the accelerated implementation of its application texts will fully demonstrate its contributions in terms of supervision and innovation opportunities. The adoption of new AMMC circulars is also planned, covering in particular OPCCs management, FPCTs (Securitization vehicles), the futures market and securities lending.

The AMMC will also propose a review of its governing law, with a view to further developing its powers, in particular with regard to the coercive aspect of market abuse, and by including among its missions the contribution to financial stability. In addition, other initiatives will be launched to provide a more comprehensive supervision of capital market activities, with priority given to the secondary market of debt instruments and individual discretionary asset management.

The AMMC remains deeply involved in the process of modernizing the framework governing market players and instruments. Planned projects include revising the text governing the central depository, regulating over-the-counter derivatives, and drafting amendment to the public limited company law to allow for a wider range of securities.

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2 ADDRESS THE NEW CHALLENGES OF FINANCIAL INNOVATION AND SUSTAINABILITY

Embracing innovation while ensuring savers' protection

An attractive capital market requires openness to innovations in the financial industry, while ensuring the regulation of associated risks.

The AMMC intends to intensify its support for Fintech development by allocating additional resources and engaging actively in international Fintech discussions. The AMMC will also continue to assist project owners through its Fintech portal, which provides them with information on the legal framework applicable to them. Furthermore, the AMMC maintains close collaboration with the Ministry of Economy and Finance, Bank Al-Maghrib and the Supervisory Authority of Insurance and Social Welfare (ACAPS) to establish a legislative and regulatory framework for Fintech, including the draft law governing crypto assets. At the same time, the Authority remains attentive to the needs of other stakeholders in the Fintech sector (universities, incubators, etc.) to ensure fostering innovation and being as up-to-date as possible with the needs of the various players.

In addition, following the publication of all regulatory texts and the launch of a dedicated crowdfunding portal, the AMMC plans to grant the first licences to crowdfunding platforms. To raise public awareness about this new financing and investment option, several communication and financial literacy initiatives will be launched.

Continuing to support the development of sustainable finance

Aligned with Morocco's strategic orientations in favor of sustainable development, the AMMC remains strongly committed to the promotion of sustainable finance on a national and regional scale, since the COP 22 held in Marrakech in 2016, and intends to strengthen its involvement in this field.

The AMMC will maintain its active involvement in various projects, including the development of a national green finance strategy and the adoption of a green financial taxonomy. Through these initiatives, the AMMC aims to play a key role in aligning the Moroccan financial sector with the Kingdom's environmental and social objectives.

In parallel, the Authority will continue its efforts to develop sustainable finance within the capital market. To this end, the AMMC plans to strengthen its reference framework by creating a series of handbooks. These will be accompanied by awareness-raising initiatives, engagement programs, and capacity building for market participants, notably issuers through the Moroccan Association of Public Companies (APE) and auditing professionals through the Chartered Accountants Association (Ordre des Experts Comptables). Additionally, the AMMC will contribute to improving extra-financial transparency through periodic ESG reporting reviews using a methodology and assessment tool developed jointly with the

International Finance Corporation (IFC). Upon establishing a robust historical database, the AMMC intends to share its observations and recommendations. This aims to enhance the understanding of ESG reporting practices and provide more effective support to issuers.

Strengthening market attentiveness and reinforcing international cooperation to ensure appropriate capital market development

The AMMC actively participates in various international structuring projects to foster market development, solidify its regional position, and position Casablanca as a regional financial hub.

By strengthening its commitment and involvement in organizations and working groups, especially on Fintech and sustainable finance, the AMMC promotes openness to innovation while ensuring investors' and savers' protection through a secure framework.

Regionally, the AMMC will continue the structuring work launched at the level of the Africa/Middle East Regional Committee (AMERC) of the International Organization of Securities Commissions (IOSCO) on crucial regulatory matters such as sustainable finance, market integrity and risk management.

Finally, the AMMC maintains close relations with a number of regulators, and aims to intensify these interactions, particularly through exchanges organized as part of technical assistance missions, with the aim of promoting the harmonization of market supervision practices.

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ENHANCE FINANCIAL LITERACY TO MOBILIZE SAVINGS AND PROTECT INVESTORS

Improving savers' financial literacy

The AMMC plans to expand its financial literacy initiatives.

A web portal dedicated to financial literacy is under development. This innovative platform will offer an interactive learning experience focused on savings and investment. It will incorporate gamification elements, such as investment simulators and educational games, making financial learning more accessible, engaging, and enjoyable for a wide audience.

Ultimately, in collaboration with partners, the portal could evolve into a physical center providing immersive capital market experiences.

Furthermore, the Authority will strengthen its partnerships in order to extend the reach of its activities by collaborating with local partners and partner organizations to disseminate its content to a wider audience.

Finally, the AMMC remains committed to promoting new savings products aimed at the general public. Through targeted educational campaigns, the Authority will strive to provide savers with essential insights into the features and benefits of these products, ensuring they are well-informed and equipped to make sound financial decisions.

Building professionals' capacities

Building the capacity of market professionals remains a priority for the AMMC.

Through its accreditation program, the AMMC provides market participants with the necessary skills to operate effectively within regulations and ethical standards.

With over 340 accredited professionals since the program's introduction in 2019, the AMMC plans to gradually expand professional accreditation to new roles, such as those held by financial investment advisors and futures market participants, as it becomes operational.

The AMMC also intends to develop specialized training programs for market professionals by leveraging existing partnerships, including the one with Mohammed VI Polytechnic University (UM6P). This collaboration could potentially lead to the creation of a dedicated training institute focused on capital market topics. This initiative aims to enhance skills within the Moroccan financial marketplace ensuring its competitiveness, regulatory compliance and ability to address evolving challenges.

Promoting popular savings by expanding the financial instruments offering

The Moroccan capital market offers a wide range of investment products such as UCITS, listed equities and bonds, OPCIs (Real estate investment schemes) and OPCCs (Private equity investment vehicles). However, there is a significant opportunity to increase participation from natural persons, who are currently underrepresented.

To address this, the AMMC focuses on enhancing financial literacy among savers through educational content and tailored tools.

Alongside these initiatives, the AMMC is working on expanding the range of the financial products available to the general public. The Authority will also assist local actors in developing offerings tailored to popular savings. This will include, for instance, the adoption of new distribution channels, an increased access to product information and the development of more accessible products.

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ENSURE EFFECTIVE OVERSIGHT IN A CONSTANTLY EVOLVING CAPITAL MARKET

Continuing to digitalize the oversight system

The AMMC remains committed to modernizing its supervisory and oversight system by capitalizing on the potential of digitalization and data management tools. This strategic approach involves several measures to enhance control effectiveness, and data integrity and transparency in the conduct of the Authority's operations. Advanced technological solutions will also be incorporated in accreditation processes, documentary audits and on-site inspections, leading to faster processing times, improved exchange traceability, and more efficient risk identification and resource allocation.

At the same time, the AMMC will proactively promote its supervision approach in a transparent manner. Local players will receive charters (on-site inspection charter, investigator's charter) and handbooks outlining the standards, procedures, and best practices to be followed. Moreover, the AMMC will communicate its priority control areas and thematic inspections to market participants, highlighting potential risk areas and market practices requiring attention.

Regarding market oversight, the Authority will implement a "Business Intelligence" solution for securing market data, and deploy new alerts to detect behaviors that could jeopardize the market's integrity and its proper functioning.

This digitalization of control, aimed at strengthening market transparency and integrity, will be complemented by an overhaul of the legal and regulatory framework governing market abuse. This includes the oversight of stock exchange transactions carried out by "insiders".

Enhancing governance and transparency standards among market participants

Fully committed to efficient governance, the AMMC will strengthen its system for monitoring the governance of issuers and market operators. This initiative aims to ensure adherence to sound governance principles and practices, ultimately contributing to an enhanced capital market.

Simultaneously, the AMMC will focus on improving the quality of financial reporting. This will increase transparency and understanding of issuers' performance, fostering investor confidence and informed decision-making within the market.

In addition, the AMMC will strengthen its collaboration with the Order of Chartered Accountants and the Moroccan Association of Public Companies to strengthen the financial reporting control system and improve its ability to detect and prevent noncompliant practices, thereby contributing to the capital market's integrity.

Ensuring the effectiveness of the anti-money laundering and combating the financing of terrorism framework (AML&CFT)

The AMMC remains firmly committed to supporting the national strategy against money laundering and terrorist financing. Through collaboration with relevant authorities, including the National Financial Intelligence Authority, the AMMC will continue implementing an adequate capital market control system and proactive measures to prevent and detect suspicious activity, ultimately strengthening market integrity.

The AMMC will carry out targeted awareness and training programs to promote best practices to ensure market participants understand their Anti-Money Laundering and Combating the Financing of Terrorism (AML&CFT) obligations and the use of national risk assessment results by operators within their control schemes.

The AMMC will also take part in joint initiatives by remaining vigilant against new threats, and drawing on recommendations and studies from national and international bodies.

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STRENGTHEN ORGANIZATIONAL PERFORMANCE

Accelerating the deployment of the Authority's digital strategy while strengthening cyber resilience

Recognizing the importance of keeping pace with technological advancements, the AMMC reaffirms its commitment to its digital transformation plan launched in 2023. Driving the Authority towards more efficient and sustainable practices, this plan leverages the latest digital trends to enhance operational efficiency while minimizing environmental impact.

This data-centric digital transformation plan's leading objectives include: process digitalization, document dematerialization, strengthened digital collaboration, and improved user experience.

To ensure a resilient and reliable environment for its digital transformation, the AMMC will increase cyber security measures in response to the growing challenges of cybercrime. This will involve, among other actions, implementing an information security management system compliant with ISO 27001 standards, adhering to "Zero Trust" and "Security by Design" principles, fostering continuous internal awareness, and improving business continuity and IT backup procedures.

Building a data-driven approach

As a major player in Morocco's financial sector, the AMMC handles a massive volume of data that requires robust and efficient governance for optimal use. As a result, the AMMC began developing its data governance and management roadmap in accordance with its strategic vision and digital transformation plan. This roadmap will cover all aspects of governed data, including security, compliance, quality, processes, and lifecycle management, while incorporating the most relevant systems and tools.

The AMMC's "data-driven" approach will guide the roadmap, ensuring it builds upon existing achievements while incorporating future trends and best practices.

Ultimately, these initiatives aim to create a robust and agile data infrastructure for both the AMMC and the capital market ecosystem.

Enhancing the internal organization's agility and efficiency

To maintain organizational agility, the AMMC regularly reevaluates its organization and staffing allocation. In this context, the AMMC is examining ways to reform its organizational structure in order to support market developments and better address new challenges and risks.

The goal is to incorporate the Authority's new activities while also optimizing team organization for increased efficiency. Adjustments and organizational changes will therefore be implemented by drawing on both the AMMC's current working procedures and best practices observed at national and international levels.

Improving the Authority's attractiveness

Recognizing the critical role human capital plays in achieving its mission, the AMMC prioritizes the development and growth of its employees.

To retain and value its people, the Authority will continue its efforts by launching new training services based on establishing specific training courses, implementing a career management system, and developing performance management.

To support its evolution, the AMMC also relies on a strong corporate culture, which is fostered by its core values of integrity, excellence, openness, commitment, and team spirit. The Authority strives to maintain a stimulating and motivating work environment that embraces inclusion, diversity and equity.

Finally, to strengthen team cohesion and foster a sense of belonging, particularly among new recruits, the AMMC will implement a proactive internal communication strategy designed to mobilize, engage and unite teams around the Authority's common objectives.



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