



الهيئة المغربية لسوق الرساميل
ⵜⴰⵎⴰⵔⴷⴰ ⵜⴰⵎⴰⵔⴷⴰ ⵜⴰⵎⴰⵔⴷⴰ ⵜⴰⵎⴰⵔⴷⴰ
AUTORITÉ MAROCAINE DU MARCHÉ DES CAPITAUX

ANNUAL REPORT

2021



HIS MAJESTY KING MOHAMMED VI, MAY GOD ASSIST HIM

TABLE OF CONTENTS

THE AMMC IN 2021	15
1. ABOUT THE AMMC	16
1.1. Missions	16
1.2. Scope of intervention and participants under its supervision	16
1.3. Prerogatives and powers	16
1.4. AMMC Bodies	16
2. 2021 HIGHLIGHTS	24
3. INSTITUTIONAL DEVELOPMENT	26
3.1. Activities of the risk and internal control committee	26
3.2. Risk Management of internal processes	26
3.3. Creation of the internal document database - processes & procedures	26
3.4. Implementation of budget management and organization handbooks and accounting procedures	26
3.5. Updating of the procurement policy	26
3.6. Continuation and consolidation of the digitalization of the AMMC's processes	26
3.7. Collaborative solution for strategic portfolio management and project management	27
3.8. New AMMC web portal	27
3.9. Governance and data management	27
3.10. Acquisition and implementation of an integrated financial, accounting, purchasing, and logistics management system	28
3.11. Functional improvement of the exchange and system of the market authority - SESAM	28
3.12. Reinforcing Information Security	28
4. ORGANIZATION CHART AND HUMAN RESOURCES	29
4.1. Staff headcount	30
4.2. Training	31
4.3. Contribution to the training and employability of young students	31
5. ACCOUNTING AND FINANCIAL POSITION	33
5.1. Operating revenues	33
5.2. Financial income	34
5.3. Operating expenses	34
5.4. Net income	35
5.5. Shareholder's equity	35
THE AMMC'S STRATEGIC PLAN FOR 2021-2023	37
PILLAR 1. FACILITATING THE USE OF CAPITAL MARKET FINANCING	38
PILLAR 2. PROMOTING REGULATION THAT IS ADAPTED TO INNOVATION	39
PILLAR 3. STRENGTHENING SAVINGS PROTECTION BY CONSOLIDATING THE NEW SUPERVISORY APPROACH	40
PILLAR 4. ACCELERATING THE MODERNIZATION OF THE AMMC AND INTEGRATING IT INTO A DIGITAL TRANSFORMATION PROCESS	41

CHAPTER I. THE AMMC AND ITS ENVIRONMENT IN FIGURES **43**

1. STOCK MARKET **45**

- 1.1. Index Trends 45
- 1.2. Change in market capitalization 47
- 1.3. Change in transactions volume and liquidity 48
- 1.4. Types of investors 50

2. SECURITIES LENDING **52**

3. PUBLIC OFFERINGS **54**

- 3.1. Equity securities transactions 54
- 3.2. Issues of debt securities 54
- 3.3. Other financial transactions 55

4. COLLECTIVE INVESTMENT PRODUCTS **56**

- 4.1. Undertakings for Collective Investment in Transferable Securities (UCITS) 56
- 4.2. Securitization vehicles (FPCT) 64
- 4.3. Private equity investment vehicles (OPCC) 65
- 4.4. Real estate investment schemes (OPCI) 65

5. MARKET PARTICIPANTS **67**

- 5.1. Brokerage firms 67
- 5.2. Account keepers 70
- 5.3. The Central Depository 72
- 5.4. Asset management companies 74

CHAPTER II. THE AMMC AND CAPITAL MARKET SUPERVISION **83**

1. AUTHORIZATIONS AND APPROVALS **84**

- 1.1. Approval of Market Participants 84
- 1.2. Authorization of financial transactions 85
- 1.3. The authorization of collective investment schemes 94
- 1.4. Certification of real estate appraisers of OPCI assets 97

2. CONTROL OF FINANCIAL INFORMATION **98**

- 2.1. Periodic Disclosure 98
- 2.2. Other disclosure requirements 98
- 2.3. Threshold crossing disclosures 100
- 2.4. Repurchase programs of listed companies 100
- 2.5. Ethics of listed companies 101
- 2.6. Management of relations with statutory auditors 102
- 2.7. Reporting on corporate social responsibility 102

TABLE OF CONTENTS

3. CONTROL OF PARTICIPANTS	105
3.1. On-Site Inspections	105
3.2. Documentary audits	111
4. SUPERVISING MARKET UNDERTAKINGS AND INFRASTRUCTURES	115
4.1. Supervising the Casablanca Stock Exchange	118
4.2. Supervising the Central Depository	120
4.3. Market undertakings and infrastructure development projects	125
5. MARKET DISCIPLINE	127
5.1. Monitoring stock market transactions	127
5.2. Investigations	128
5.3. Complaints handling	128
6. ENFORCEMENT POWER	129
6.1. Organization of the AMMC's enforcement power	129
6.2. Exercising the AMMC's enforcement power	129
7. ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM (AML/CFT)	129
7.1. Regulation and support	129
7.2. Control of capital market participants	130
7.3. Update of the national AML/CFT risk assessment	130
7.4. National coordination and cooperation	130
7.5. Enhanced monitoring process by the FATF bodies	131
8. FIGHTING CORRUPTION WITHIN THE CAPITAL MARKET	132
9. SYSTEMIC RISK MONITORING	132
CHAPTER III. THE AMMC AND THE DEVELOPMENT OF THE CAPITAL MARKETD	135
1. REGULATORY DEVELOPMENT	136
1.1. Legislative and regulatory texts published in the Official Gazette	136
1.2. Draft legislative and regulatory texts	140
1.3. AMMC circulars	141
2. CAPACITY BUILDING OF ACTORS AND INVESTORS	142
2.1. Financial literacy	142
2.2. Accreditation of market professionals by the AMMC	145
3. INSTITUTIONAL COOPERATION	146
3.1. ADD platform for claims and complaints management	146
3.2. ADD platform for managing legal queries	146
3.3. Systemic risk coordination and supervision committee	146
3.4. Monitoring committee of the Casablanca Stock Exchange Concession	147
3.5. Memorandum of understanding on an SME offer	147

4. PROXIMITY TO MARKET PLAYERS	148
4.1. Market attentiveness	148
4.2. Handling questions from the general public and legal queries	150
5. INTERNATIONAL COOPERATION	151
5.1. Multilateral cooperation	151
5.2. Exchange of experiences, mutual assistance and capacity building	155
LIST OF TABLES, GRAPHS, BOXES AND ACRONYMS	157
LIST OF TABLES	158
LIST OF GRAPHS	159
LIST OF BOXES	160
LIST OF ACRONYMS	161
APPENDICES	163
APPENDIX 1: FINANCIAL STATEMENTS AT 31 DECEMBER 2021	164
APPENDIX 2: SUMMARY OF PENALTIES	171

MESSAGE FROM THE CHAIRPERSON



After a year affected by the health crisis, 2021 saw a gradual return to economic growth.

The AMMC rolled out its second strategic plan for the 2021-2023 period earlier this year. This new plan was developed in collaboration with market participants, and presented at the AMMC's recently established biannual meeting, which was attended by the Minister of Economy and Finance during its first edition. The meeting aimed at strengthening communication channels between the Authority and market participants in order to collaborate on capital market development.

The AMMC's new strategic plan outlines the institution's top priorities, all of which are driven by a single goal: a capital market that facilitates the financing of the economy's recovery. The capital market and its role in mobilizing savings for corporate financing is more important than ever.

The report of the Special Commission on the the New Development Model presented in 2021 devotes a large chapter to the capital market and emphasizes its major role as an essential source of financing to meet the

challenges of economic growth and recovery in particular. I would like to emphasize that several actions of the AMMC's strategic plan are in line with the orientations advocated by the Commission's report.

In 2021, and in the context of a national recovery, key capital market indicators showed mixed developments. The valuation of financial assets has improved, with an 18% increase for MASI and market capitalization and a 13.3% increase in the net asset value of UCITS. Meanwhile, the volume of transactions via the capital market showed a decline.

In this market context, the AMMC processed 69 files of financial operations and granted the related visas and authorizations. On the collective management side, the Authority approved 213 UCITS, authorized five securitization vehicles and issued three venture capital vehicles authorizations.

In terms of supervision, in 2021 the AMMC strengthened its control plan for market participants by consolidating the risk-based monitoring approach in accordance with the highest standards in this area. Thus, the

Authority inspected 42 market participants and opened six investigations on facts which may constitute penal violations.

The company managing the Stock Exchange and the Central Depository are also subject to close supervision. In 2021, two inspections were made, covering organizational aspects, governance, resources, and managed technical infrastructure. These inspections ensured that market undertakings complied with the obligations applicable to them, and verified the adequacy of the resources deployed and the resilience of the infrastructures.

Concerning the Central Depository, the Authority has carried out a major assessment of Maroclear with reference to the principles applicable to financial market infrastructures issued by the Bank for International Settlements (BIS) and the International Organization of Securities Commissions (IOSCO). These principles constitute a relevant reading grid for assessing market infrastructures.

Moreover, through its various control levers, the AMMC ensures that market undertakings comply with the applicable legal and regulatory obligations and that the infrastructures they manage are resilient.

In 2021, the AMMC continued to carry out the actions included in the roadmap relating

to anti-money laundering and combatting the financing of terrorism (AML/CFT) and corruption in the financial sector. Within this framework, the AMMC carried out an evaluation of the AML/CFT systems of the persons subject to the law and organized several awareness-raising actions for the benefit of the market players.

The regulatory activity in which the AMMC is involved has been particularly abundant in 2021. The main advances recorded concerned, inter alia, the adoption and publication in the Official Gazette of Law No.15-18 on crowdfunding. This new text introduces the framework of crowdfunding; an innovative and more flexible mode of financing that complements the existing tools and provides project holders with alternative financing options. There is also the adoption of Law No. 83-20 whose provisions have been overhauled and modernized by adding new possibilities to carry out loan operations, while improving liquidity and strengthening the security of the financial instruments involved.

The last activity relates to the draft revision of the Dahir establishing Law No. 1-93-213 on UCITS. This text was at the origin of the development of the collective management sector, which has now strongly consolidated with a net asset under management

MESSAGE FROM THE CHAIRPERSON

representing today 46% of the GDP and 160.4% of the national savings with more than 530 UCITS in activity. The amendment is designed to modernize the operating framework of UCITS with the expansion of investment vehicles. This will enhance the attractiveness of these instruments for investors and improve the contribution of this sector to the mobilization of savings and financing of the economy.

In keeping with its mission to promote financial literacy, the AMMC has continued to actively work to build savers' financial capacities and skills by providing them with a variety of tools to help them understand the various capital market concepts. As a result, the AMMC participated once again in 2021 in the two flagship international financial education campaigns: World Investor Week (WIW) and Global Money Week (GMW). The AMMC has also worked to develop partnerships with stakeholders in the Moroccan financial ecosystem, by signing an agreement with the GPBM (Professional Association of Moroccan Banks). This agreement aims to contribute to the development of the "capital market offer" via the network of banks towards savers and companies.

On the international level, The AMMC has pursued its efforts to take part in international cooperation work, including increased bilateral activities. In addition, the AMMC's

chairmanship of IOSCO's Africa and Middle East Regional Committee (AMERC) reflects our commitment to the development of capital markets at the regional level. This position strengthens the AMMC's presence in IOSCO's governance bodies and its contribution to the debates on the major issues facing international regulators. It is within this framework that the AMMC has, for example, taken part in the work carried out on the new challenges of finance, the fragmentation of markets, the emergence of new technologies and sustainable finance.

Our country has embarked on an ambitious economic recovery plan, as part of a structuring development model. This will require a strong mobilization of financing and the capital market is required to contribute more to this. The reforms undertaken are part of this objective with the aim of introducing new tools that facilitate access to market financing and offer alternative solutions to traditional financing.

Therefore, the AMMC will continue to advocate for regulations that are open to both innovation and technological changes in the financial industry, while also protecting savers and ensuring the proper functioning of the capital market.

It will also be necessary to expedite the operationalization of the projects undertaken towards the diversification of financing solutions. Crowdfunding to support small-scale project holders, securitization via debt funds as an alternative way of financing infrastructure projects, and the alternative market for SMEs wishing to raise capital through stock market listing are just a few examples.

The AMMC will continue its modernization process by consolidating its digital transformation, which will support its operational procedures and strengthen its tools for monitoring market players.

The AMMC will remain mobilized to make its contribution to the building of a more attractive, innovative and inclusive market.

NEZHA HAYAT
Chairperson





THE AMMC IN 2021

1. ABOUT THE AMMC

The Moroccan Capital Market Authority (AMMC) is the regulatory body in charge of the supervision and control of the Moroccan capital market by virtue of the provisions of Law No. 43-12 establishing the Authority.

1.1 Missions

The AMMC's main missions are as follows:

- ensure the protection of savings invested in financial instruments;
- ensure the equal treatment of investors, the transparency and integrity of the capital market and information to investors;
- ensure the sound functioning of the capital market and oversee the enforcement of laws and regulations;
- ensure compliance with the laws and regulations in force relating to anti-money laundering by the persons and organizations under its supervision;
- contribute to fostering the financial literacy of investors.

1.2 Scope of intervention and participants under its supervision

The AMMC exercises the supervisory powers under the laws in force with regard to the bodies and persons subject to its supervision. In this context, the Authority ensures that they comply with the laws and regulations applicable to them, in particular, those relating to:

- transactions involving financial instruments, including repurchase agreements, public offerings, transactions involving negotiable debt securities and securities lending;
- financial intermediaries (brokerage firms, asset management companies, OPC (venture capital investment vehicles) management companies, FPCT (securitization vehicles) management companies, and financial investment advisors;
- market infrastructures (the company managing the Stock exchange, the company managing the futures market, the Central Depository, and the Clearinghouse for the futures market);
- account-keepers (custodians);
- issuers of financial instruments;
- persons licensed to perform one of the functions requiring the AMMC's licensing, as well as persons who, under their activities, assist in transactions in financial instruments.

1.3 Prerogatives and powers

To fulfill its missions, the AMMC is vested with broad prerogatives, and in this capacity, it:

- controls information and approves prospectuses;
- carries out documentary controls and on-site inspections;
- approves and authorizes market players and some financial instruments;
- imposes disciplinary sanctions and fines in the event of violations;
- refers to the relevant judicial authority any matter likely to constitute a penal violation;
- establishes rules of professional and ethical conduct through circulars;
- assists the government in the regulation of the capital market.

1.4 AMMC Bodies

The AMMC is a collegial institution with several bodies and committees with specific prerogatives. The two governing bodies are the Board of Directors and the Enforcement Committee.

1.4.1 The Board of Directors

In addition to its Chairperson, the AMMC Board of Directors consists of an equal number of representatives of the Administration, and independent members, chosen for their integrity and expertise in the financial and legal fields. The Board's attributions, as well as the distribution of roles between its members and the Chairmanship are defined by the Law No. 43-12.

Composition of the AMMC board of directors



Ms. Nezha HAYAT
Chairperson of the AMMC



Ms. Faouzia ZAABOUL
Director of Treasury and
External Finance, representing
the government



M. Hassan BOUBRIK⁽¹⁾
Chairman of the Insurance
and Social Welfare Control
Authority (ACAPS),
representing the government



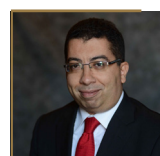
Ms. Hiba Zahoui
Director of banking
supervision, representing
Bank Al-Maghrib



Mr. Abdelaziz TALBI
Appointed intuitu
personae



Mr. Abdelaziz TAZI
Appointed intuitu personae



Mr. Soulaymane KACHANI
Appointed intuitu
personae

Government commissioner

M. Hicham EL MDAGHRI

Appointed by the
administration among
high-ranking officials of the
Ministry of Finance

(1)Until his appointment as Director General of the National Social Security Fund (CNSS) on 11 February 2021

Considering the powers of the Chairperson and the Enforcement Committee, the Board of Directors is vested with the required powers and duties for the administration of the AMMC and the fulfillment of its duties.

In this context, the Board:

- Approves the annual budget of the AMMC;
- Sets the rules and procedures applicable to the Board and all the AMMC staff;
- Reviews the general regulations of the AMMC;
- Reviews the auditor's report and takes the final decision regarding the observations;
- Defines the AMMC organization chart and the responsibilities of the various directorates based on a proposal from the Chairperson;
- Approves the AMMC's annual report;
- Requests, where appropriate, from the Chairperson to conduct an investigation within the scope of the AMMC's missions.

The law on the AMMC sets the Government Commissioner's supervisory duties. Among other things, he ensures the AMMC's compliance with the legislative provisions governing its activities. He also attends the meetings of the Board of Directors in an advisory capacity.

BOX 1. ACTIVITIES OF THE BOARD OF DIRECTORS

The Moroccan Capital Market Authority Board of Directors held four meetings in 2021 under the chairmanship of Ms. Nezha HAYAT:

March 29, 2021

- Review of the March 15, 2021 AMMC Audit Committee report;
- Approval of the financial statements for the 2020 financial year;
- Allocation of net income for the 2020 financial year;
- Update on the status of the AMMC's information system strategic plan;
- Review of capital market highlights.

June 2, 2021

- Review of the April 14, 2021 AMMC Audit Committee report;
- Approval of the AMMC Internal Control Charter;
- Approval of the AMMC Internal Audit Charter;
- Approval of the AMMC 2021-2023 Strategic Plan.

July 14, 2021

- Validation of the AMMC's public communication strategy.

December 20, 2021

- Review of the December 8, 2021 AMMC Audit Committee Report;
- Approval of the AMMC's budget for the 2022 financial year;
- Approval of the amendments to the AMMC's Regulations for public procurement;
- Presentation of the self-assessment exercise of the AMMC Board of Directors' activities.

• 1.4.1.1 The Audit Committee

The Audit Committee is a body created by the Board of Directors. Its mission is to ensure the:

- monitoring of the process of preparing accounting information;
- independence of the Statutory Auditor and the External Auditor;
- effectiveness of the internal control and risk management systems and the statutory audit of the financial statements.

At the request of the Board of Directors, the Audit Committee may also review any issue relating to the Committee's powers, in particular, the proposed budget and the report on its implementation. More generally, its areas of intervention include:

- the approval of the AMMC annual financial statements;
- the procedures for selecting the External Auditor and the budget to cover their fees;
- the internal audit programs;
- the implementation of recommendations issued by the External Auditor, and the internal audit department.

The Audit Committee consists of at least two members chosen from among the members of the Board of Directors. The Committee Chairperson is selected from among the members appointed *intuitu personae*. These members are chosen based on their qualifications and expertise in the financial and accounting fields.

The AMMC Audit Committee is composed of:

- **Mr. Abdelaziz TALBI**, Director, Committee Chair
- **Mr. Hassan BOUBRIK**, Director, Member

BOX 2. ACTIVITIES OF THE AUDIT COMMITTEE

The AMMC Audit Committee held three meetings in 2021:

March 15, 2021

- Review of the Audit Committee's decisions;
- Review of the AMMC's draft financial statements for the 2020 financial year;
- Review of the external auditor's report on the financial statements for the 2020 financial year;
- Review of the external auditor's report on the AMMC's internal control system;
- Approval of the 2020 internal audit report;
- Validation of the 2021 internal audit plan.

April 14, 2021

- Review of the AMMC's process mapping;
- Review of the AMMC's risk mapping;
- Validation of the AMMC's organization and accounting procedures manual;
- Validation of the Internal Audit Charter;
- Validation of the Internal Control Charter;
- Review of the internal audit report for the period 2016-2020

December 8, 2021

- Review of the Audit Committee's decisions;
- Review of the proposed budget for the 2022 financial year;
- Review of proposed adjustments to the annexes of the Regulations setting forth the AMMC's procurement rules;
- Validation of the Authority's budgetary and accounting management manual.

• 1.4.1.2 The Appointments and Remuneration Committee

The AMMC Board of Directors has also set up an Appointments and Remuneration Committee composed of:

- **Mr. Abdelaziz TAZI**, Director, Committee Chair
- **Mr. Abdelaziz TALBI**, Director, Member

1.4.2 Enforcement Committee

BOX 3. ACTIVITIES OF THE ENFORCEMENT COMMITTEE

In 2021, the Enforcement Committee continued its activities in a context marked by easing restrictions related to the Covid-19 pandemic. It held six meetings and issued five opinions, distributed as follows:

Meetings of the Enforcement Committee

The Committee's meetings can be classified into three types, depending on their nature and the stage of the investigation:

- **Post-referral meetings:** these meetings follow the referral to the Enforcement Committee and are devoted to reviewing the grievances raised by the on-site or documentary inspection. At these meetings, the Enforcement Committee may request additional information or documents from the AMMC or from the respondents if it deems them useful for the investigation of the facts.
- **Hearing sessions:** during the period under review, a hearing session was held to allow the respondent to present their observations and arguments to the Enforcement Committee, in addition to their written statements.
- **Closing meetings:** at these meetings, the Enforcement Committee decides, on the basis of the information available, to close the investigation of the case and to deliberate on the opinion to be issued.

Cases investigated and opinions issued

In 2021, the Enforcement Committee received five cases, four of which involved administrative failures related to the activities of market participants and one of which involved facts that could be classified as a penal violation and attributable to a non-professional.

The Enforcement Committee issued five opinions, distributed as follows:

- four assent opinions recommending sanctions (disciplinary and/or financial) against market participants (two UCITS management companies, one brokerage firm, and one UCITS custodian);
- one assent opinion recommending a financial penalty against a shareholder, natural person, of an issuer.

In 2021, a noticeable improvement in the time taken to investigate cases has been observed compared to previous years. The average time of investigation has been reduced to less than two months, compared to two months in 2020 and three months in 2019. It should be noted that the legal deadline for the Committee to investigate cases is set at three months from their referral by the AMMC Chairmanship.

1.4.3 The Consultative Licensing Committee

As part of the implementation of the licensing system, a Consultative Licensing Committee (CLC) was put in place. Its mission is to propose and issue opinions and/or recommendations to the Chairperson of the AMMC on all matters relating to the licensing of professionals, including:

- the required training program;
- the content of the examinations;
- the rules for the conduct of the examinations, in particular the dates, the procedures, the evaluation methods, and the criteria for passing the exams.

The Committee is composed of three representatives of the AMMC appointed by the Chairperson of the Authority, including the Committee Chair and the representatives of the professional associations of the legal entities subject to AMMC supervision.

In 2021, the CLC held two meetings. Topics discussed during these meetings included:

- the adoption of an international certification for portfolio managers and financial analysts;
- the proposed schedules for the exams sessions;
- proposals for training courses planned by the professional associations for their members;
- the evaluation of the results of the licensing exams.

1.4.4 The Scientific Committee

- Missions

Established to strengthen the Authority's contribution to the development of the Moroccan financial market, the Scientific Committee reflects further on the market and the regulatory issues, and supports academic research in the fields under the AMMC scope of action.

The main missions of the Scientific Committee are to:

- Inform the Authority on the state of academic research in the field of financial markets and regulations;
- Strengthen its strategic intelligence;
- Produce or supervise studies on topics related to these fields;
- Take part in discussions on the market and regulatory issues at symposiums, seminars, and scientific journals of the Authority;
- Support any initiative of the Authority aimed at promoting scientific research in Morocco in the field of capital markets.

- Composition

The AMMC's Scientific Committee is co-chaired by:

- **Ms. Nezha HAYAT**, Chairperson of the Moroccan Capital Market Authority.
- **Mr. Soulaymane KACHANI**, Member of the Board of Directors of the Moroccan Capital Market Authority, Vice-Chancellor, and Professor at Columbia University (New York), an expert in financial engineering, big data, corporate finance and industrial economics.

The other members are:

- **Ms. Rajae ABOULAICH**, Professor at the Mohammadia School of Engineering, Mohamed V-Rabat University, an expert in applied mathematics, risk management, financial engineering and participative finance.
- **Ms. Najat EL MEKKAoui DE FREITAS**, Lecturer-researcher at the Paris Dauphine PSL University and Research Fellow at the Economic Research Forum (ERF), expert in risk management, financial accumulation behaviors and investment policies of institutional investors.
- **Ms. Hélyette GEMAN**, Professor of Financial Mathematics at Birkbeck University (London) and Johns Hopkins University (Washington), an associate of OCP Group and several oil companies since 2008, an expert in the fields of futures, options and commodities.

- **Mr. Christian DE BOISSIEU**, Emeritus Professor at the University of Paris 1 (Panthéon-Sorbonne), former Chairman of the Council of Economic Analysis (Conseil d'analyse économique -France), a former member of the Board of the AMF-France, an expert in monetary issues, banking and financial regulation and European integration.
- **Mr. Karim EL AYNAOUI**, Economist, Chairman of the Policy Center for the New South think tank, Dean of the Faculty of Economic and Social Sciences of the Mohammed VI Polytechnic University and Advisor to the CEO of OCP Group.
- **Mr. Issouf SOUMARE**, Tenured professor and director of the financial engineering laboratory at Laval University (Quebec), an expert in finance, financial engineering, risk management and international finance.

BOX 4. ACTIVITIES OF THE SCIENTIFIC COMMITTEE

In 2021, the AMMC Scientific Committee held one meeting on April 26 under the chairmanship of Ms. Nezha HAYAT and Mr. Soulaymane KACHANI.

The main points discussed during this meeting were:

- The organization of a webinar on the theme of savings and financing of the economy
- The validation of the modalities for the launch of the AMMC research prize
- The planning of Scientific Committee members' research work.

AMMC Scientific Research Award

To consolidate ties with academia and to promote innovation and scientific research, in June 2021, the AMMC, with the support of its Scientific Committee, launched the AMMC Research Award focusing on economic and financial topics of interest to the regulatory authority. These themes notably include long-term financing via the markets, the futures market and the clearing house, asset management, and the microstructure of financial markets.

To be eligible for the AMMC Research Award, applicants must be PhD students or holders of a PhD, under 40 years of age, of Moroccan nationality and affiliated with an academic institution in Morocco or abroad, or of foreign nationality and affiliated with an academic institution in Morocco.

The research work could consist of a doctoral thesis or a scientific article in progress or completed during the two years preceding the closing date for applications set at December 31, 2021.

For its 1st edition, the AMMC received 59 research papers, divided into 21 articles and 38 theses, from applicants affiliated with national faculties or schools but also from foreign universities.

The applications received are subject to a shortlisting process based on the eligibility criteria, the relevance of the subject and its added value for the AMMC.

They were then evaluated by the members of the Scientific Committee, based on well established procedures and criteria.

After the jury's deliberations, the AMMC Research Award was presented to the winner and the two first runners-up.

"Savings and financing the real economy"

Webinar

In June 2021, the AMMC's Scientific Committee held a webinar on savings and financing of the economy in the context of the crisis. The webinar was moderated by Mr. Soulaymane KACHANI, co-chairperson of the Scientific Committee, and featured three panelists, including two members of the Scientific Committee.

The webinar was structured around three themes:

1. savings in Morocco and the mechanisms through which it finances the Moroccan economy in the face of the Covid-19 crisis;
2. the structuring of household savings in Europe and in the world;
3. the dynamics of savings and related macroeconomic policies.

The presentations by the various panelists were followed by a Q&A session that raised several points, including:

- the impact of the crisis on household savings in the short, medium and long term;
- stimulus policies and macroeconomic balances;
- innovative mechanisms for mobilizing savings to finance an inclusive economy.

2. 2021 HIGHLIGHTS

JANUARY

- Licensing of 88 market professionals by the AMMC.
- Organization of the annual follow-up meeting of the Convention on Anti-Corruption Cooperation in the Financial Sector.
- Publication by the AMMC of the priority action plan for the post-Covid economic recovery.
- Delivery of the opening statement by Ms. Nezha HAYAT at the Sustainable Banking Network Regional Workshop.

FEBRUARY

- Signing of a cooperation agreement between the AMMC and IFC to promote the development of sustainable finance in the Moroccan capital market.
- Participation of the AMMC in the progress review of the International Organization of Securities Commissions' projects.
- As a member of the IOSCO "Sustainability Task Force," the AMMC participates in the presentation of the work plan of the sub-working groups (WSs) as well as their progress.
- Publication of the AMMC report on the profile of investors in the stock market for Q4 2020.
- Publication by the AMMC of the rules and recommendations on financial disclosure.

MARCH

- Publication by the AMMC of a handbook on Gender Bonds with the support of FSD Africa.
- Organization, jointly with the National Press Council, of a training cycle for journalists.
- Participation of the AMMC in the Global Money Week with the Moroccan Foundation for Financial Education.
- Organization of a competition on the knowledge of capital markets for the benefit of high school students, through the Authority's mobile application, "Quiz Finance."
- Organization of a training session for Magistrates of the Public Ministry.
- Holding of the 1st Board of Directors meeting of the year.
- Participation of the AMMC in IOSCO's technical standardization work.
- Participation of the AMMC in the technical committee meeting of the West Africa Securities Regulators Association (AMFAO-WASRA).

APRIL

- Publication of the investor's guide "Understanding financial instruments and their mechanisms."
- Participation of the AMMC in the meeting of the Chairpersons of the French-speaking regulators members of the Institut Francophone de la Régulation Financière (IFREFI).

MAY

- Publication of the AMMC report on the profile of stock market investors for Q1 2021.
- Signing of a framework cooperation agreement between the AMMC and the GPBM.
- Participation of the AMMC in the annual meeting of the Union of Arab Securities Authorities (UASA).
- Participation of the AMMC in the presentation of the 1st Capital Market Master Plan (CMMP) of the GHANA SEC.

JUNE

- Presentation of the new AMMC strategic plan covering the 2021-2023 period.
- Publication of the 6th issue of the Capital Market Review.
- Launch of the AMMC Research Award.
- Publication of the AMMC report on foreign investment in financial instruments for the year 2020.
- Holding of the 2nd Board of Directors meeting of the year.

JULY

- Participation of the AMMC in the 13th meeting of the Systemic Risk Coordination and Monitoring Committee (SRCC).
- Holding of the 3rd Board of Directors meeting of the year.

AUGUST

- Publication of the 8th Financial Stability Report for the year 2020 by the AMMC in collaboration with BAM and ACAPS.

SEPTEMBER

- Publication of the AMMC's Q2 2021 Stock Market Investor Profile Report.
- The AMMC's participation as a panelist at the Climate Bonds Conference Regional Day on "Private Stakeholder Collaboration: The Key to Unlocking Finance for Green Growth and Resilience."

OCTOBER

- Review by the AMMC of the maximum variation thresholds applicable to financial instruments.
- Participation of the AMMC in the 5th edition of the World Investor Week for the promotion of the financial education of investors.
- Publication of the investor's guide "Understanding IPOs."
- Participation of the AMMC in Dubai Expo 2020 for the promotion of the Moroccan financial market.
- Participation of the AMMC in the events "French Fintech Week" and "The Place to Crowd."
- Participation in the 6th edition of the "Technology Applied to Securities Markets Enforcement Conference" (TASMEC) organized by the AMF Quebec.
- Organization in Douala of workshops with COSUMAF on sustainable finance.

NOVEMBER

- Publication of the report on the profile of investors in the stock market for Q3 2021.
- Signing of a cooperation agreement with the Competition Council.
- Meeting of the AMERC region Chairpersons during the IOSCO annual meeting.

DECEMBER

- Publication of the 7th issue of the Capital Market Review.
- Signing of an MoU between the AMMC, the Casablanca Stock Exchange, Maroclear and the APSB to facilitate SMEs' access to the Capital Market.
- Organization, in collaboration with the ANRF and the AMF France, of a conference on anti-money laundering and the financing of terrorism.
- Participation of the AMMC in the 14th meeting of the Coordination and Monitoring Committee for Systemic Risks (CCSRS).
- Holding of the 4th Board of Directors meeting of the year
- Meeting between the Minister of Economy and Finance, Ms. Nadia FETTAH ALAOUI, and the Chairperson of the AMMC, Ms. Nezha HAYAT, during the 1st edition of the AMMC's biannual meetings in order to discuss with capital market operators the current projects and challenges to be addressed.

3. INSTITUTIONAL DEVELOPMENT

3.1 Activities of the risk and internal control committee

The Risk and Internal Control Committee is responsible for defining and implementing the AMMC's risk management policy. In 2021, the Committee held four meetings on:

- monitoring the implementation of the risk-based approach when controlling market participants and undertakings, and reviewing the related consolidated risk maps;
- the validation of the half-yearly systemic risk assessment reports and the financial stability report for the year 2020;
- review of the results of the updated internal risk map;
- monitoring the implementation of measures adopted by the Risk and Internal Control Committee and the projects conducted by the AMMC as part of the financial stability roadmap.

3.2 Risk Management of internal processes

Work to update the mapping of internal risks was carried out in 2021 through 20 workshops with the internal process managers.

In this context, potential new risks were identified, and risk assessments were reviewed, along with the risk management systems in place, taking into account the progress of planned priority risk management actions, audit findings and incidents reported through the incident management process.

3.3 Creation of the internal document database - processes & procedures

The project to set up an internal document database of the AMMC's processes and procedures provided an opportunity to review the Authority's overall process map and identify all related procedures.

The AMMC's objective is to have an internal document database by the end of 2022, in accordance with its strategic vision and in line with international standards.

3.4 Drawing up handbooks on budget management, organization and accounting procedures

To improve budgetary and day-to-day management operations transparently and efficiently, and as part of the strengthening of the internal control system, the AMMC has produced a budgetary management handbook to describe and formalize the various processes for handling budgetary management operations and to ensure business continuity through the implementation of this documentary referential.

Moreover, the AMMC has drawn up another handbook on organization and accounting procedures.

3.5 Updating of the procurement policy

As part of the strengthening of the internal control system relating to public procurement, the Authority's procurement policy has undergone a few adjustments.

3.6 Continuation and consolidation of the digitalization of the AMMC's processes

Digital transformation is at the heart of the AMMC's priorities, the aim being to better assist the evolving support and business processes and to meet the challenges of the capital market.

In line with the 4th pillar of the new AMMC 2021-2023 strategic plan that aims at accelerating the modernization of the Authority and its inclusion in a digital transformation process, a project to review and develop a digital transformation plan for the Authority has been launched in 2021. This project will define the digital transformation roadmap for the AMMC.

Several digital initiatives have been implemented in 2021 to expedite the Authority's digital transformation. Two extranet platforms were developed, one to handle complaints and another to manage legal queries.

3.7 Collaborative solution for strategic portfolio management and project management

In 2021, as part of its digital transformation and to support its 2021-2023 strategic plan, the AMMC has rolled out a strategic portfolio and project management tool that makes it possible to:

- have a good visibility on the projects of the 2021-2023 strategic plan;
- optimize and rationalize human and financial resources;
- have progress reports at hand;
- promote collaborative work.

3.8 New AMMC web portal

In April 2021, the AMMC launched its new web portal, combining ergonomics, performance, and security. This portal is its main communication channel for market players (participants, market undertakings, issuers and investors).

As a key digital communication tool, the Authority's new web portal is constantly being updated to include new strategic sections and provide users with a wide range of online services.

3.9 Governance and data management

For several years, the AMMC has been committed to the continuous improvement of its data governance and to the adoption of best practices in this area. In a context marked by an explosion in data production, the Authority has launched two major data projects in 2021 that will have a major impact on its activities:

Business Intelligence and Analytics (BI)

Launched at the end of 2021, the BI project will provide the AMMC with a new technological platform for data management that will address the centralization, quality, and security issues related to the processing of large volumes of heterogeneous data from various sources. It will improve both operational efficiency and strategic decision-making.

The adoption of these new technological standards will also improve the quality of exchanges between the AMMC and the various stakeholders in the financial ecosystem, and thus strengthen its position in the consolidation, processing, and restitution of capital market data.

Financial Sector Nomenclature

Launched jointly by the AMMC, BAM, and ACAPS, the main purpose of the "Financial Sector Nomenclature" project is to standardize the exchange of financial data. This project, which is coordinated by the AMMC, will meet the requirements of quality, reliability, and completeness necessary for the supervision of the financial market.

The project will provide all three regulators with a syntactic database featuring terminology common to the various players in the Moroccan financial sector, classified and organized according to technological, semantic, and business standards.

The preliminary analysis and benchmarking exercises carried out in 2021 on this topic have made it possible to assess the complexity of this large-scale project and to define a common approach for its implementation. At the end of this phase, the three regulators agreed to launch a study in 2022 to establish the framework of the project and the roadmap for its implementation.

3.10 Acquisition and implementation of an integrated financial, accounting, purchasing, and logistics management system

As part of the digitalization of its processes, the Authority has acquired an integrated financial, accounting, purchasing, and logistics management system. The system was commissioned in 2021, with modules for purchasing, accounting, revenues management, and fixed assets.

This integrated system allows the Authority to produce monitoring indicators and reports, optimize the management of the Finance and General Resources Department's processes, and ensure data standardization and consistency.

3.11 Functional improvement of the exchange and supervision system of the Market Authority - SESAM

The SESAM platform is an exchange and supervision solution for the financial market, implemented since 2014. It consists in providing market participants and undertakings with a solution which enables them to communicate with the AMMC in a structured and automatic manner, both for authorization requests and for reporting purposes.

Following the technological upgrade of the SESAM platform in 2019 and the amendment to the new Circular No. 03/19 on financial transactions and disclosures, the following developments were introduced in 2021:

- the implementation of new reporting applicable to issuers (annual financial report, ethics report, press release on quarterly indicators, etc.);
- the implementation of the new organization of the AMMC at the level of the process families;
- the development of an activity monitoring dashboard for managers.

In 2021, the AMMC also launched a project to upgrade the system for producing weekly statistics on UCITS to improve the accuracy and granularity of the data published by the Authority.

3.12 Reinforcing Information Security

As part of the consolidation of the AMMC's IS security system in accordance with standards, best practices and the action plan resulting from the 2020 IS security technical and organizational audit, the AMMC has rolled out a number of projects, both in terms of hardware and organization. This resulted in the launch of a project to strengthen the network and IS security infrastructure. Significant progress has also been made in the implementation of cyber security projects and measures to enhance the AMMC's cyber resilience and ensure good governance of aspects related to information security and business continuity, including through:

- the holding of regular IS Security committee meetings to monitor projects and actions;
- the promotion of awareness-raising actions for employees;
- the expansion of digital cybersecurity solutions for securing the information system and IT infrastructure;
- the supervision and monitoring of information system security and the management of cyber incidents;
- increasing the number of employees, developing skills, and retaining talent specialized in IS security.

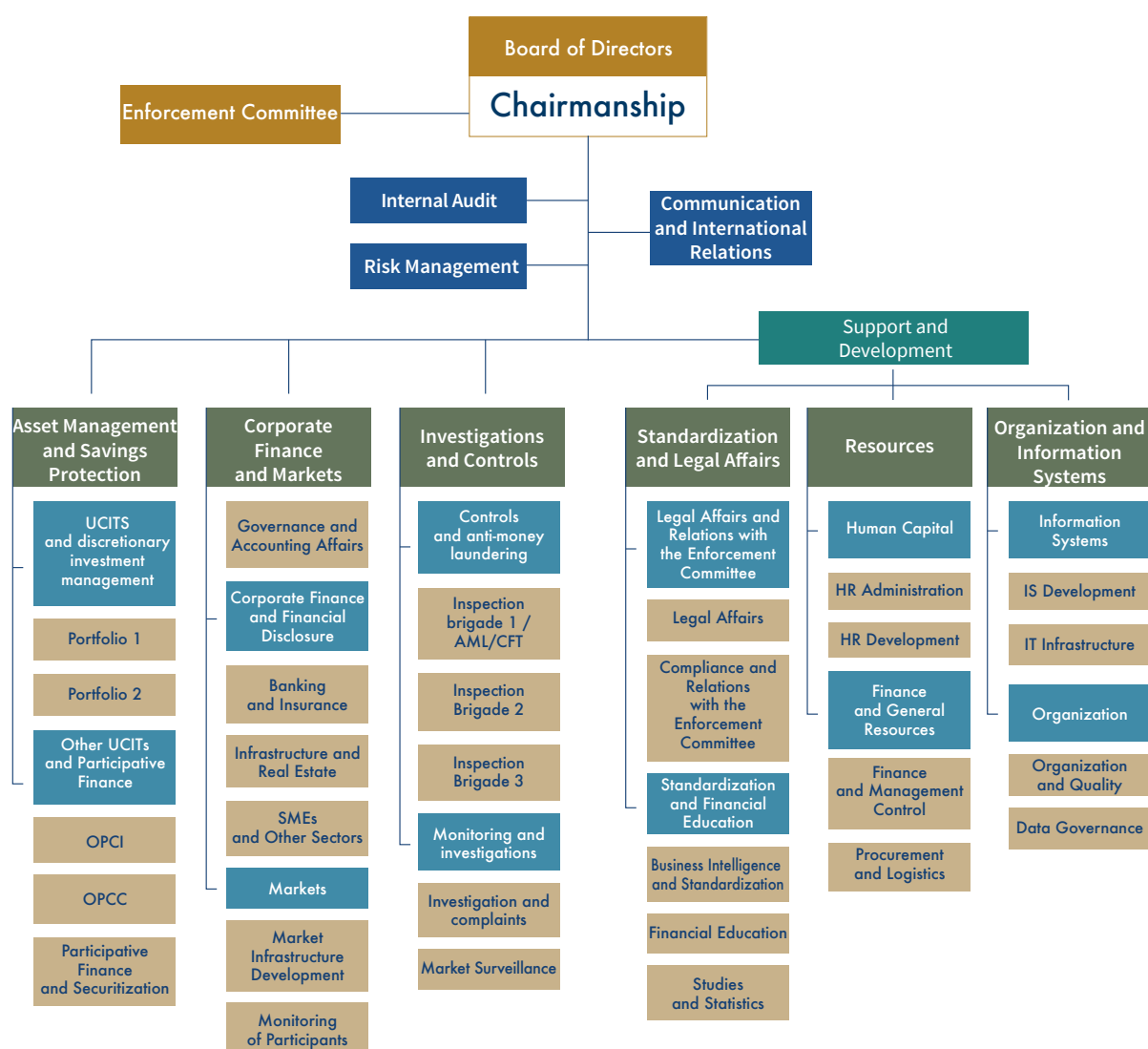
4. ORGANIZATION CHART AND HUMAN RESOURCES

In 2021, the AMMC has continued to address the need to strengthen and develop its human capital, despite a context marked by the Covid-19 health crisis. As a result, the AMMC hired 22 staff members, 45% of whom are women.

The AMMC has also maintained its commitment to social responsibility by welcoming 27 interns to the Authority's various entities and training them in a wide variety of subjects.

In the context of career management, the AMMC has undertaken a policy of promotion and internal mobility aimed at developing its human resources. As a result, five promotions and two transfers were made during the year.

ORGANIZATION CHART



4.1 Staff headcount

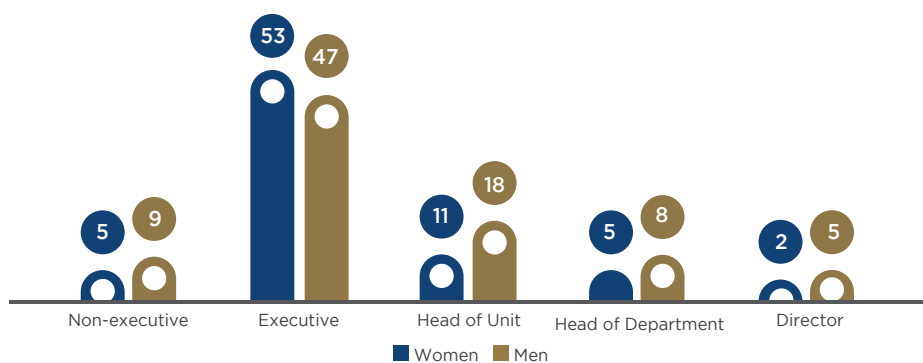
Table 1. Staff headcount between 2017 and 2021

2017	2018	2019	2020	2021
88	107	131	151	164

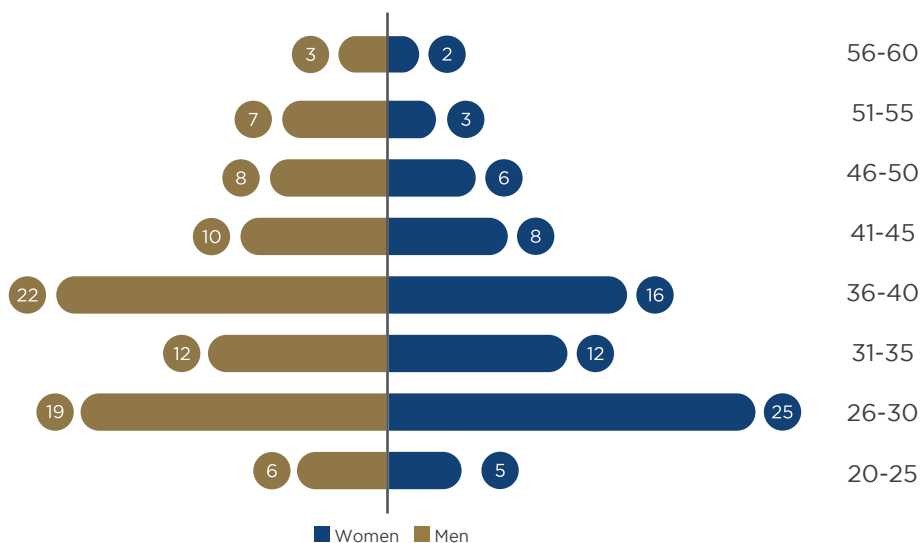
Table 2. Breakdown of employees as at 31 December 2021

	Headcount	%
Men	87	53%
Women	77	47%
Total	164	100%

Graph 1. Breakdown of positions by gender



Graph 2. Age Pyramid



4.2 Training

Despite the context of the health crisis, the AMMC continued its training activities, with an emphasis on online sessions. 48 training sessions were held, with a total of 331 participants.

The training topics covered several areas, including:

- financial market regulation;
- sustainable finance;
- fintech;
- corporate finance;
- digitalization;
- information systems security;
- foreign languages;
- personal development and managerial capacity building.

The AMMC has also adopted a skills training policy. As a result, 29 employees completed a certification course in 2021.

4.3 Contributing to the training and employability of young students

By taking on interns from various public and private higher education programs, the AMMC continues to contribute to the training and employability of young students and graduates.

In 2021, the Authority welcomed 27 interns. These students were guided and accompanied to provide them with the best possible learning experience. The internships carried out within the various departments of the AMMC focused on the practical application of knowledge, as well as on research, analysis and support of the Authority's activities.

BOX 5. THE AMMC, A RESPONSIBLE AND COMMITTED AUTHORITY

The AMMC is committed to developing and promoting good governance, sustainable finance and socially responsible practices. These essential pillars are part of a strategic vision and lead to concrete actions and initiatives.

Commitment to the promotion of sustainable development

Sustainable finance is one of the Authority's strategic priorities. As a regulatory body, we strive to improve practices that encourage issuers to take into account sustainability issues, we contribute to the development of a framework that encourages the mobilization of capital for more sustainable activities, and we support all efforts to promote sustainable finance.

This commitment is reflected in a series of actions and initiatives at the national and international levels:

- involvement in several international bodies: IOSCO, "Sustainable Stock Exchanges" - United Nations, "Sustainable Banking Network";
- launch of educational handbooks (Gender Bonds, Green Bonds, Green, Social & Sustainability Bonds);
- participation in the promotion of sustainable finance with other regulators in order to achieve greater international mobilization: bilateral agreements including a focus on sustainable development, administration of the Marrakech Pledge platform, joint publication with the Toronto Centre of a white paper on the program to set up green capital markets in Africa;
- support for the first green bond issuance associated with a sustainable and social commitment.

The AMMC, a socially responsible employer

In terms of staff employability, the AMMC operates using a sustainable approach. Among its key areas of focus are:

- skills development and career support. In 2021 the AMMC created the Careers Committee;
- professional equality and meritocracy perspective through the implementation of modern, goal-driven management systems
- encouragement of actions that promote social cohesion (executive convention, practice of sports or recreational activities, training on personal development);
- incorporate a gender perspective (53% men/47% women by December 31, 2021).

Commitment to good governance

In terms of good governance, the AMMC advocates a collegial approach and is supported by several internal or broader committees of its Board of Directors in charge of specific issues. Examples of these committees are listed below:

- the Audit Committee;
- the Risk Committee;
- the Appointments and Remuneration Committee;
- the Human Resources and Organization Committee;
- the Executive Committee;
- the Controls Monitoring Committee;
- the Consultative Licensing Committee (AMMC and professional associations).

5. ACCOUNTING AND FINANCIAL POSITION

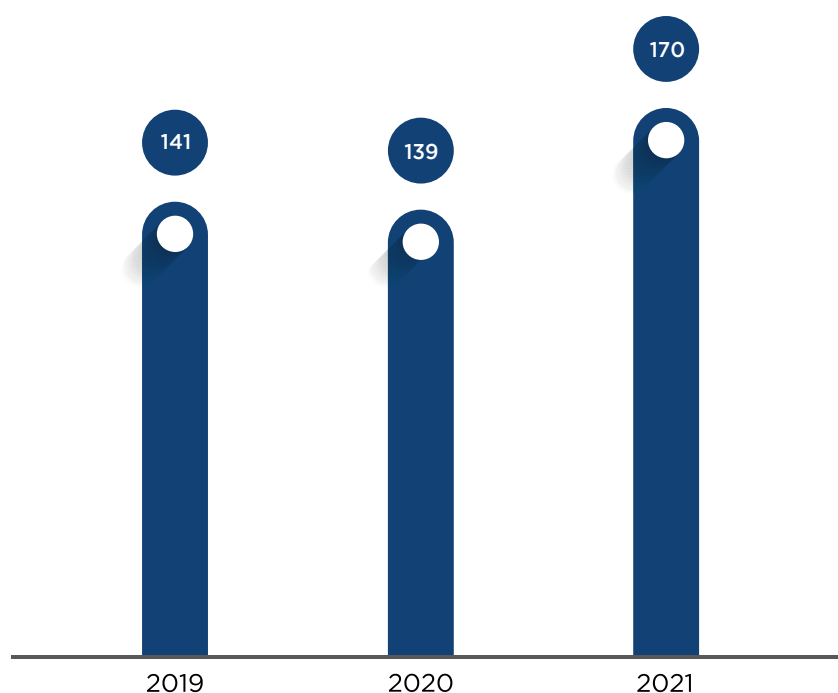
The AMMC's financial statements are prepared in compliance with the provisions of the General Code of Accounting Standards (CGNC) according to the standard model and are certified by independent external auditors appointed by the Board of Directors.

5.1 Operating revenues

Operating revenues increased by 22% in 2021, reaching MAD 170 million compared to MAD 139 million in 2020.

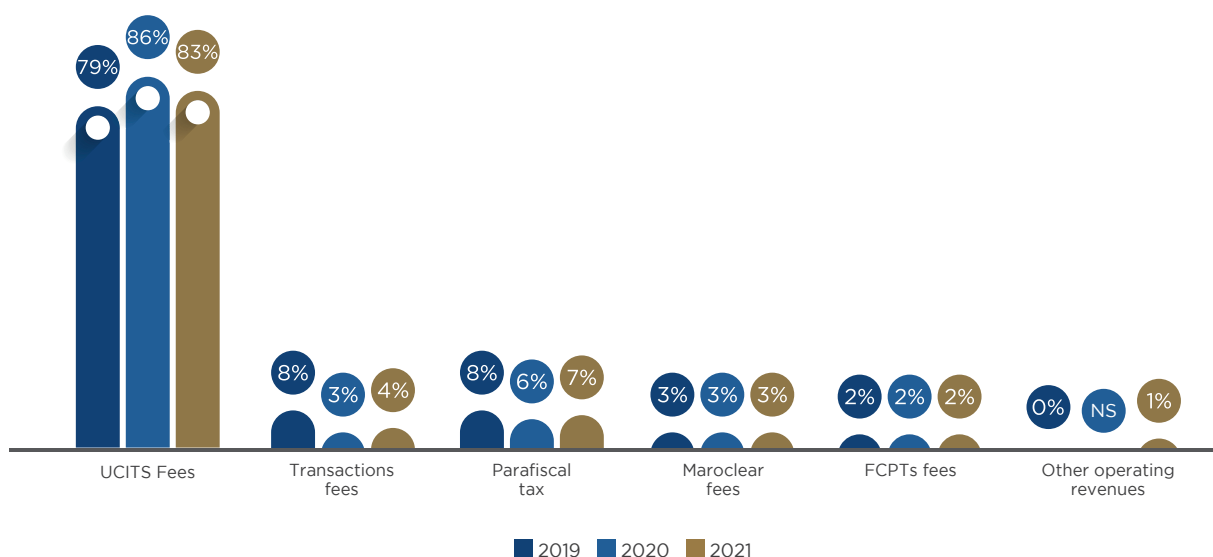
Operating revenues are composed of commissions and fees collected by the Authority. The main increase observed concerns the fees on net assets of UCITS, which increased by 18% (+ MAD 21 million). Fees on financial operations and the parafiscal tax have recovered their pre-crisis level and stand at MAD 19 million against MAD 12 million in 2020.

Graph. 3 Change in operating revenues
(in MAD million)



In terms of distribution, fees on net assets of UCITS constitute 83% of fees, compared with 86% in 2020. The share of fees on financial transactions, parafiscal tax and other operating income increased in 2021.

Graph 4. Composition of operating revenues



NS : Non-significant

5.2 Financial income

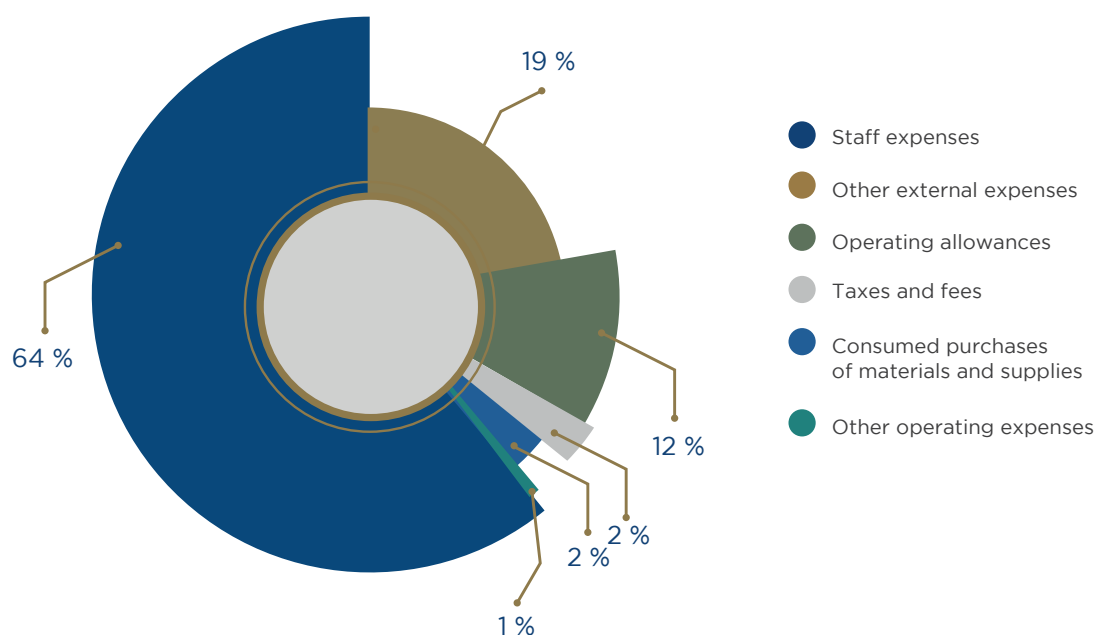
The AMMC's financial income amounted to MAD 3 million compared to MAD 3.7 million in 2020, posting a 20% decrease. This change is due to lower interest rates in 2021.

5.3 Operating expenses

In 2021, operating expenses amounted to MAD 128.5 million, representing an 8% increase compared with 2020.

Staff expenses and external expenses represent almost 83% of total operating expenses.

Graph 5. Composition of operating expenses



5.4 Net income

For the 2021 financial year, the operating, current and net incomes are profitable and amount to MAD 41.5 million, MAD 44.5 million and MAD 29.4 million, respectively.

5.5 Shareholder's equity

Shareholders' equity for the year 2021 amounted to MAD 251.6 million, up by MAD 14.2 million, corresponding to the income for the year 2021 (MAD 29.4 million) minus the share of the net profit allocated to the State for the year 2021 (MAD 15.3 million).



The background features a large, light blue triangle on the left and a large, light blue circle on the right. A gold-colored border frames the central text area, with a small gold rectangle at the top right corner. The text is in a bold, dark blue, sans-serif font.

THE AMMC'S STRATEGIC PLAN FOR 2021-2023

The AMMC launched its second three-year strategic plan for the 2021-2023 period. Developed in collaboration with market players, the AMMC's strategy draws on the lessons learned from the health crisis and its impact on the real economy, setting out a central vision to mobilize the capital market to finance economic recovery. The plan is structured around four pillars, which are broken down into 10 priority action levers.

PILLAR 1. FACILITATING THE USE OF CAPITAL MARKET FINANCING

Financing companies is a vital issue for the private sector and the economy. In addition to traditional financing methods, the capital market provides companies with a wide range of financing tools. However, it should be noted that the use of the capital market remains limited, depriving companies of important and diversified sources of financing. This is particularly true for small and medium-sized enterprises (SMEs), which are the driving force of the Moroccan economy and are now at the heart of the debate on economic recovery. In its action plan, the AMMC has included specific measures to provide SMEs with guidance and facilitate their access to the capital market.

The market's attractiveness also depends on a flexible regulatory framework, which is in line with market developments and meets stakeholders' expectations. The AMMC will support the establishment of such a framework and will make specific efforts to implement the new regulatory texts.

Finally, making a market more attractive also means developing the financial literacy of savers and investors. The AMMC will step up its financial education programs with a twofold objective: to support current investors and savers and to contribute to the development and dissemination of a culture of saving and investing in financial instruments among the general public.

• A more tailored approach to the needs of companies and project holders

The AMMC, alongside the main stakeholders in the ecosystem, intends to launch an integrated offering designed specifically for SMEs, and will ensure the development of a range of financial products and services specifically for these companies. The Authority will support the development and use of alternative financing methods, such as real estate investment schemes, venture capital investment vehicles and securitization funds. A series of measures will also be adopted to boost the private debt market and secure its operation.

• Regulatory development in line with market developments and needs

The AMMC will contribute to the implementation of a modern, flexible, and dynamic legislative and regulatory framework, capable of supporting and stimulating the market and the market participants. The Authority will also ensure that the implementation of the legislative texts is backed up by educational measures such as the publication of handbooks, the regular organization of training sessions and meetings with professionals.

• A sustained commitment to financial literacy

To support savers and make the capital market more accessible to the general public, the AMMC will continue its efforts and increase its financial education initiatives. The Authority notably intends to increase its presence on digital platforms to disseminate more dynamic educational content to a wider audience. Lastly, the AMMC will ensure that the capacities of market players are strengthened through the introduction of a consolidated and broadened accreditation licensing system.

PILLAR 2. PROMOTING REGULATION THAT IS ADAPTED TO INNOVATION

For the AMMC, ensuring the attractiveness and competitiveness of the capital market also means opening it up to the latest innovations in the financial industry while preserving its proper functioning, the protection of savers, and financial stability.

This requires establishing a secure framework, appropriate regulation, and close monitoring of potential risks for investors. This also implies understanding future developments and the prospects offered by the latest technologies, which sometimes overturn traditional financing and regulatory models.

- **Continued encouragement of innovative and sustainable product development**

In order to support and monitor innovations in the financial sector, the AMMC plans to draw up a roadmap dedicated to Fintech, with the aim of assessing the opportunities and identifying the emerging risks inherent to these innovations. In addition, the AMMC intends to continue its efforts to support sustainable finance, particularly by encouraging socially responsible investments and contributing to the development of a taxonomy of sustainable activities.

- **Sustained support for the operationalization of new products and markets**

The AMMC's support will focus on the operationalization of new markets, such as the futures market, and innovative financial instruments. Particular attention will be paid to participative finance, with the goal of broadening the range of Sharia-compliant instruments for the various market segments. The same will apply to crowdfunding, which constitutes a real driver for the development of entrepreneurship and the financial inclusion of young project holders.

- **Active monitoring of international developments**

Promoting regulation adapted to innovation requires active monitoring of market developments on an international scale, by actively participating in international work and evaluating the opportunities and risks they represent. International cooperation also helps build the capacities and enrich the knowledge of AMMC staff, particularly through training programs organized by international bodies or experience exchanges and technical assistance programs with foreign regulators.

PILLAR 3. STRENGTHENING SAVINGS PROTECTION BY CONSOLIDATING THE NEW SUPERVISORY APPROACH

With regard to the protection of savings, the AMMC has strengthened its supervision by introducing a new supervisory approach since 2019, the year in which the issuer transparency framework was also significantly enhanced. The challenge ahead is to consolidate this new approach and continue to strengthen market integrity and transparency. The policy of heightened controls will be continued and carried out more efficiently, particularly through the use of new technologies.

- **Strengthening market integrity and transparency**

In order to preserve the integrity and proper functioning of the market, the AMMC has developed a roadmap in line with the FATF recommendations for strengthening the anti-money laundering system. This roadmap provides for targeted controls and awareness-raising among market participants of their anti-money laundering compliance obligations.

In order to strengthen market transparency, the AMMC will ensure the quality of the dialogue with issuers and will support them in their financial and non-financial communication. New tools to assess the quality of ESG reporting will be developed with an international reference partner, the aim being to improve their relevance and usefulness for users. Similarly, the transparency and governance system will continue to be the subject of targeted improvements aimed at strengthening investor protection.

- **Strengthened controls and improved efficiency**

The way in which the AMMC conducts its controls has evolved in recent years with the introduction of a risk-based approach and the intensification of its inspections as a result of additional resources and the creation of a dedicated department. The aim is now to target controls more closely on the basis of an evolving risk map and to digitalize the control processes in order to optimize procedures, streamline exchanges of information and bring more agility to the conduct of inspections. Prior information on annual inspection plans will be introduced and, as part of a prevention and sharing approach, the AMMC will communicate on good and bad practices identified during thematic inspections.

PILLAR 4. ACCELERATING THE MODERNIZATION OF THE AMMC AND INTEGRATING IT INTO A DIGITAL TRANSFORMATION PROCESS

The process of transforming the institution into an Authority, which began in 2016, required an in-depth review of the internal organization, in light of the Authority's new missions. In accordance with international best practices, working methods were reviewed, interactions with the ecosystem were strengthened, and communication with investors was improved. Building on this experience, the AMMC intends to consolidate its achievements of the past four years and to increase its agility and innovation to stay abreast of rapid changes in its environment. To do so, the AMMC places its employees at the heart of its development strategy and continues its digital transformation.

- **Optimized organization and enhanced skills**

The AMMC's new organization advocates a balance between team specialization and versatility, making it possible to achieve greater efficiency and agility.

The Authority intends to continue its efforts to develop and support its vital forces through the implementation of an effective training system that integrates new themes and the adoption of a career management system that takes into account the skills and aspirations of employees and the future needs of the institution.

- **Accelerated implementation of the Authority's digital transformation strategy**

After initiating its digital transformation with the launch of its IS Master Plan in 2019, the Authority plans to scale up digitalization to all of its businesses and accelerate the rate of dematerialization of processes and exchanges both internally and within its ecosystem. The Authority will take the necessary steps to meet the cybersecurity challenges and will strengthen the security of its information system through the implementation of a business continuity plan and a strategic IS security plan.





CHAPTER I. **THE AMMC AND ITS ENVIRONMENT IN FIGURES**

BOX 6. CAPITAL MARKET INDICATORS

	2021
STOCK MARKET	
Number of listed companies	76
Market capitalization (in MAD billion)	690.7
Market capitalization /GDP1 ratio (in %)	53.8
Share of capitalization held by foreigners and Moroccan residents abroad (in %)	30.3
MASI (annual % change)	+18.35
Total volume (in MAD billion)	74.7
Number of transactions (CM+BM)	263 427
Number of orders (central equity market)	643 013
Stock market liquidity ratio (in %)	9.9
SECURITIES LENDING	
Volume of securities lending transactions (in MAD billion)	185,3
FINANCIAL TRANSACTIONS	
Public offering (Number Amount in MAD million)	1 600
Public buyout offer (Number Amount in MAD million)	1 60.7
Capital increases (Number Amount in MAD billion)	3 1.7
Bond issues (Number Amount in MAD billion)	23 18.2
Negotiable debt securities issues (Number of issues Value issued in MAD billion)	214 42.8
Repurchase programs (Number Amount in MAD billion)	4 3.9
COLLECTIVE MANAGEMENT	
UCITS net assets (in MAD billion)	592.9
OPCC net assets (in MAD billion)	1.4
FPCT net assets (in MAD billion)	11.63
OPCI net assets (in MAD billion)	21.6
"Net assets of OPC/GDP*" ratio (in %)	46.2
Number of UCITS	537
Number of OPCCs	10
Number of FPCTs (Funds Divisions)	17** 26
Number of OPCIs	21
MARKET PARTICIPANTS	
Brokerage firms	17
Securities account keepers	25
Asset management companies	45
INVESTORS	
Number of securities accounts	148 079
- Residents	137 363
- Non-residents	10 716
Number of holders of UCITS units or shares	22 031
- Residents	20 575
- Non-residents	1 456

* GDP 2021= MAD 1,284.15 billion - Published in June 2022 by the HCP

**Including an authorized trust by the AMMC in December 2021 and established in January 2022.

1. STOCK MARKET

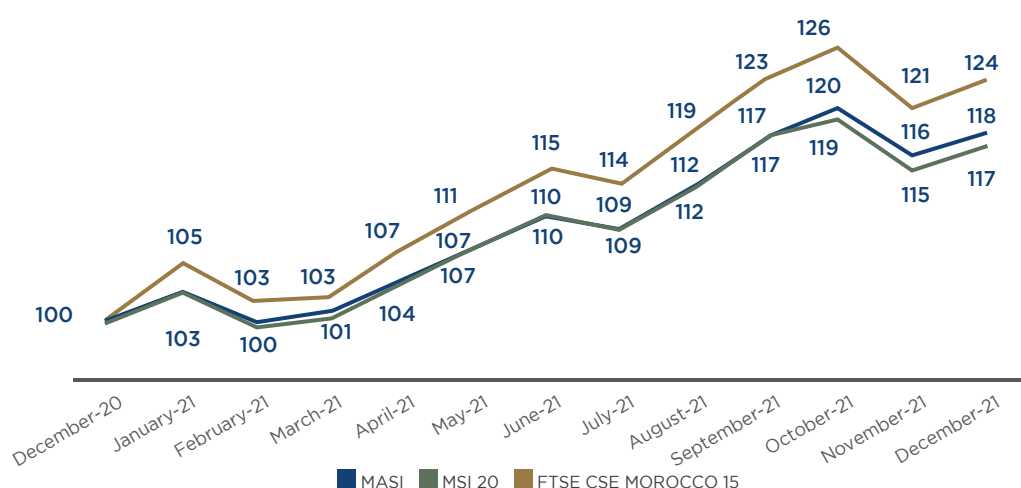
1.1 Index Trends

The Moroccan stock market indexes, much like international ones, have been on the rise in 2021. After a stabilization phase in the first quarter of 2021, Moroccan indexes began to rise in the second and third quarters before consolidating their profits at the end of the year.

As a result, the MASI crossed the 13,000-point mark in September, closing the year at 13,358.32 points, representing an annual performance of +18.35%. Similarly, since the beginning of the year, the other Moroccan indexes have recorded an increase of +17.40% for the MSI20 and +23.55% for the FTSE CSE Morocco 15.

Graph 6. Change in the MASI, MSI20 and FTSE CSE Morocco 15 indices in 2021

(Baseline 100 as at Dec. 2020)



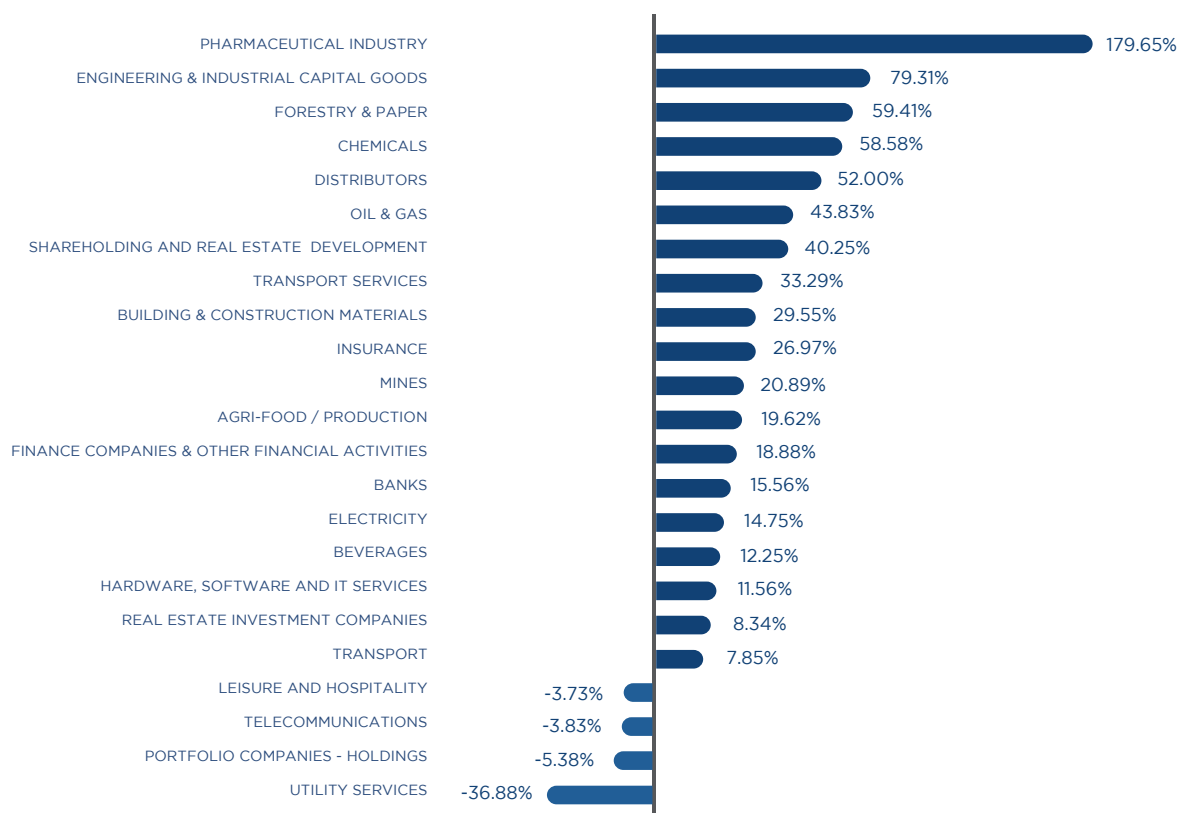
Source : Casablanca Stock Exchange

The MASI's performance in 2021 reflects the positive performance recorded by the majority of sectoral indexes (19 out of 23 indices), with an increase ranging from 7.85% to 179.65%.

As for the sectors with a significant weighting in the market capitalization, the indices of the "banking" and "building & construction materials" sectors recorded performances of +15.56% and +29.55% respectively, unlike the "telecommunications" sector, which recorded a negative performance of -3.83%. Other sectoral indices show significant upward trends compared to the 2020 figures. This is the case of the sectors "Pharmaceutical industry" which posted an increase of 179.65% (17.47% in 2020), "Engineering and Industrial Capital Goods" which recorded a change of 79.31% (-2.79% in 2020), "Forestry & Paper" which rose by 59.41% (-31.80% in 2020) and "Chemicals," with an improvement of 58.58% (-2.45% in 2020).

Conversely, four sectors recorded an underperformance ranging from -3.73% to -36.88%, compared to 15 sectors in 2020 with an underperformance ranging from -1.51% to -44.11%.

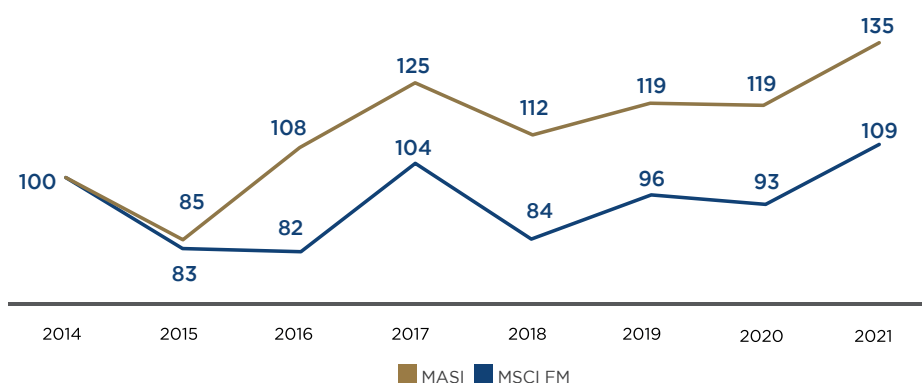
Graph 7. Change in sector indices in 2021



Source: Casablanca Stock Exchange

In 2021, the MSCI Frontier Markets index, which includes the Moroccan market, achieved a greater positive performance (MSCI FM USD: +16.45%) than the Casablanca Stock Exchange's benchmark index expressed in dollars (MASI USD: +13.56%). It should be noted that the MSCI Frontier Markets is composed of stock markets comparable to the Moroccan market. Meanwhile, the emerging markets index (MSCI EM USD) posted an annual underperformance of -4.59%. Conversely, the developed markets index (MSCI DM World USD) gained +20.14%.

Graph 8. Change in the MASI and MSCI FM indices
(Baseline 100 = 2014)



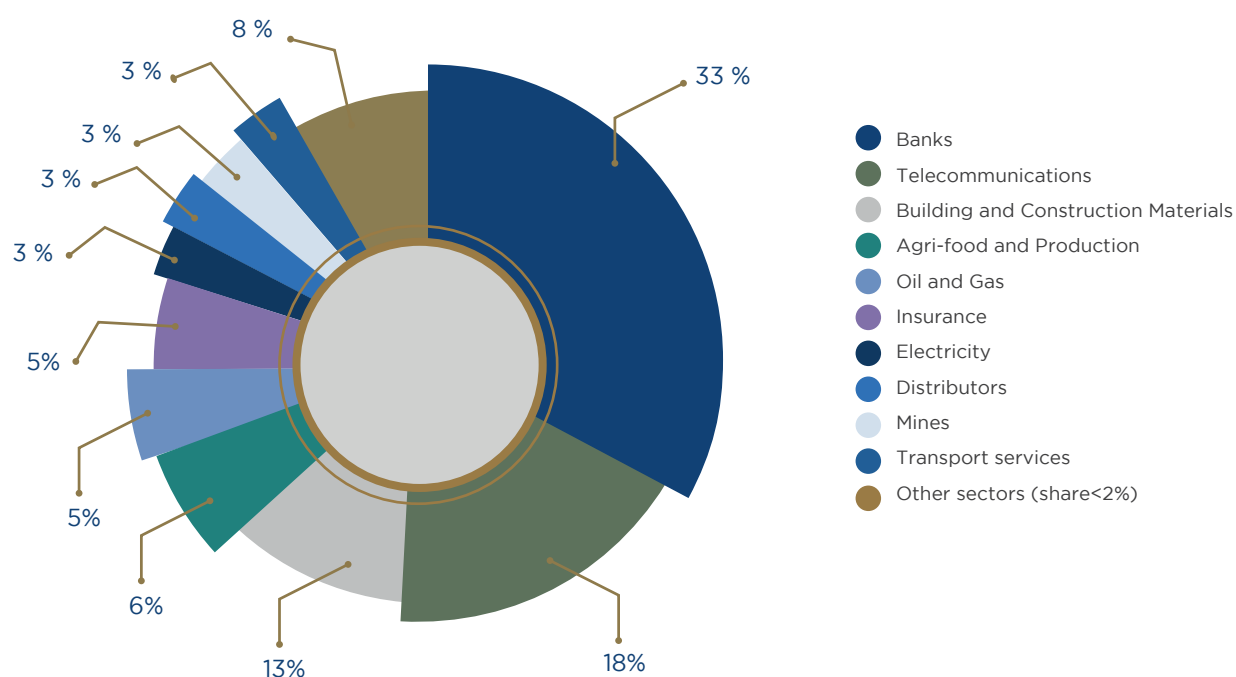
Source : Casablanca Stock Exchange and MSCI Inc

1.2 Change in market capitalization

In 2021, market capitalization stood at MAD 691 billion against MAD 585 billion in 2020, recording an annual increase of +18.08%.

The banking sector is the most represented in the market capitalization and still accounts for 33% of it, just like in 2020. The "telecommunications" sector has slumped by 4%, reaching 18% of the market capitalization, while the weight of the "Building and Construction Materials" sector rose from 11% to 13%.

Graph 9. Breakdown of market capitalization by sector in 2021



Source : Casablanca Stock Exchange

1.3 Change in transactions volume and liquidity

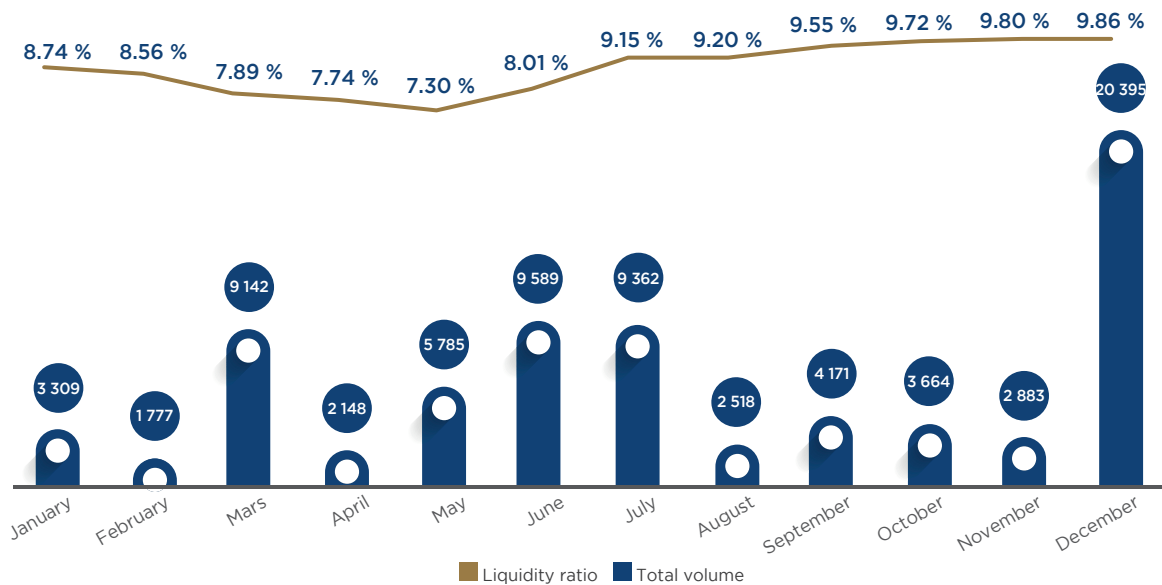
The global transactional volume in 2021 stood at about MAD 75 billion, up by +34.01% compared to 2020. This strong increase is due to the increase in volumes on the central and block markets, as well as to the rise in the volume of securities contributions. The volume of the central market, up by +23.6% compared to the previous year, accounted for almost 55% of the overall transactional volume.

Table 3. Change in trading volume by category
(in MAD million)

	2017	2018	2019	2020	2021
Equities Volume					
1 Central market	39 489	37 122	31 200	33 001	40 781
2 Block market	24 051	8 791	26 676	15 837	23 474
Total A = (1+2)	63 540	45 913	57 876	48 838	64 255
3 IPOs	-	799	-	600	600
4 Securities contribution	1 213	251	4 135	2 096	6 778
5 Public offerings	67	25	2 383	-	28
6 Transfers	622	430	622	1 368	503
7 Capital increase	1 435	3 497	9 848	2 406	2 393
Total B = (3+4+5+6+7)	3 337	5 002	16 988	6 470	10 302
I Total equities volume (A+B)	66 877	50 915	74 864	55 308	74 557
Bonds Volume					
8 Central market	308	55	4	-	36
9 Block market	1 684	950	527	186.86	130
Total C (8+9)	1 992	1 005	531	187	166
10 Issues	658	767	-	-	20
11 Securities contribution	210	-	-	281,23	-
Total D = (10+11)	868	767	-	281	20
II Total bonds volume (C+D)	2 860	1 772	531	468	186
III General Total	69 737	52 687	75 395	55 776	74 743

Source : Casablanca Stock Exchange

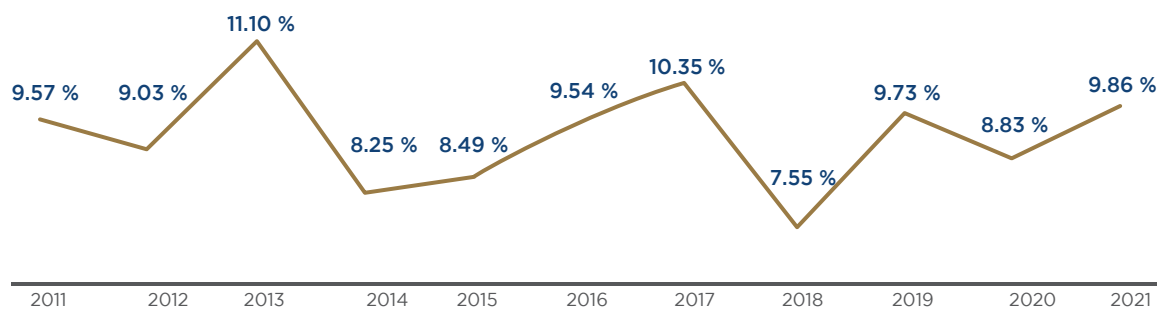
Graph 10. Monthly trade volumes
(in MAD million)



Source : Casablanca Stock Exchange

The liquidity indicator stood at 9.86% as at December 2021, compared with 8.83% the previous year. It remains close to the average level observed over the last five years.,

Graph 11. Change in the stock market liquidity ratio



Source : Casablanca Stock Exchange

1.4 Types of investors

1.4.1 On the central market of the Casablanca Stock Exchange

The activity on the central market of the Casablanca Stock Exchange confirms the market structure, which is driven by domestic legal entities. The UCITS and Moroccan legal entities account for 74% of the trading volume, which is virtually identical to that of 2020 (73%). Moroccan natural persons have achieved a share of 14%, up 2 points year-on-year and 7 points compared to 2019. On the other hand, foreigners have captured a share of 9%, down 4 points compared to 2020.

Table 4. Breakdown of central market trading volume by investor category

	UCITS	Moroccan legal entities	Moroccan natural persons	Foreign legal entities	Foreign natural persons	Bank network	Total
2019	36%	40%	7%	13%	1%	3%	100%
2020	37%	36%	12%	12%	1%	2%	100%
2021	32%	42%	14%	9%	NS	3%	100%

(Excluding contributions, IPOs, public offerings and capital increases in cash)

NS : Non significant

Source: Brokerage firms

Table 5. Breakdown of stock market buying and selling volume on the central market by investor category
(in MAD million)

	Achat			Vente		
Category	2020	2021	Variation	2020	2021	Variation
UCITS	12 731.8	16 220.6	+27.4%	11 653.0	9 836.7	-15.6%
Moroccan legal entities	11 884.6	16 264.3	+36.9%	11 888.2	18 110.8	+52.3%
Moroccan natural persons	4 220.5	5 624.8	+33.3%	3 939.7	6 163.7	+56.5%
Foreign legal entities	3 359.9	2 174.2	-35.3%	4 454.4	4 961.6	+11.4%
Foreign natural persons	259.5	38.8	-85.1%	252.4	42.3	-83.2%
Bank network	545.2	494.8	-9.2%	813.7	1 702.3	+109.2%
Total	33 001.4	40 817.4	+23.7%	33 001.4	40 817.4	+23.7%

(Excluding contributions, IPOs, public offerings and capital increases in cash)

Source: Brokerage firms

1.4.2 Foreign investors at the Casablanca Stock Exchange

At the end of 2021, the total amount of foreign investment in listed shares reached MAD 209 billion, up +9.8% compared to 2020. As a percentage of the total market capitalization, the share of foreign investment stood at 30.3%. Strategic holdings accounted for most of the foreign investment in listed shares. The share of these in the total amount was 93.1%. On the other hand, the floating share of foreign capital invested in the Casablanca Stock Exchange amounted to 2.1% of the total market capitalization and 8.2% of the floating capitalization.

Table 6. Types of investments by foreigners and MRA in listed Moroccan equities
(in MAD million)

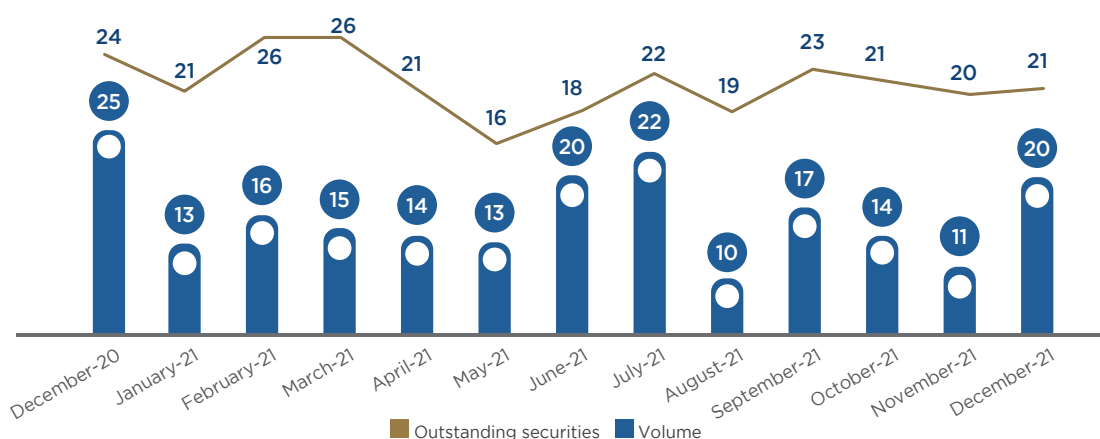
Type	31/12/2020		31/12/2021	
	Value	%	Value	%
Investments by foreigners and MRA held in Morocco, including:	190 260	100%	208 946	100%
Strategic share	176 090	92.6%	194 558	93.1%
Floating	14 170	7.4%	14 388	6.9%
Market capitalization	584 976		690 717	
Floating market capitalization	150 566		175 022	
Foreign and MRA investment/ Market capitalization	32.5%		30.3%	
Strategic share/ Market capitalization	30.1%		28.2%	
Floating/ Market capitalization	2.4%		2.1%	
Floating/ Floating market capitalization	9.4%		8.2%	

Source: Account keepers, Casablanca Stock Exchange, AMMC calculations

2. SECURITIES LENDING

In 2021, the volume of securities lending transactions reached MAD 185 billion, down by almost 27% compared to 2020. At the end of December 2021, outstanding securities lending transactions amounted to MAD 21 billion.

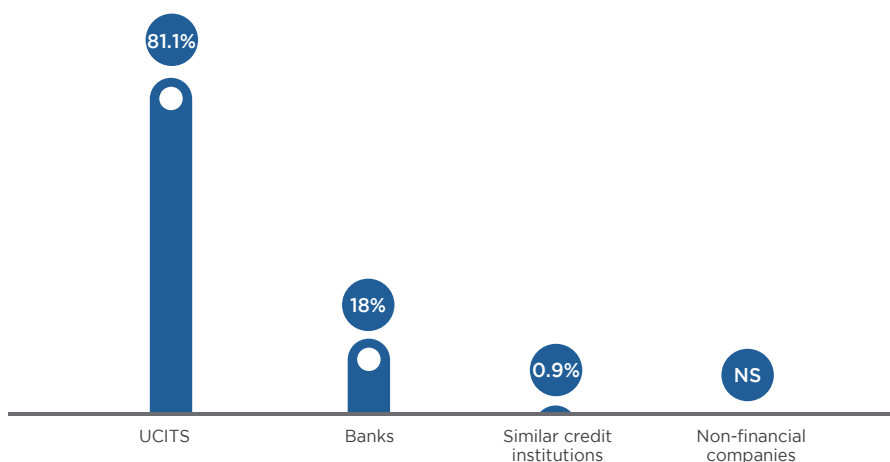
Graph 12. Total volume of securities lending transactions
(in MAD million)



Source : Banks, AMMC calculations

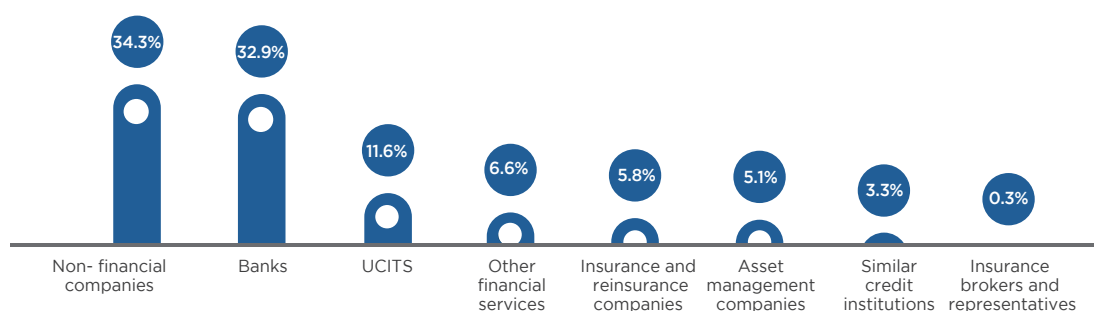
The breakdown of volumes processed by borrower client category shifted in 2021, with non-financial companies ranking first (34.3%), ahead of banks (32.9%). On the lender side, the ranking remained identical to that observed in 2020, with a strong predominance of UCITS as lenders (81.1%).

Graph 13. Trading volume by customer category (lending)



NS :Not significant
Source : Banks, AMMC calculations

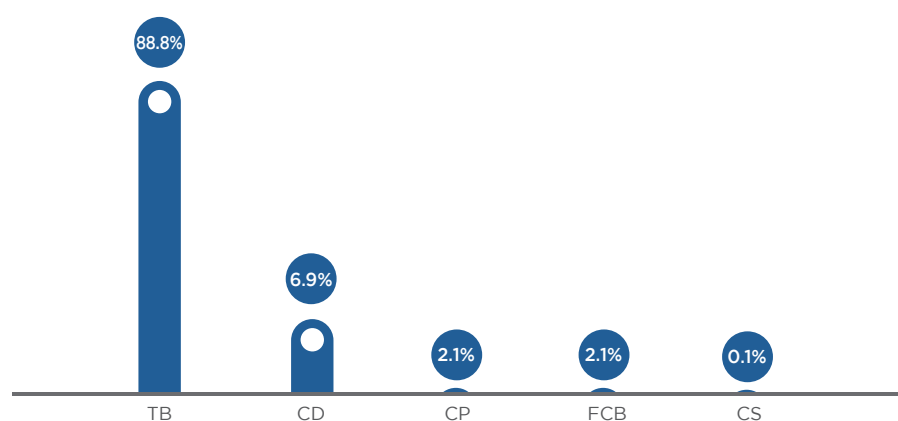
Graph 14. Trading volume by customer category (borrowing)



Source : Banks, AMMC calculations

In 2021, securities lending transactions mainly involved Treasury bills (TBs), accounting for 88.8% of the total volume, compared with 89.4% in 2020. Certificates of deposit and other negotiable debt securities (TB, FCB) were the subject of lending operations with respective shares of 6.9% and 4.2%, followed to a lesser extent by equities with a share of 0.12%.

Graph 15. Share of trading volume by securities category²



Source : Banks, AMMC calculations

The average duration for a securities lending transaction varies between 2 and 7 weeks depending on the type of financial instrument.

Graph 16. Average duration (in weeks) by securities category



Source : Banks, AMMC calculations

(2) CS: common shares; TB: treasury bills; FCB: finance company bills; CP: commercial papers; CD: certificates of deposit.

3. PUBLIC OFFERINGS

In 2021, the AMMC processed 69 financial transactions. In terms of volume, equity securities transactions declined sharply compared to the previous year. The volume of debt securities transactions also fell due to the decrease in bond issues, which continued to account for the majority of the overall volume issued during the year.

3.1 Equity securities transactions

2021 was marked by a sharp decline in the volume of equity securities transactions. The overall volume amounted to around MAD 2.4 billion, down by 47% compared to the volume recorded the previous year. By transaction type, capital increases accounted for a volume of MAD 1.7 billion, down by 47%, due to the significant decline in capital increases by conversion of dividends which decreased by 33% and the absence of capital increases in cash. In terms of equity investments, the year 2021 recorded an IPO with a MAD 600 million issue, the same amount as in 2020 and did not witness any equity transaction by private placement.

Table 7. Equity securities transactions

Transactions subject to the AMMC authorization	Number of transactions handled		Transaction values (in MAD million)	
	2020	2021	2020	2021
IPOs	1	1	600	600
CAPITAL INCREASES	6	3	3 261	1 721
<i>In cash</i>	1	-	408	-
<i>By merger absorption</i>	1	-	8	-
<i>By dividend conversion or amounts made available for distribution</i>	3	2	2 545	1 701
<i>By debt conversion</i>	1	1	300	20
PUBLIC OFFERINGS	1	1	42	61
<i>Take-over bids</i>	1	-	42	-
<i>Public offer of withdraw</i>	-	1	-	61
EQUITY TRANSACTION BY PRIVATE PLACEMENT	1	-	580	-
TOTAL EQUITY SECURITIES TRANSACTIONS	9	5	4 483	2 382

Source : AMMC

3.2 Issues of debt securities

The overall volume of debt securities issues declined by 17% in 2021, following the same trend as in the previous year. It reached MAD 61 billion against MAD 73 billion the previous year. This change is mainly driven by:

- the 36% drop in the volume of bond issues, whether by public offering or by private placement;
- the slight decrease of 4% in the volume of negotiable securities issues, the deposit certificates of which continue to account for almost 75%.

Table 8. Debt securities transactions

	Number of transactions handled		Transaction values (in MAD million)	
	2020	2021	2020	2021
Bond issues	28	23	28 501	18 228
<i>By public offering</i>	11	10	12 600	8 248
<i>By private placement</i>	17	13	15 901	9 980
Issues of negotiable debt securities *	19	25	44 593	42 804
<i>Commercial papers</i>	4	9	3 941	2 388
<i>Certificates of deposit</i>	10	9	32 702	31 706
<i>Finance company bills</i>	5	7	7 950	8 710
Total issues of debt securities	47	48	73 094	61 032

(*): The number of transactions handled corresponds to the number of information documents handled by the AMMC in 2021, while the transaction values correspond to the values issued during the same period.
Source: AMMC, Maroclear

3.3 Other financial transactions

During the year 2021, the volume of the other financial transactions handled rose significantly, owing to the increase in the volume of the repurchase programs related to the renewal of the repurchase program of the Banque Centrale Populaire, for an amount of MAD 3.5 billion.

The value of the transactions of foreign groups reserved for their employees rose by 52% to reach MAD 349 million.

Table 9. Other financial transactions

Transaction types	Number of transactions handled		Transaction values (in MAD million)	
	2020	2021	2020	2021
Share repurchase programs	3	3	355	3 851
Public offerings by foreign groups*	8	13	230	349
Total of other financial transactions	11	16	585	4 200

(*) Sum of the maximum amounts permitted under the General Foreign Exchange Policy Statement.
Source : AMMC

4. COLLECTIVE INVESTMENT PRODUCTS

4.1 Undertakings for Collective Investment in Transferable Securities (UCITS)

4.1.1 UCITS in the Moroccan economy

The weight of UCITS in the Moroccan economy maintained its upward trend in 2021. The net assets of UCITS represented 46.17% of the gross domestic product at the end of 2021, compared to 45.40% at the end of 2020. This increase is a result of an appreciation of the net assets of UCITS in 2021 (13.32%), which is higher than the 11.4% growth in GDP in the same year.

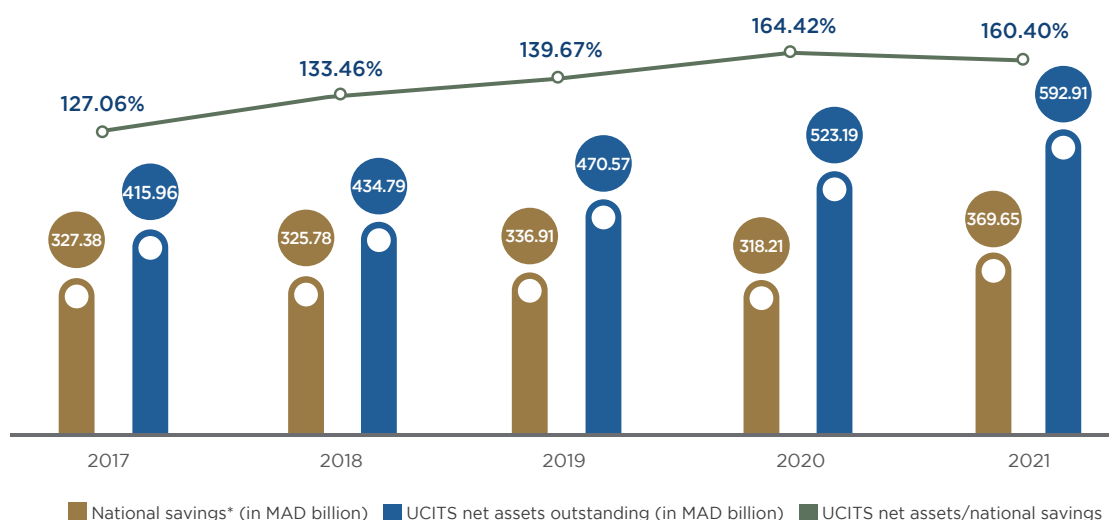
Table 10. Change in GDP, UCITS net assets and the [UCITS net assets/GDP] ratio

	2019	2020	2021
GDP* (in MAD billion)	1 239.84	1 152.42	1 284.15
UCITS net assets (in MAD billion)	470.57	523.19	592.91
UCITS net assets/GDP ratio (in %)	37.95%	45.40%	46.17%

*Figures revised in June 2022 by the HCP, following the change in the basis of calculation from 2007 to 2014.
Source : UCITS asset management companies/High Commission for Planning

The ratio of net assets of UCITS to national savings stood at 160.40% at the end of 2021, down by 4.02 percentage points compared to 2020. According to the High Commission for Planning, this decrease is mainly due to a lower appreciation of UCITS net assets (+13.32%) compared to the growth of national savings which increased by 16.2%.

Graph 17. Change in the [UCITS net assets / Total domestic savings] ratio*



* Figures revised in June 2022 by the HCP, following the change in the basis of calculation from 2007 to 2014.
Source : UCITS asset management companies/High Commission for Planning

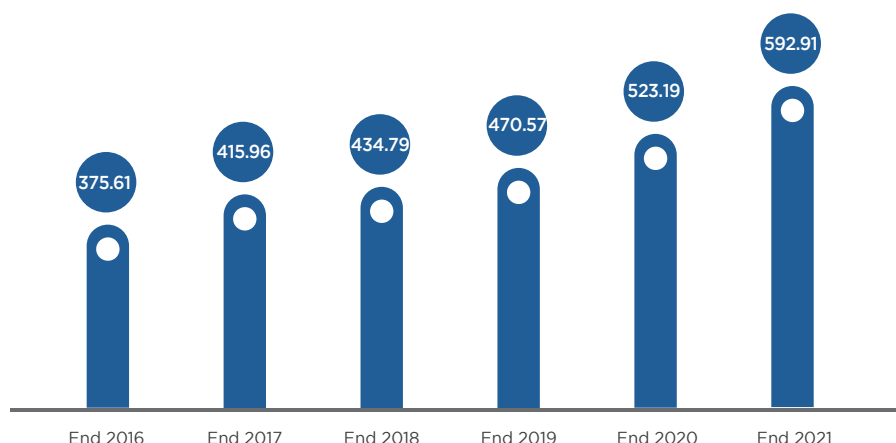
4.1.2 Change in UCITS net assets between 2016-2021

Over the last five years, UCITS net assets increased at a 9.6% average annual rate, rising from MAD 375.61 billion in 2016 to MAD 592.91 billion at the end of 2021, a MAD 217.3 billion increase.

Almost 76% of this increase is due to the growth of the net assets of the "MLTB" and "Diversified" UCITS, which have increased by MAD 120.7 and MAD 43.5 billion over the last five years, respectively. Other categories' assets under management increased by MAD 24.09 billion for "STB UCITS," MAD 20.8 billion for "Equity" UCITS, MAD 8.2 billion for "Money Market" UCITS and MAD 53 million for "Contractual" UCITS.

The "Diversified" and "Equities" UCITS categories had the highest average annual growth rates over the preceding five-year period, at 26.4% and 12%, respectively. During the same period, The "MLTB" UCITS increased at a slower but more consistent rate (9.7%). The other categories also experienced positive annual growth rates (8%, 2.2% and 0.7% for "STB," "money market" and "contractual" UCITS, respectively).

Graph 18. Change in UCITS net assets (2016-2021)
(in MAD billion)

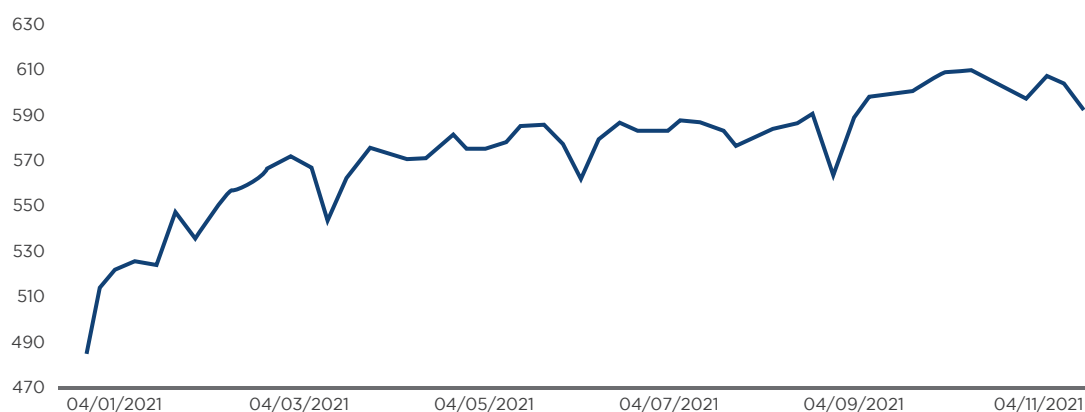


Source : UCITS asset management companies

4.1.3 Change in UCITS net assets in 2021

In a context of economic recovery after the health crisis, UCITS net assets maintained their momentum in 2021, surpassing the MAD 600 billion threshold for the first time at the end of October 2021. UCITS net assets totaled MAD 592.91 billion at the end of 2021, up from MAD 523.19 billion at the end of 2020, representing a 13.32% increase. This trend is the result of the sector's net collection during the year, which reached a volume of MAD 48.1 billion, combined with the positive performances of all UCITS categories.

Graph 19. Change in UCITS net assets in 2021
(in MAD billion)



Source : UCITS asset management companies

4.1.4 Breakdown of UCITS by category

There were 537 UCITS operating in the market at the end of 2021, up from 502 in 2020. This change is due to the creation of 35 UCITS, including twelve "MLTB" UCITS, ten "Diversified" UCITS, seven "Equity" UCITS, three "STB UCITS and three "Money Market" UCITS.

In terms of legal structure, the mutual fund (FCP) form continues to dominate, with 491 funds compared to 46 open-end investment companies (SICAV). It should be noted that all of the UCITS established in 2021 took the form of FCPs.

As in previous years, the "MLTB" UCITS are still predominant in terms of both the number of funds (188 UCITS) and net assets, which amounted to MAD 324.79 billion, representing 54.78% of total assets at the end of 2021.

During the year 2021, the changes in UCITS different categories were as follows:

- **"Equity" UCITS**

The net assets of "Equity" UCITS reached MAD 47.14 billion at the end of the 2021 fiscal year, up from MAD 37.09 billion the previous year, representing a 27.10% increase. This increase owes primarily to the category's annual performance of 19.46%, as well as to a net collection of MAD 2.95 billion. Following the creation of seven funds, there were 103 mutual funds in the "Equities" category at the end of 2021, up from 96 at the end of 2020.

- **"Diversified" UCITS**

The creation of ten "Diversified" UCITS and the conversion of an "MLTB" UCITS into a "Diversified" UCITS increased the number of funds in this category to 112 UCITS at the end of 2021, compared to 101 in 2020.

The total outstanding amount of the "Diversified" category reached MAD 63.07 billion in 2021, a remarkable 104.99% increase from MAD 30.77 billion in 2020. This rise is mainly due to the "Diversified" category having the highest net collection of all categories (MAD 29.23 billion) for the year 2021, as well as to the annual record performance of 6.99%. The collection level made during the year 2021 shows investors' interest in this category, which has allowed them to benefit from the positive trend experienced by the equity market in a context of economic recovery, while also incorporating some level of security provided by the fixed income market (nearly 41% of this category's assets are invested in securities issued or guaranteed by the State at the end of 2021).

• "Money Market" UCITS

The net assets of "Money Market" UCITS increased by 12.11% at the end of 2021. This category rose from MAD 72.22 billion in 2020 to MAD 80.96 billion in 2021. This progression is mainly due to a net collection of approximately MAD 7.59 billion, to which is added the category's annual performance of 1.45%. Moreover, three new funds were established in this category, and a "Contractual" fund was converted into a "Money Market" UCITS, bringing the total number of funds in this category to 68, up from 64 in 2020.

• "STB" UCITS

The creation of three "STB" UCITS in 2021 increased the number of UCITS in this category to 62 at the end of this year, up from 59 at the end of 2020. The outstanding amount of the "STB" category increased by 4.45% in 2021 to reach MAD 75.29 billion, up from MAD 72.08 billion the previous year. This slight increase is mainly due to the category's annual performance of 1.98%, combined with net subscriptions received of MAD 1.62 billion.

• "MLTB" UCITS

The "MLTB" category's net assets increased by 5.65% at the end of 2021, from MAD 307.43 billion in 2020 to MAD 324.79 billion in 2021. The increase in this category's outstanding amounts is essentially driven by the positive 3.04% performance achieved in 2021, as well as net subscriptions received amounting to MAD 8.70 billion.

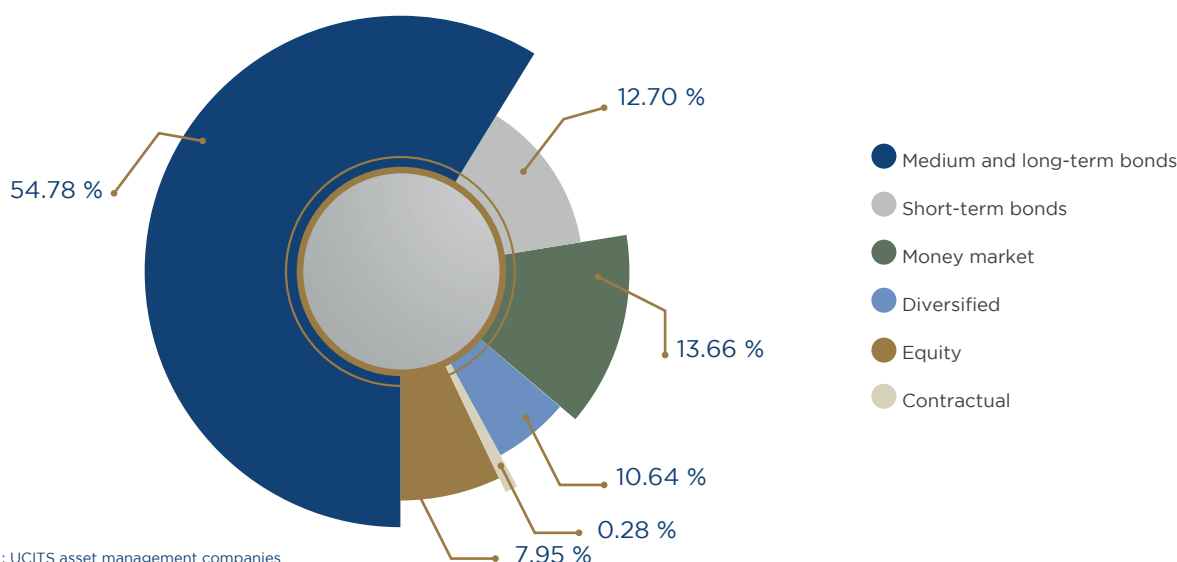
Just as the assets under management of the "MLTB" category rose, so had the number of funds composing it following the creation of 12 funds, bringing the total number of UCITS in this category to 188 at the end of 2021, up from 176 at the end of 2020. It should be noted that in this category, a "Contractual" UCITS was converted into an "MLTB" UCITS, and an "MLTB" UCITS became a "Diversified" UCITS.

• "Contractual" UCITS

The assets under management of the "Contractual" UCITS category totaled MAD 1.65 billion at the end of 2021, representing a 54.30% decrease from the end of 2020, when it stood at MAD 3.62 billion. This decrease is due to the combined effect of two funds in this category being converted into "MLTB" and "Diversified" UCITS, as well as a net outflow of MAD 1.99 billion. The "Contractual" UCITS category had four UCITS at the end of 2021.

At the end of 2021, the breakdown of total net assets by category was as follows:

Graph 20. Structure of UCITS net assets by category at the end of 2021



4.1.5 UCITS' annual performance

Against a backdrop of economic recovery following the Covid-19 crisis, the different categories of UCITS have showed positive results at the end of 2021.

At the end of 2021, UCITS in the "Equities" category posted a positive annual performance of 19.46%, slightly higher than that recorded by MASI, which recorded a positive annual performance of 18.35%.

In an economic environment marked by an unchanged key interest rate, the "STB" and "MLTB" UCITS categories posted positive annual performances of 1.98% and 3.04%, respectively, owing to the bearish movement in 2021 in yield curve maturities above one year (an average fall of 8.2 basis points for the "medium-term" segment and 7.9 basis points for the "long-term" segment).

Furthermore, "Diversified" UCITS posted a positive annual performance of 6.99% thanks to the positive trend in the equity market and, to a lesser extent, the overall favorable trend in the fixed-income market. It should be noted that the share of debt securities (Treasury bills, bonds and negotiable debt securities) in "Diversified" UCITS portfolios remained stable at the end of 2021 (nearly 60% of the category's assets).

Despite the rise in short-term rates recorded during the year, the "Money Market" category posted an annual performance of 1.45% at the end of 2021, in line with the annual average of the MONIA³ index for the same year, which stood at 1.42%. This is due to the fact that UCITS in this category invest in both money market and short-term bond products.

With the exception of one fund, which had a negative performance of 0.86%, the "Contractual" UCITS posted positive annual performances ranging from 1.12% to 1.60%. These disparities in performance are the result of the specific investment strategies employed by each fund in this category.

4.1.6 Composition of the UCITS portfolio

At the end of 2021, UCITS assets remained primarily invested in unlisted securities, totaling MAD 498.6 billion, up by 11.75% from the previous year, followed by other assets and listed securities, whose outstanding amounts increased by 38.12% and 45.31%, respectively, to reach MAD 84.17 and 63.22 billion.

The share of unlisted securities in the total UCITS assets remains thus preponderant at the end of 2021, standing at 77.18%, slightly down by 3.85 percentage points compared to 2020, due to the progress made by the other assets and the listed securities, which account for 13.03% and 9.79% of the total assets under management, respectively, at the end of 2021.

(3) MONIA : Moroccan Overnight Index Average is an index published by Bank Al-Maghrib since January 2020 to replace the former Repo benchmark rate..

Table11: Breakdown of total UCITS assets by investment category (2019-2021)

	End-2019	End-2020	End-2021
Investment category	Structure		
Listed securities	8.90%	7.90%	9.79%
Equities	8.67%	7.70%	9.65%
Corporate bonds	0.23%	0.20%	0.14%
Bonds issued or guaranteed by the State	0.00%	0.00%	0.00%
Unlisted securities	78.30%	81.03%	77.18%
Bonds issued or guaranteed by the State	46.57%	49.33%	46.92%
Corporate bonds	14.62%	15.49%	15.04%
Negotiable debt securities	12.96%	11.06%	9.61%
UCITS securities	4.07%	5.07%	5.55%
Other	0.09%	0.08%	0.07%
Other assets	12.80%	11.07%	13.03%
Total assets	100.00%	100.00%	100.00%

Source : UCITS asset management companies

• Unlisted securities

At the end of 2021, the share of unlisted securities in total assets held by UCITS dropped by 3.85 percentage points. This decline was mainly driven by bonds issued or guaranteed by the State and negotiable debt securities, the shares of which fell by 2.42 and 1.45 percentage points, respectively.

• Listed securities

The weighting of listed securities in UCITS total asset increased by 1.88 percentage points at the end of 2021. This progress is attributed to the equity market's positive performance, with annual performances of +18.35% for MASI and +17.4% for MSI20, as well as the net inflow of funds captured by the "Equity" and "Diversified" UCITS categories in 2021 (MAD 32.1 billion), which encouraged UCITS to invest in listed securities.

• Other assets

The outstanding amount for this category, which is primarily made up of cash and receivables representing securities received under repurchase agreements, increased to MAD 84.17 billion at the end of 2021, up from MAD 60.9 billion the previous year. As a result, the share of this category in total UCITS assets had risen from 11.07% at the end of 2020 to 13.03% at the end of 2021.

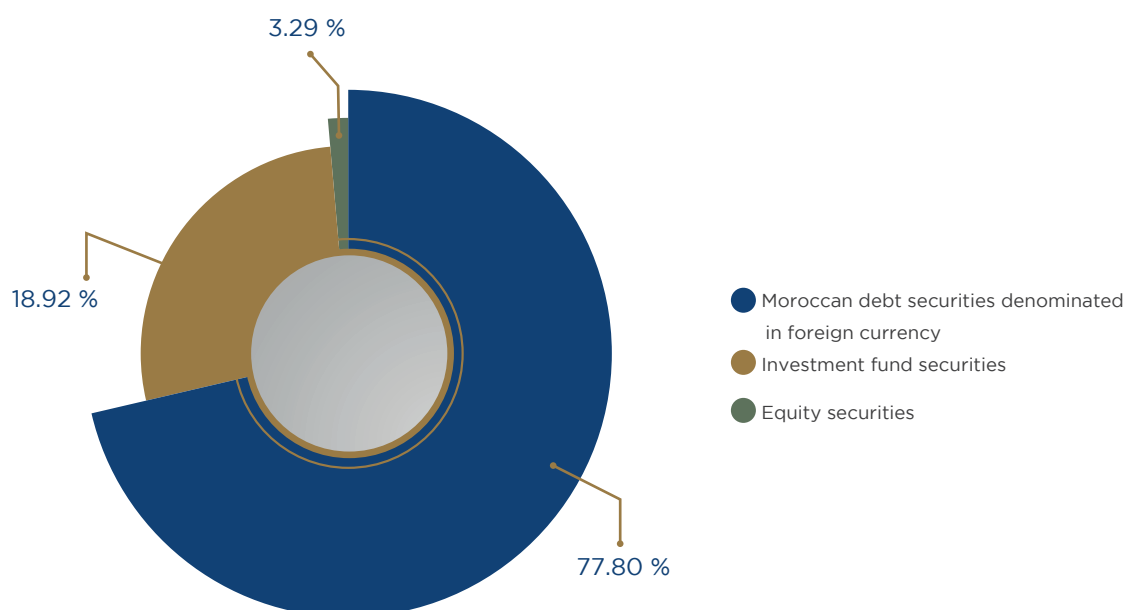
4.1.7 UCITS investments abroad

In 2021, the outstanding amount of foreign currency investments held by UCITS fell by MAD 869 million to reach MAD 5.33 billion, a 14% decrease compared to 2020. Foreign currency investments accounted for 0.90% of total UCITS net assets at the end of 2021, down from 1.19% at the end of 2020.

These investments are mostly concentrated in Moroccan debt securities denominated in foreign currencies (77.8% of the total amount outstanding), with Eurobonds issued by the Moroccan government accounting for 31.78% of the total amount outstanding and bonds issued by a public institution accounting for 46.01% of the total volume of foreign investments.

The other investments made by Moroccan UCITS abroad were mainly in investment funds securities (18.92% of the outstanding amounts), the vast majority of which are ETFs (91.17% of the investments in foreign currency denominated UCIs), while equity securities represented only 3.33% of foreign currency investments. It should be noted that investments outstanding amounts in mutual funds securities have decreased by 40.26% in 2021, whereas outstanding amounts in capital securities have nearly doubled (+98.06%) compared to 2020.

Graph 21. Structure of foreign currency investments made by UCITS at the end of 2021



Source : UCITS asset management companies

4.1.8 Investors in UCITS

At the end of 2021, there were 22,031 investors in UCITS securities, an increase of 1,588 investors from the previous year, with natural persons accounting for the vast majority of investors (83.31%).

Table 12. Breakdown of net assets by investor type
(in MAD billion)

	Equity & Diversified UCITS	Bond UCITS	Money market UCITS	Contractual UCITS	TOTAL UCITS	Share (in %)
Financial companies	90.6	329.8	35.6	0.08	456.1	76.93%
Insurance companies and pension funds and provident institutions	64.2	176.7	20.6	-	261.5	44.11%
Banks	8.1	96.9	7.2	0.003	112.3	18.94%
UCITS	8.5	25.2	3.3	0.08	37	6.25%
Caisse de Dépôt et de Gestion (CDG)	8.2	2.3	0.3	-	10.8	1.82%
Other financial institutions	1.3	16	2.4	NS	19.7	3.32%
Finance companies	0.05	7.8	0.4	-	8.3	1.39%
Other holding companies	0.2	4.2	0.8	0.002	5.1	0.87%
Brokerage firms	0.03	0.7	0.6	-	1.3	0.23%
Non-financial companies	6	51	38.1	1.3	96.4	16.27%
Resident natural persons	13.2	18.3	6.9	0.2	38.6	6.51%
Non-resident natural and legal persons	0.3	0.1	0.4	0.07	1.8	0.30%
Total	110.2	400	81	1.6	593	100.00%

NS: Not significant
Source : UCITS custodians

As in previous years, financial companies continue to be the largest investors in UCITS, accounting for more than three quarters of net assets under management (76.93%), with bond funds representing 72% of total net assets. Among financial companies, the share of insurance companies and pension funds continues to dominate (44.11% of total net assets), followed by banks (18.94% of total net assets).

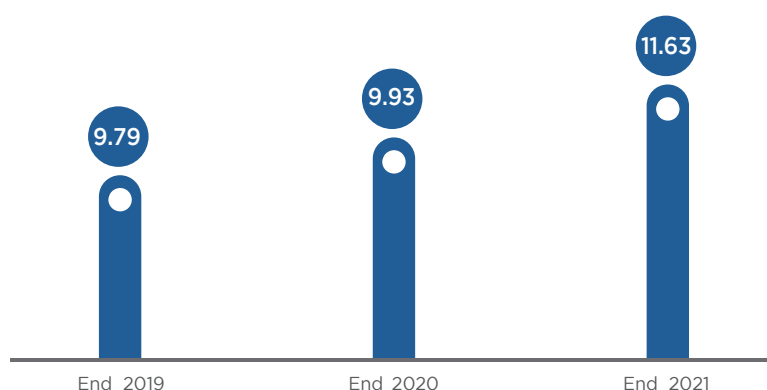
Other categories of investors accounted for 23.07% of the net assets under management at the end of 2021, with non-financial companies, resident natural persons and non-resident legal entities and natural persons holding 16.27%, 6.51% and 0.30% of the total net assets under management, respectively.

4.2 Securitization Vehicles (FPCTs)

Following the approval of seven securitization transactions in 2021, there were seventeen FPCTs, including seven sub-funds for a total of twenty-seven sub-funds. It should be noted that two FPCTs were liquidated in 2021.

The amount outstanding under management⁴ of operating FPCTs reached MAD 11.63 billion at the end of 2021, up by 17.12% compared to the end of 2020.

Graph 22. Change in FPCT securitized assets
(in MAD billion)



Source : Asset management companies

The seven new securitization transactions approved in 2021 were financed by the issuance of MAD 3.46 billion of shares and bonds by FPCTs, with a view to (i) acquiring mortgage receivables, commercial lending, receivables resulting from consumer credit contracts, receivables resulting from leasing contracts, foreign currency debt securities and (ii) guaranteeing financing risks.

The securitization transactions authorized until the end of 2021 concerned:

I- The acquisition of various asset classes by FPCTs:

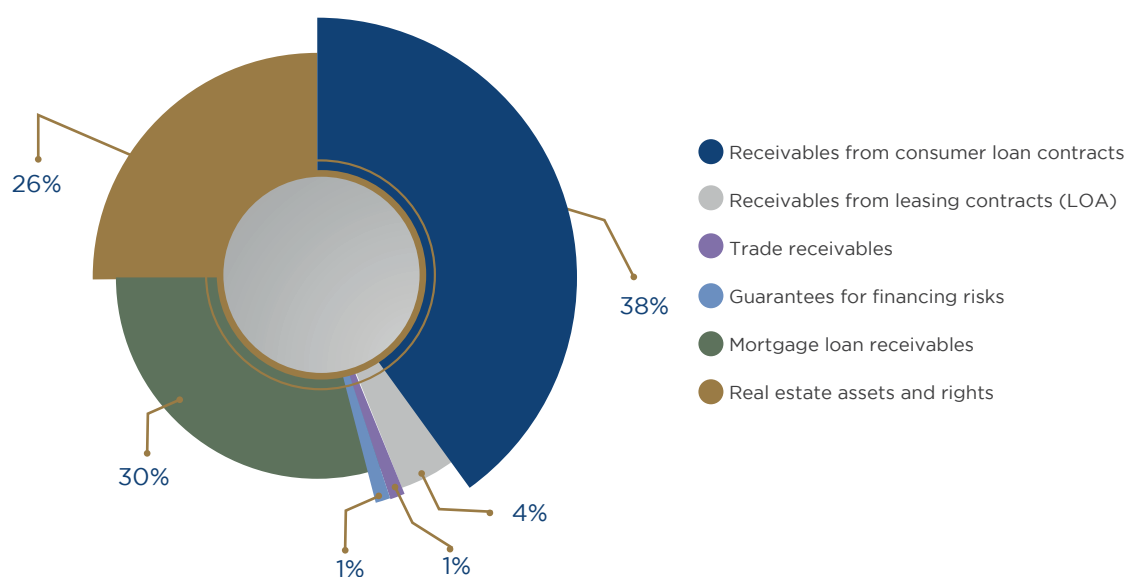
- Mortgage loan receivables;
- Receivables from consumer loan contracts;
- Trade receivables;
- Receivables from leasing contracts (LOA);
- Debt securities denominated in foreign currencies;
- Real estate assets;
- Usufruct rights on real estate assets.

II- The guarantee of financing risks by an FPCT (synthetic securitization):

As for the breakdown of FPCTs' assets under management by category of securitization transaction at the end of 2021, 38% of outstandings corresponded to receivables from consumer loan contracts (four funds, one of which has two sub-funds). Mortgages represented 30% of the assets under management (four funds, including one with three sub-funds). Real estate assets and rights account for 26% of assets under management (five funds, three of which have sub-funds), followed by receivables from leasing contracts, which accounted for 4% of outstandings (one fund), trade receivables, which accounted for 1% of outstandings (one fund), and guarantees for financing risks, which also account for 1% of outstandings (one fund with a single sub-fund).

(4) This includes total assets under management, including securitized assets, amounts outstanding, lapsed amounts, liquid assets and invested liquid assets.

Graph 23. Breakdown of FPCT outstanding assets by transaction type



Source : Asset management companies, AMMC calculations

4.3 Private equity investment vehicles (OPCCs)

2021 was marked by the launch of two new OPCCs established in the form of a private equity fund (FPCC). These are:

- The OPCC "**CapMezzanine III**" run by the asset management company CDG Invest Growth. This general-interest OPCC will invest mainly in unlisted companies in Morocco;
- The OPCC "**MCP RE FPCC**" run by the asset management company Mediterrania Capital Partners Gestion. This OPCC will invest in companies involved in real estate projects that are mainly based in Morocco.

As such, at year-end 2021, there were ten OPCCs, compared to eight OPCCs in 2020, one of which is in the process of being liquidated.

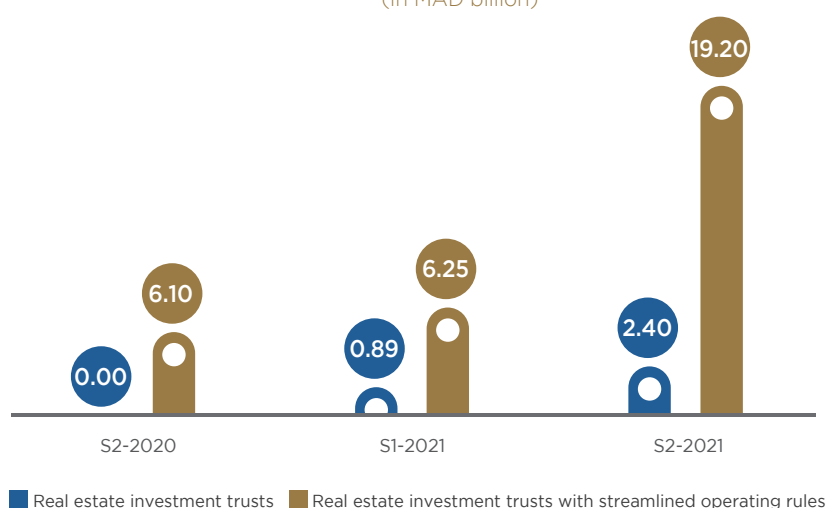
The eight operational OPCCs manage total net assets of MAD 1,398.78 million, an increase of 32.62% over 2020, and have investment strategies aimed at various stages of the companies' life cycle. Among the active OPCCs, there are general-interest OPCCs and OPCCs specialized in the following sectors:

- energy ;
- technology ;
- agro-industry ;
- infrastructure ;
- innovation ;
- aeronautics ;
- automotive manufacturing ;
- building materials ;
- real estate.

4.4 Real estate investment schemes (OPCI)

In 2021, there were 21 active OPCIs, up from seven in 2020. There are 14 OPCIs set up as real estate investment trusts with streamlined operating rules (SPI-RFA) and seven as real estate investment trusts (SPI).

Graph 24. Change in the net assets of OPCIs
(in MAD billion)



Source : Asset management companies, AMMC calculations

At year-end 2021, active OPCIs had total net assets of MAD 21.59 billion, against MAD 6.10 billion in 2020.

In 2021, the assets managed by OPCIs with streamlined operating rules totaled MAD 19.2 billion, accounting for 88.9% of the total net assets under management. As a reminder, only accredited investors can apply for shares of the aforementioned OPCIs.

The investment strategy of the active OPCIs concerns the following asset classes:

- head offices, bank branches and subsidiaries;
- administrative buildings;
- business premises;
- offices;
- schools and universities;
- hospitals and clinics;
- hotels;
- industrial plants;
- residences;
- logistics warehouses.

5. MARKET PARTICIPANTS

5.1 Brokerage firms

5.1.1 Legal and corporate aspects

At year-end 2021, the number of brokerage firms remained stable at 17 firms.

In 2021, the legal and corporate life of the brokerage firms was characterized by changes in governance and staffing.

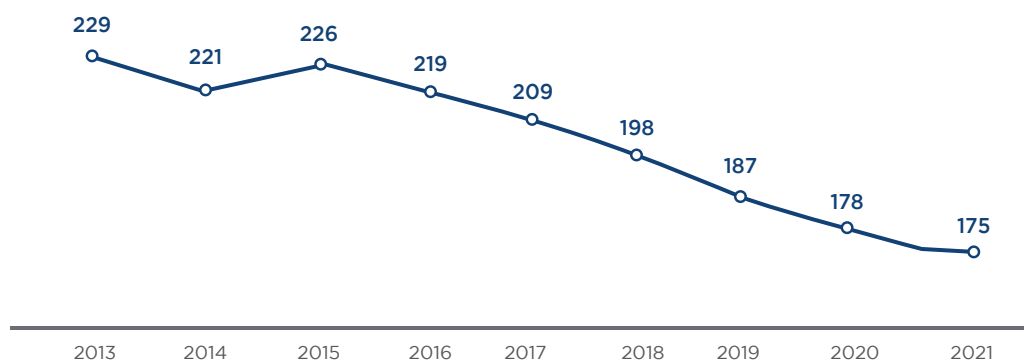
Table 13. Change in the governance structures of brokerage firms

Nature of the change	Brokerage firms
Change in shareholding	Artbourse
	BMCE Capital Bourse
	CFG marchés
	RED MED SECURITIES (formerly MENA C.P.)
	Sogecapital Bourse
Appointment of new executives	Appointment of new executives
	CDG Capital Bourse
	Crédit du Maroc Capital
	RED MED SECURITIES (ex. MENA C.P.)
Appointment of new members to the Board of Directors / Supervisory Board	Artbourse
	Atlas Capital Bourse
	BMCE Capital Bourse
	CDG Capital Bourse
	CFG Marchés
	RED MED SECURITIES (ex. MENA C.P.)
	Sogecapital Bourse

Source : Brokerage firms

At the end of 2021, there were 175 brokerage employees, a slight decrease from 2020, due to nineteen new recruitments and twenty-two departures.

Graph 25. Change in the total staff of brokerage firms



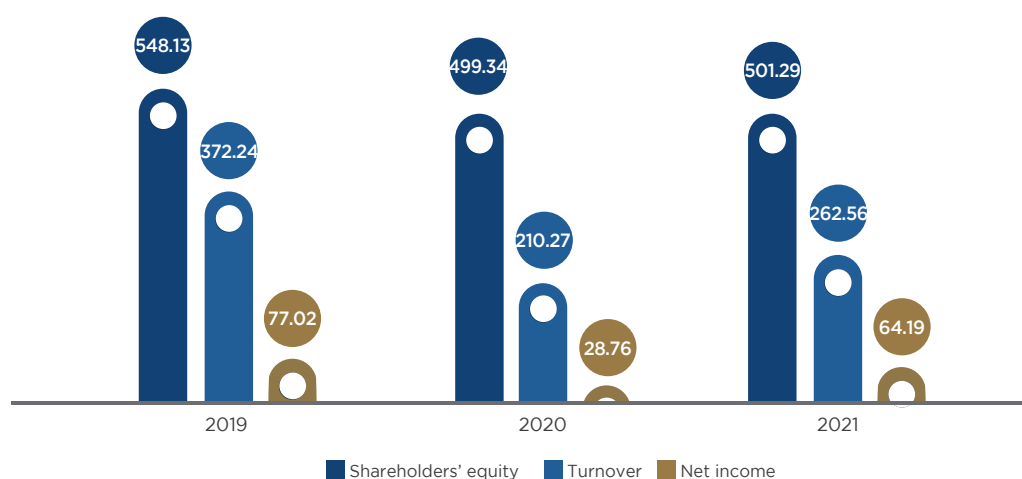
Source: Brokerage firms, AMMC calculations

5.1.2 Business indicators

• Financial indicators

- In 2021, brokerage firms generated MAD 262.56 million in revenue, a 24.87% increase over 2020.
- Moreover, the brokerage firms achieved a positive net income of MAD 64.19 million in comparison to a net income of MAD 28.76 million in 2020, representing a 123.19% increase.
- It should be noted however that 8 of the 17 brokerage firms reported a negative operating income against 6 in 2020.

Graph 26. Change in the financial indicators of brokerage firms
(in MAD million)



Source: Brokerage firms, AMMC calculations

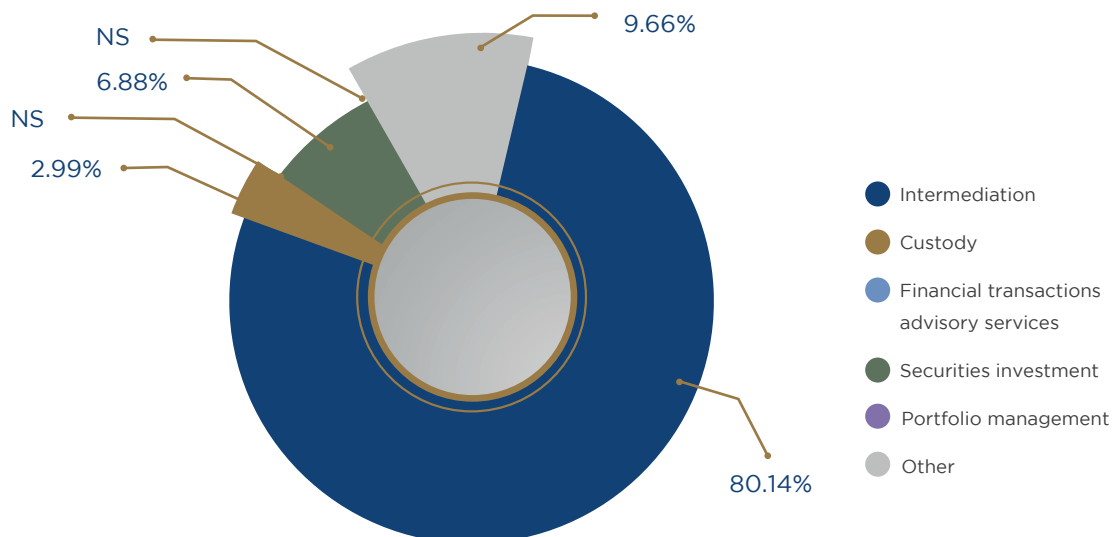
The revenue breakdown shows the preponderance of intermediation activities, which alone generated nearly 80% of total revenues.

Table 14. Key figures of brokerage firms
(in MAD million)

	2019	2020	2021
Number of brokerage firms	17	17	17
Aggregate revenues	372.24	210.27	262.56
<i>Intermediation</i>	284.61	155.89	210.42
<i>Custody</i>	13.18	14.54	7.85
<i>Financial transaction advisory services</i>	1.70	0.1	0.10
<i>Securities investment</i>	35.71	9.49	18.07
<i>Portfolio management</i>	0.41	0.58	0.73
<i>Other</i>	36.63	29.67	25.36
Net comprehensive income	77.02	28.76	64.19
Guarantee fund	49	52.3	54.62

Source : Brokerage firms, AMMC calculations

Graph 27. Breakdown of brokerage firms' revenues by type of activity



NS : Not significant
Source : Brokerage firms, AMMC calculations

In 2021, 11 brokerage firms, bank subsidiaries, captured 84.73% of the market share, with four of them accounting for 62.10%.

• Brokerage firms' guarantee fund

The purpose of the guarantee fund is to compensate clients of liquidated brokerage firms. This fund is financed by a contribution whose amount is determined as a percentage of the volume of securities and cash held by each brokerage firm.

The guarantee fund's assets totaled MAD 54.62 million in 2021. The contributions paid decreased by 5% compared to 2020, owing to a 7.56% decrease in the value of assets held by the brokerage firms holding accounts, which averaged MAD 7 billion in 2021, against MAD 8 billion in 2020.

5.1.3 Client structure

The number of active brokerage firms' clients on the stock market fell by 2.82% in 2021 compared to 2020. This decrease is primarily due to a 7.80% drop in the number of clients falling under the Moroccan natural persons' category, in spite of a 27.16% increase in the number of clients falling under the UCITS category.

In terms of structure, it should be noted that Moroccan natural persons account for 75% of the clients, followed by UCITS (16%), with the remainder distributed among the other client categories.

Table 15. Client structure of brokerage firms

	MNP		UCITS		MLE		FLE		FNP		Total
	Number	%	Number	%	Number	%	Number	%	Number	%	
2017	5 958	80	767	10	483	6	155	2	118	2	7 481
2018	5 838	79	772	10	510	7	150	2	110	2	7 380
2019	6 512	78	1 027	12	511	6	174	2	132	2	8 356
2020	6 755	79	1 031	12	453	5	144	2	118	1	8 501
2021	6 228	75	1 311	16	500	6	127	2	95	1	8 261

Source :Brokerage firms, AMMC calculations

5.2 Account keepers

The number of securities accounts has increased by 1.33% since 2020, to 148 079 accounts. It should be noted that the securities accounts held by resident natural persons account for 85.18% of the total number of securities accounts.

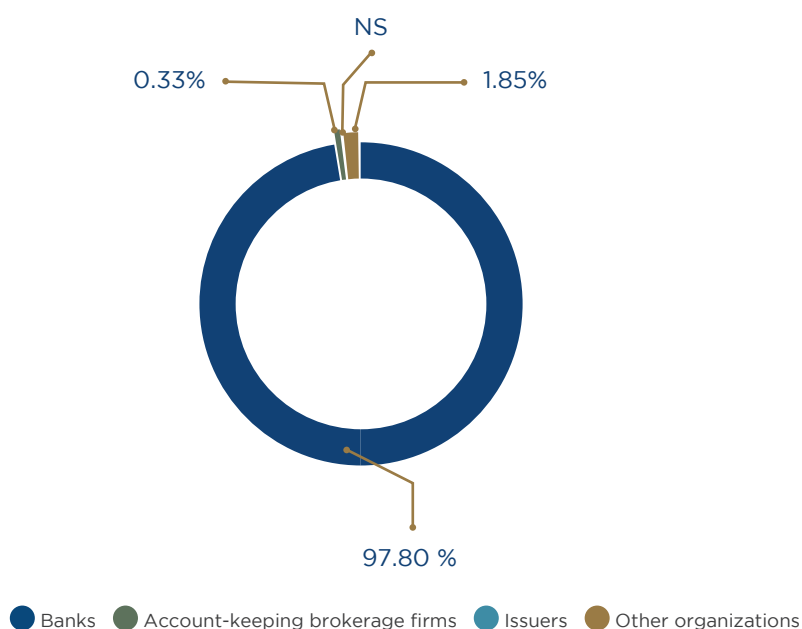
Banks maintain their dominance, representing nearly 98% of the assets in custody.

Table 16. Key figures of account keepers

	2020	2021
Number of account keepers	25	25
Number of securities accounts	146 111	148 079
<i>Resident natural persons</i>	122 200	126 127
<i>Resident legal entities</i>	11 569	11 236
<i>Non-resident natural persons</i>	11 820	10 195
<i>Non-resident legal entities</i>	522	521
Assets managed A = (1)+(2)+(3)+(4) (in MAD million)	1 945 930	2 191 857
<i>By banks (1)</i>	1 892 048	2 143 667
<i>By account-keeping brokerage firms (2)</i>	8 804	7 325
<i>By issuers (3)</i>	421	166
<i>By other organizations (4)</i>	44 657	40 700
Assets under management in technical accounts (in MAD million) (B)	5 526	-
Total assets C=A+B	1 951 456	2 191 857

Source: Account keepers and Maroclear

Graph 28. Breakdown of assets in custody



NS: Not significant
Source : Maroclear

5.3 The Central depository

The global outstanding assets kept by the Central Depository Maroclear increased by 12.32%, from MAD 1 951.45 billion at year-end 2020 to MAD 2 191.86 billion at year-end 2021. This growth has been underpinned primarily by an increase in the outstanding assets of UCITS and equities, which have increased by 19.34% and 12.60%, respectively, compared to the end of 2020.

At the same time, the number of securities held by the Central Depository Maroclear increased by 3.44%, from 1 483 securities at the end of 2020 to 1 534 securities at the end of 2021. This rise is mainly due to the increased number of OPCIs, FPCTs and UCITS.

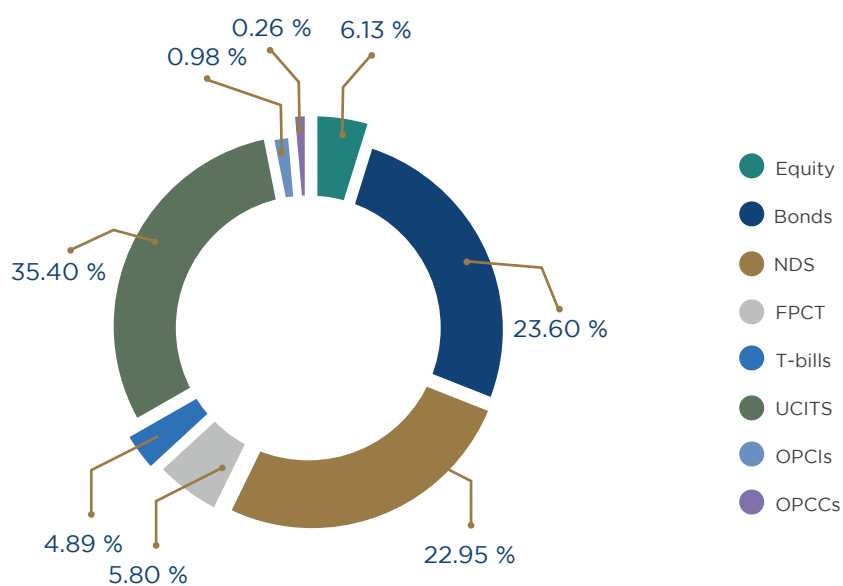
On the other hand, the average settled flows decreased by 0.35% between 2020 and 2021.

Table 17. Key figures of the activity of the Central Depository Maroclear

	2020	2021
Number of assets in custody	1 483	1 534
Equity	91	94
Bonds	342	362
Negotiable debt securities	352	352
FPCTs	81	89
Treasury Bills	95	75
UCITS	513	543
OPCIs	5	15
OPCCs	4	4
Total assets (in MAD billion)	1 951.45	2 191.86
Equity	623.08	701.58
Bonds	150.96	159.47
Negotiable debt securities	84.58	83.90
FPCTs	10.32	10.99
Treasury Bills	600.74	646.58
UCITS	476.46	568.61
OPCIs	4.83	20.39
OPCCs	0.48	0.32
Daily average of settled transactions (in MAD billion)	58.09	57.89
OTC	57.59	57.06
Stock exchange	0.50	0.83
Free of payment	-	-
Number of securities administration transactions	982	1 077
Number of dividend distribution transactions managed	65	104
Number of securities transactions managed	917	973

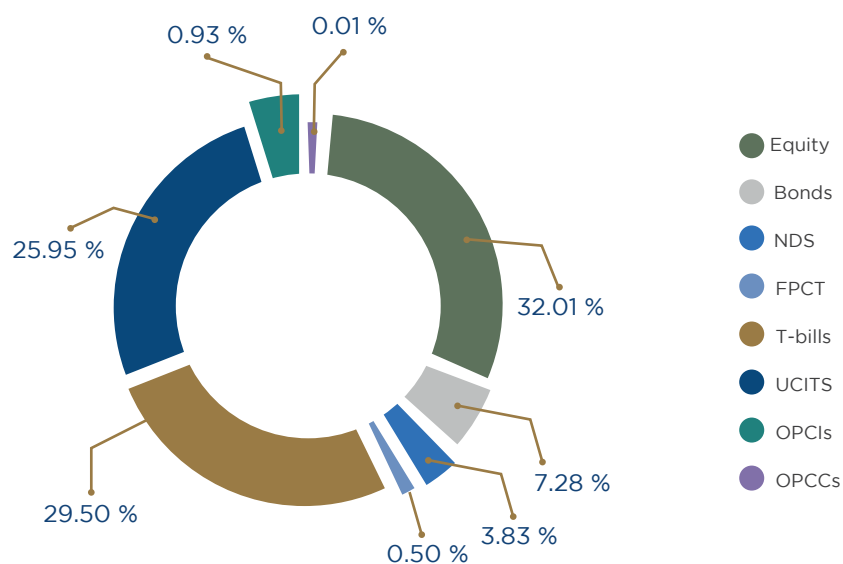
Source : Central Depository Maroclear

Graph 29. Breakdown of the number of admitted securities by category at year-end 2021



Source: Central Depository Maroclear

Graph 30. Breakdown of total assets of admitted securities by category at year-end 2021



Source : Central Depository Maroclear

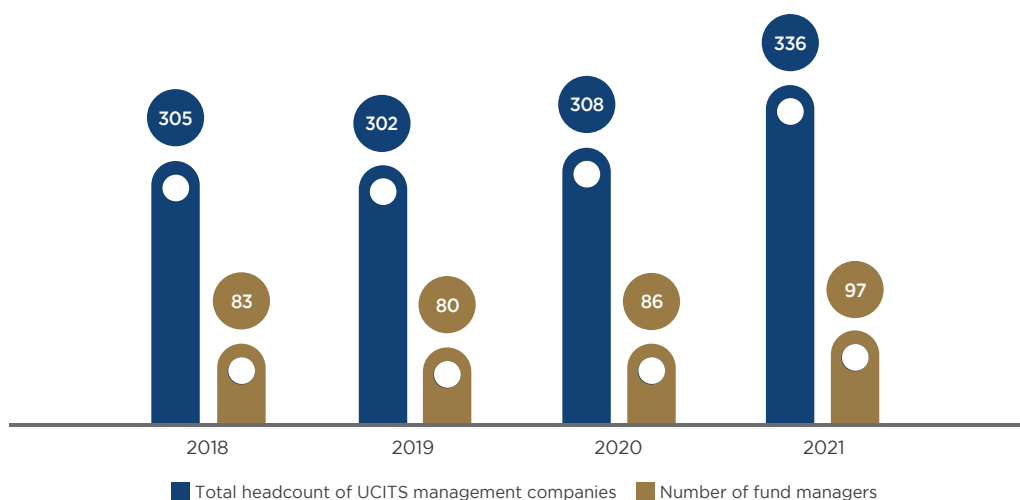
5.4 Asset management companies

5.4.1 UCITS management companies

Following the establishment of a new entrepreneurial-type UCITS management company, the number of UCITS management companies rose from 18 to 19 at the end of 2021.

In terms of UCITS management companies' headcount, at year-end 2021, there were 336 employees, including 97 assigned to management, compared to 308 employees, including 86 dedicated to management activities, the previous year.

Graph 31. Change in the headcount of UCITS management companies



Source : UCITS management companies

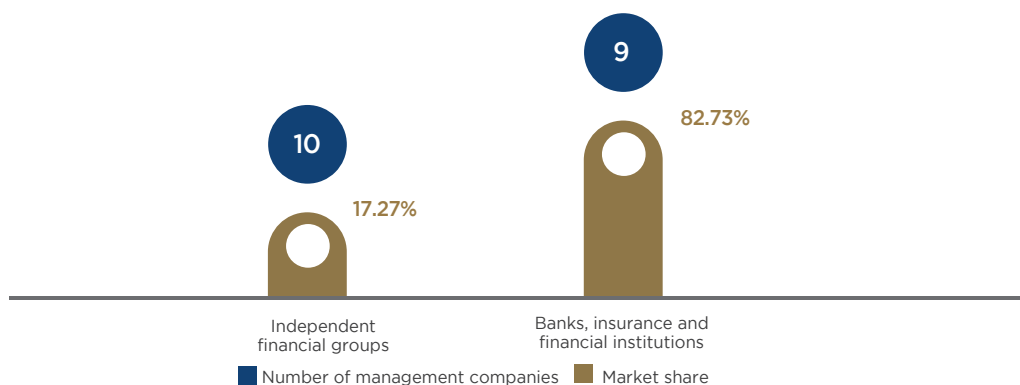
• Business indicators

UCITS average net assets reached MAD 574.03 billion in 2021, up from MAD 485.93 billion the previous year, representing an 18.13% increase.

Following the creation of a new independent UCITS management company in 2021, there were ten management companies at the end of 2021, surpassing the number of management companies affiliated to banks, insurance companies or other financial institutions (9). However, the latter account for 82.73% of the sector's net assets under management, with outstanding assets of MAD 490.5 billion.

The independent management companies' market share increased to 17.27% at the end of 2021, up from 16.61% in 2020, with net assets under management increasing by 17.85% to MAD 102.42 billion.

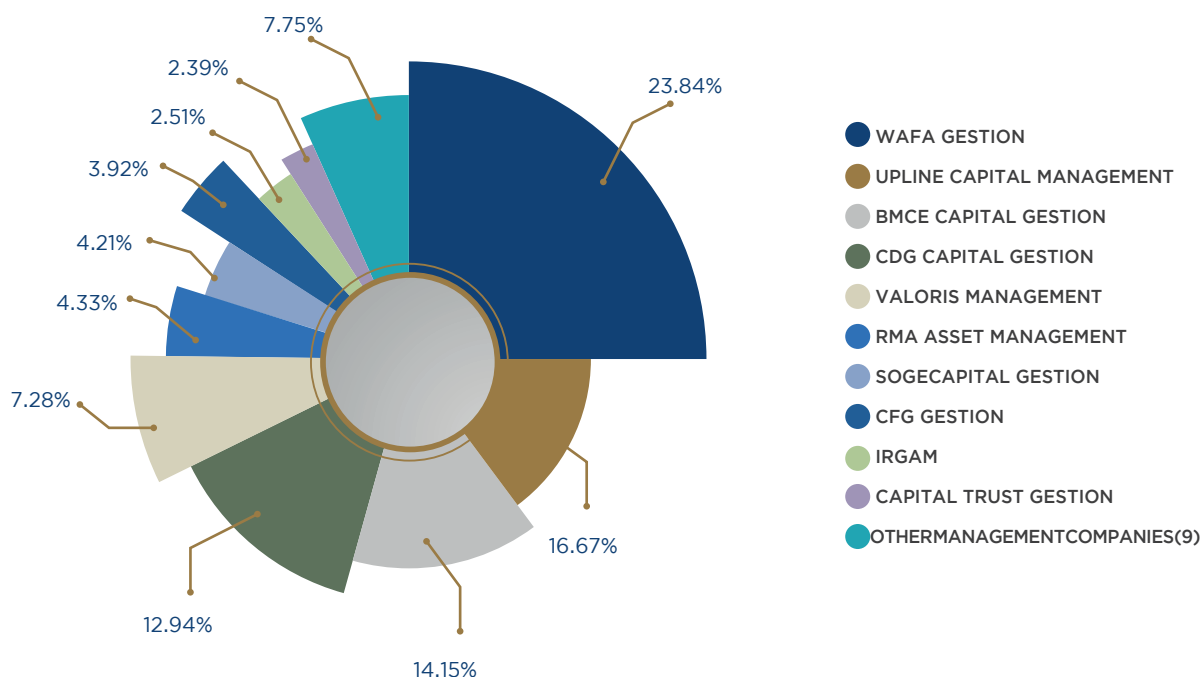
Graph 32. Breakdown of market shares of UCITS management companies by type of shareholding



Source : UCITS management companies

Despite a slight decline in the market share of management companies affiliated with banks, insurance companies or other financial institutions (82.73% at the end of 2021 versus 83.39% at the end of 2020), four of them manage more than 2/3 of the global net assets under management (67.61%), accounting for MAD 400.86 billion at the end of 2021 versus MAD 354.54 billion one year earlier. It should be noted that independent management companies have posted the most significant growth in net assets under management, with some of them exceeding 50% in a single year.

Graph 33. Breakdown of net assets by UCITS Management Company



Source : UCITS management companies

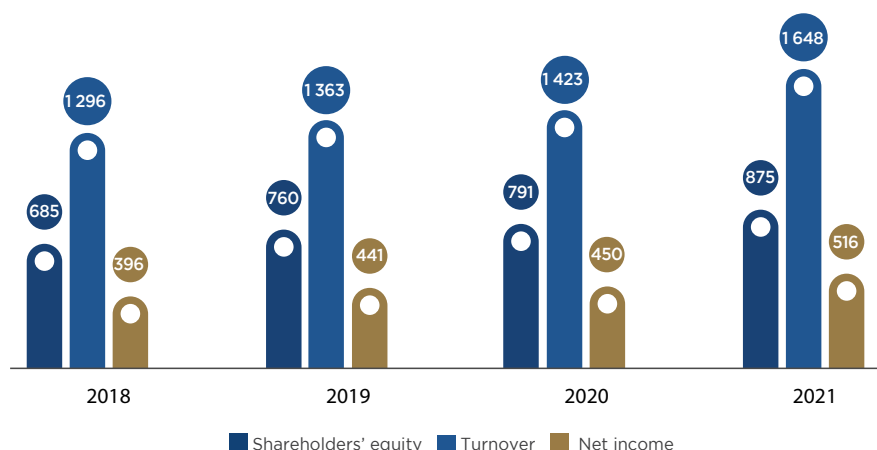
• Financial indicators

Consolidated revenues of UCITS management companies increased from MAD 1.42 billion in 2020 to MAD 1.65 billion at the end of 2021, representing a 15.76% increase, in line with the sector's global net assets (+13.32%) increase during the same year.

The consolidated net income of UCITS management companies increased by 14.82% to reach a total of MAD 516.23 million at the end of 2021, accounting for an overall net margin rate of 31.3% for the sector, the same as in 2020 (31.59%). The aggregate return on equity for the sector stood at 59% in 2021, up from 56.8% the previous year, owing to an increase in the sector's net income.

The shareholders' equity of UCITS management companies amounted to MAD 874.76 million at the end of 2021, up by MAD 83.36 million, or 10.53%.

Graph 34. Change in financial indicators of UCITS management companies
(in MAD million)



Source : UCITS management companies

5.4.2 FPCT management companies

There were four FPCT management companies at the end of 2021:

- Maghreb Titrisation, approved in February 2002;
- Attijari Titrisation, approved in November 2014;
- BMCE Capital Titrisation, approved in December 2015;
- SOFAC STRUCTURED FINANCE, approved in August 2019.

Following a change in shareholding and control, the authorization of the management company "Maghreb Titrisation" was renewed in September 2021 by Order of the Minister of Economy and Finance No. 2475-21, after the AMMC's favorable opinion.

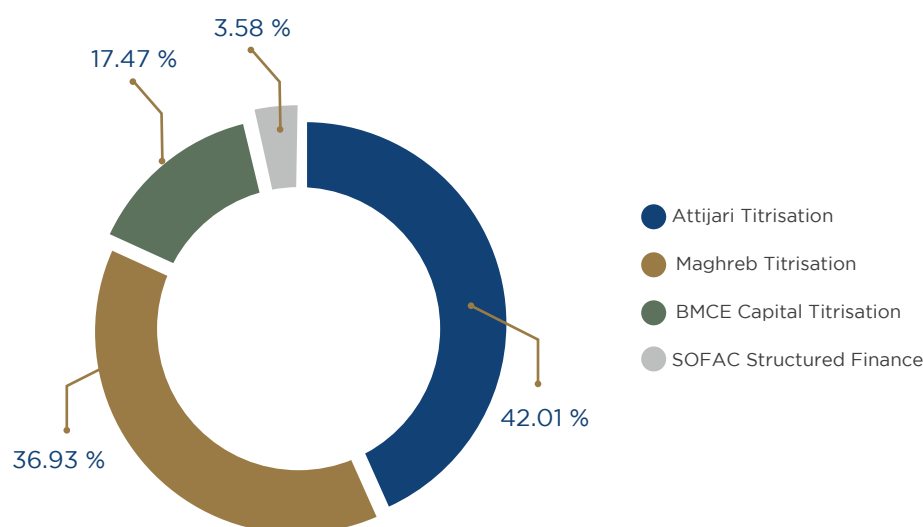
The four FPCT management companies employ a total of twenty-three people as of the end of 2021, with 11 in charge of the management and structuring of securitization funds.

• Business indicators

At the end of 2021, FPCT management companies managed a total of MAD 11.63 billion in assets, which were distributed among FPCT management companies as follows:

- **Attijari Titrisation** manages three funds (one with three sub-funds and another with two sub-funds), totaling MAD 4.89 billion in assets under management, or 42.01% of the market share;
- **Maghreb Titrisation** manages nine funds (three of which with one sub-fund each), totaling MAD 4.30 billion in assets under management, or 36.93% of the market share;
- **BMCE Capital Titrisation** manages three funds (including one fund with eighteen sub-funds), totaling MAD 2.03 billion in assets under management, or 17.47% of the market share;
- **SOFAC Structured Finance** manages one fund, totaling MAD 416.28 million in assets under management, or 3.58% of the market share.

Graph 35. Breakdown of net assets by FPCT Management Company



Source : FPCT management companies, AMMC calculations

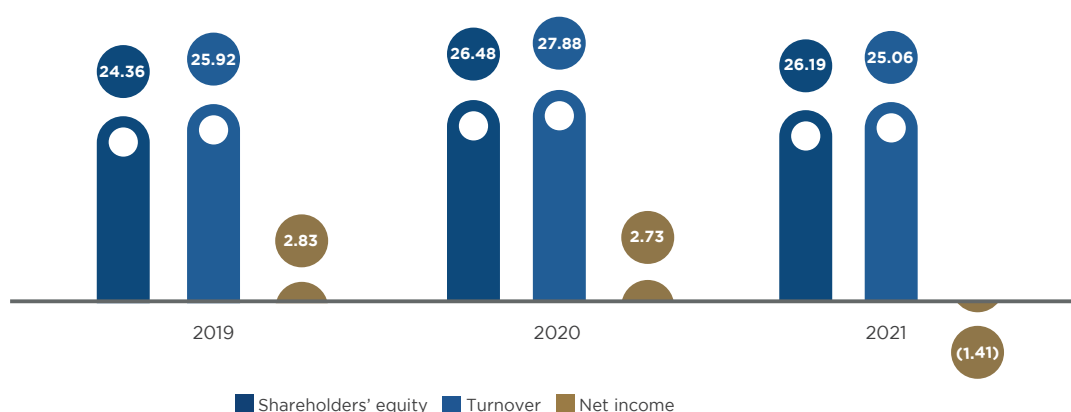
• Financial indicators

The consolidated revenues of the four FPCT management companies amounted to MAD 26.19 million in 2021, down from MAD 27.88 million in 2020, a decrease of slightly more than 6%.

The consolidated net income of the FPCT management companies fell sharply in 2021 to MAD -1.41 million, from MAD 2.73 million in 2020. This decrease is mainly caused by the losses of a single managing institution.

The shareholders' equity of all the FPCT management companies fell from MAD 26.48 million in 2020 to MAD 25.06 million in 2021, accounting for a 5% decrease.

Graph 36. Change in financial indicators of FPCT management companies
(in MAD million)



Source : FPCT management companies, AMMC calculations

5.4.3 OPCC management companies

Further to the AMMC's opinion, three new companies were approved by the Minister of Economy and Finance in 2021 to manage OPCCs. These companies are BMCE Capital Investments, Attijari Capital Management and Red Med Private Equity. Two of the three management companies are majority-owned by banking institution subsidiaries, and the third one by an independent financial group.

Moreover, following a proposal from the AMMC, the Minister of Economy and Finance withdrew approval from the management company "Brookstone Partners Morocco," reducing the number of OPCC management companies to thirteen.

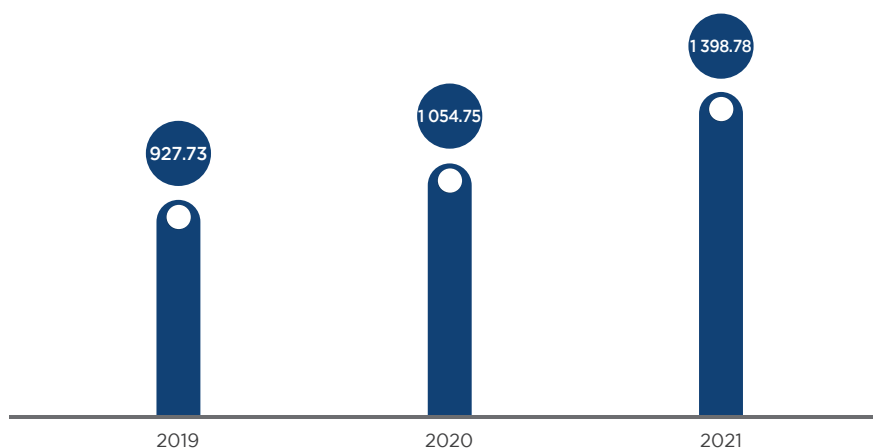
Seven of the approved companies are active and manage eight OPCCs. These are CDG Invest Growth (formerly called CDG Invest PME), CDG Invest Infrastructures, Private Equity Initiatives, Upline Investments, Seaf Morocco Capital Partners, Azur Innovation Management and Mediterrania Capital Partners Gestion.

The total number of employees at OPCC management companies increased by 32% during the year 2021, from 44 in 2020 to 58 in 2021, including 19 directors and investment officers.

• Business indicators

Total net assets under management of OPCCs reached MAD 1 398.78 million at the end of 2021, up from MAD 1 054.75 million in 2020, representing a more than 32% increase.

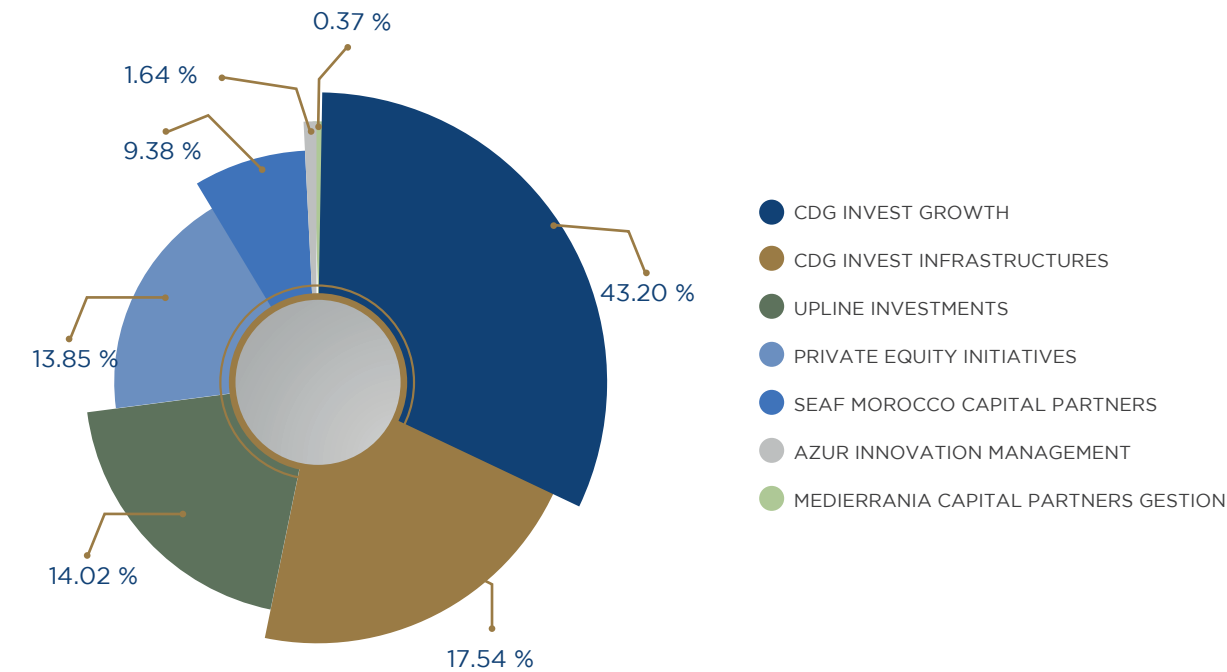
Graph 37 Change in the financial indicators of OPCC management companies
(in MAD million)



Source : OPCC management companies, AMMC calculations

In terms of business concentration, the first three OPCC management companies had a combined market share of 74.75%, with net assets under management totaling MAD 1,045.66 million.

Graph 38. Breakdown of net assets of OPCC management companies



Source : OPCC management companies, AMMC calculations

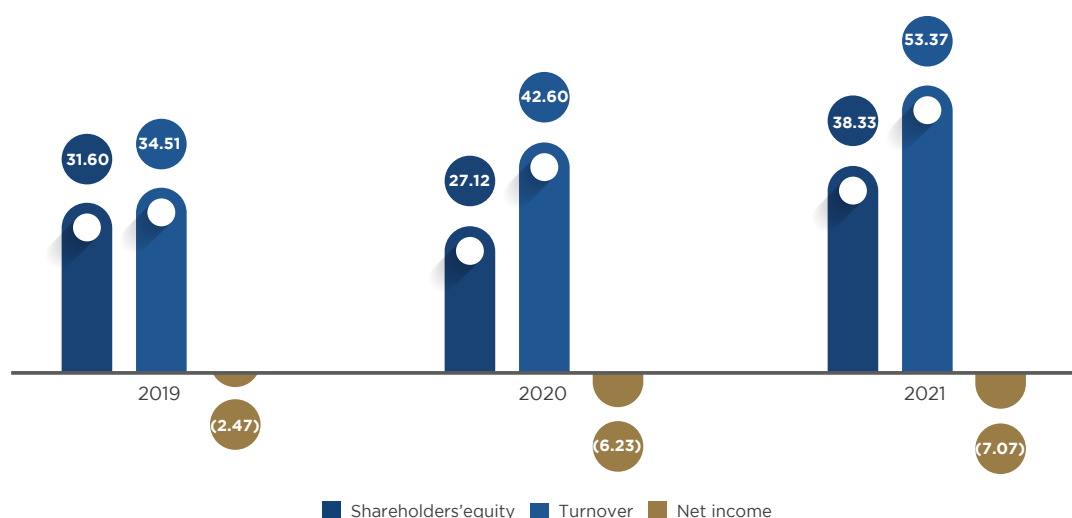
• Financial indicators

In 2021, the consolidated revenues of OPCC management companies rose by 25.28% to MAD 53.37 million, up from MAD 42.60 million in 2020.

The consolidated net income of OPCC management companies continued its downward trend, falling from a loss of MAD 6.23 million in 2020 to a loss of MAD 7.07 million recorded in 2021, accounting for a 13.4% decrease. This is primarily explained by a net loss of more than MAD 7 million recorded by five approved management companies that have not yet started managing OPCCs.

The shareholders' equity mobilized by all the OPCC management companies increased by 41.31% in 2021 to MAD 38.33 million, up from MAD 27.12 million a year earlier.

Graph 39. Change in the financial indicators of OPCC management companies
(in MAD million)



Source : OPCC management companies, AMMC calculations

5.4.4 OPCI management companies

The market had nine OPCI management companies at the end of 2021, four of which were approved by the AMMC in the second half of 2019 and five in 2020.

OPCI management companies are growing in terms of headcount, with a total of 83 employees as of 31 December 2021, of which 26 are either fund managers or asset managers.

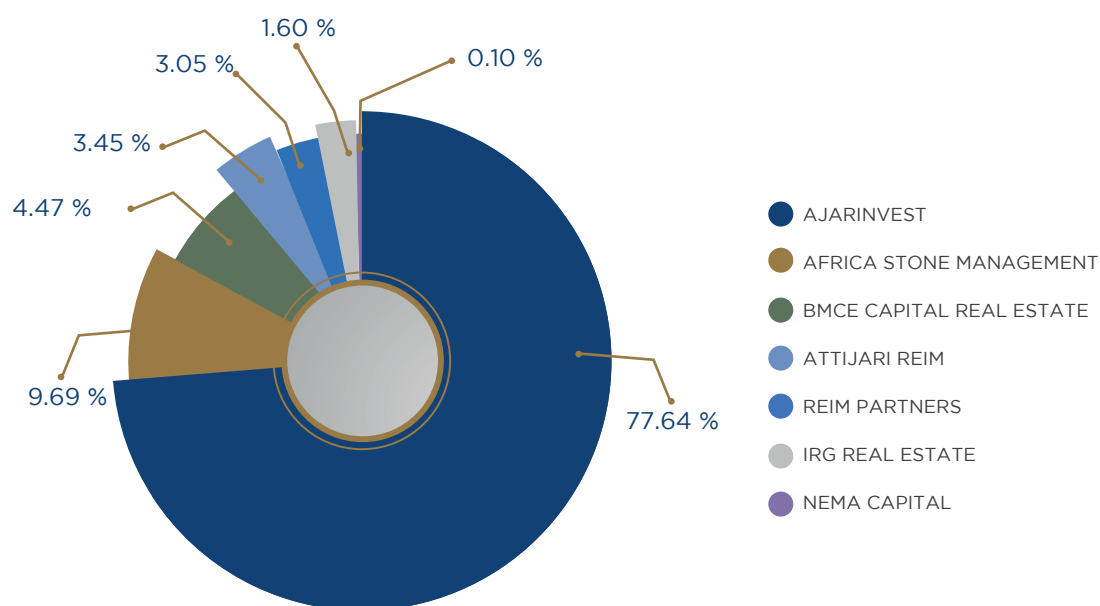
• Business indicators

At the end of 2021, the total net assets of the twenty-one active OPCIs reached MAD 21.59 billion, held by fourteen SPI-RFA OPCIs and seven SPI OPCIs, and managed by seven OPCI management companies.

As regards business concentration, the first two management companies, AJARINVEST and AFRICASTONE MANAGEMENT, had a combined market share of 87.33%, with net assets under management totaling MAD 18.86 billion at the end of 2021.

In terms of assets under management, the first two OPCIs account for 64.51% of the total net assets under management.

Graph 40. Breakdown of net assets of OPCI management companies at year-end 2021



Source : OPCI management companies, AMMC calculations

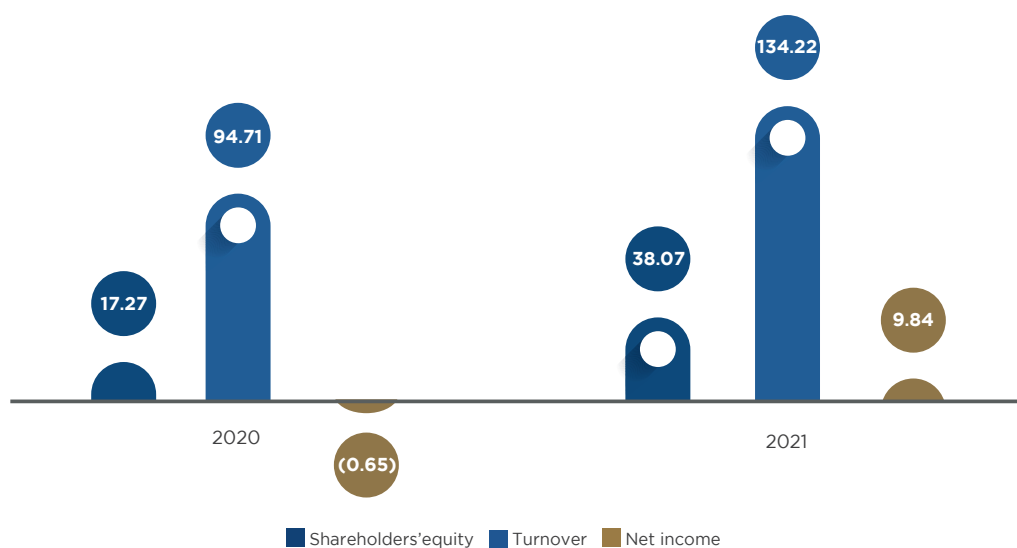
• Financial indicators

The consolidated revenues of OPCI management companies increased by 42% in 2021 to MAD 134.22 million, up from MAD 94.71 million in 2020. This increase can be attributed to the start-up of fourteen new OPCIs in 2021.

The consolidated net income of OPCI management companies also increased significantly in 2021, totaling MAD 9.84 million compared to a loss of MAD 650,000 in 2020.

In line with this upward trend, the shareholders' equity mobilized by OPCI management companies more than doubled in 2021, reaching more than MAD 38.07 million, up from MAD 17.27 million the previous year

Graph 41. Change in the financial indicators of OPCI management companies
(in MAD million)



Source : OPCI management companies, AMMC calculations





CHAPITRE II. **THE AMMC AND CAPITAL MARKET SUPERVISION**

1. AUTHORIZATIONS AND APPROVALS

1.1 Approval of Market Participants

Capital market players' interest in OPCCs' management was confirmed in 2021 in a post-Covid-19 health crisis context. In 2021, three OPCC management companies were approved.

Concerning OPCI management activity, the AMMC consented the management company MOROCCO REAL ESTATE MANAGEMENT to relocate its headquarters and the effective location of its operations, and gave the company REIM PARTNERS prior approval for a capital increase involving CFG BANK.

Following a change of control, the AMMC renewed the approval of two companies: MAGHREB TITRISATION and the brokerage company "Mena C.P" (which later became RED MED SECURITIES).

Furthermore, the AMMC consented Valoris Securities to relocate its headquarters and the effective location of its operations.

Table 18. List of applications processed by the AMMC in 2021

Entity	Action taken
Attijari Capital Management - OPCC management company	The three companies have been granted approval by the Ministry of Economy and Finance following the opinion of the AMMC.
BMCE Capital Investments - OPCC management company	
Red Med Private Equity - OPCC management company	
Morocco Real Estate Management - OPCI management company	The company obtained the consent of the AMMC for the relocation of its headquarters and the effective location of its operations.
REIM PARTNERS - OPCI management company	The company obtained the prior approval of the AMMC for a capital increase by CFG BANK
Maghreb Titrisation - FPCT management company	The company was granted approval by the Ministry of Economy and Finance following the opinion of the AMMC.

Source : AMMC

1.2 Authorization of financial transactions

1.2.1 Equity transactions

The AMMC authorized five equity securities transactions during the 2021 fiscal year. The processed transactions are listed in the table below:

Table 19. Equity securities transactions (in MAD million)

Transaction Type	Issuer	Authorization date	Value in MAD million	Transaction Date	Value in MAD million	Transaction Description
Initial Public offering (IPO)	TGCC	19/11/2021	600	16/12/2021	600	Initial public offering through a public issue of 2,202,890 new shares and the sale of 2,205,890 shares.
	Attijariwafa bank	25/06/2021	892	31/08/2021	809	Capital increase through optional full or partial conversion of part of the dividends for the 2020 financial year.
	BCP	29/07/2021	809	28/09/2021	278	Capital increase by partial optional conversion into shares within the limit of 50% of the dividends for the 2020 financial year.
Capital Increase	Jet Contractors	13/08/2021	20	03/09/2021	20	Capital increase by compensation of debts reserved to AR corporation and Mr. Daoudi..
Takeover bid	Nexans Maroc	06/08/2021	61	04/10/2021	28	Public takeover bid initiated following the decision to delist the company from the Casablanca Stock Exchange.

Source : AMMC and Casablanca Stock Exchange

2021 was marked by the IPO of TGCC for an amount of MAD 600,002,080 through:

- An increase in share capital in cash by issuing 2,205,890 shares at a subscription price per share of MAD 136, i.e. MAD 10 as nominal amount and MAD 126 as issue premium. The capital increase amounted to MAD 300,001,040, of which MAD 22,058,900 as nominal amount and MAD 277,942,140 as issue premium;
- The sale of 2,205,890 shares for a subscription price per share of MAD 136, i.e. an amount of MAD 300,001,040.

Attijariwafa Bank carried out a capital increase through optional total or partial conversion of part of the dividends for the 2020 fiscal year. The transaction resulted in the issuance of 1,967,852 new shares at an issue price of MAD 411, which corresponded to a nominal value of MAD 10 per share and an issue premium of MAD 401 per share. The total amount of the transaction was MAD 808,787,172.

Banque Centrale Populaire also carried out a capital increase through optional total or partial conversion of part of the dividends for the 2020 fiscal year. The transaction led to the issue of 1,057,817 new shares at an issue price of MAD 263, representing a nominal value of MAD 10 per share and an issue premium of MAD 253 per share. The total amount of the operation was MAD 278,205,871.

Jet Contractors carried out a capital increase by way of compensation of liquid and payable debts reserved to AR Corporation and Mr. Amine Daoudi for a maximum amount of MAD 19,999,700. This transaction led to the issue of 57,142 new shares at a price of MAD 350, i.e. a nominal value of MAD 50 and an issue premium of MAD 300 per share.

Finally, Nexans participations initiated a public takeover bid with the aim of delisting Nexans Maroc from the Casablanca Stock Exchange. The effective delisting occurred in December 2021.

1.2.2 Bond Issues

During the 2021 financial year, the AMMC authorized nine bond issues by public offering, as shown in the following table:

Table 20. Authorized debt securities

Issuer	Authorization date	Value in MAD million	Description of the transaction
Douja Promotion Groupe Addoha	15/02/2021	594	Bond issue secured by mortgages on real estate, reserved for holders of commercial paper issued by the company.
Douja Promotion Groupe Addoha	16/07/2021	454	Bond issue secured by a mortgage on real estate, reserved for holders of bonds issued by the company in 2014.
Bank Of Africa	04/08/2021	1 000	Issue of perpetual subordinated bonds with loss absorption and coupon cancellation mechanisms.
CFG Bank	30/11/2021	80	Issue of perpetual subordinated bonds with loss absorption and coupon cancellation mechanisms.
CFG Bank	30/11/2021	120	Issue of subordinated bonds with a maturity of 10 years.
Managem	06/12/2021	1 500	Issue of ordinary bonds with maturities of 5 and 7 years.
Attijariwafa bank	13/12/2021	500	Issue of perpetual subordinated bonds with loss absorption and coupon cancellation mechanisms.
Attijariwafa bank	13/12/2021	500	Issue of subordinated bonds with a maturity of 7 years.
FEC*	24/12/2021	1 000	Issue of ordinary bonds with a maturity of 15 years.

Source : AMMC

*Transaction authorized in 2021 and completed in 2022

Furthermore, ONCF carried out a bond issue guaranteed by the Fonds de Garantie des Etablissements et Entreprises Publics (FGEEP) managed, on behalf of the State, by the Caisse Centrale de Garantie (CCG).

Finally, the AMMC authorized 13 bond issues by private placement totaling MAD 9.9 billion, accounting for a 37% decrease in volume compared to the previous year.

BOX 7. HANDBOOK ON GENDER BONDS

As part of its ongoing efforts to promote sustainable finance in Morocco, the AMMC published a handbook on gender bonds on 5 March 2021. This guide, developed with the assistance of FSD Africa (a development agency supported by the UK government's "UK Aid" program), relies on internationally recognized standards and practices. It also builds on the approach adopted in the AMMC's previous handbooks on green, social and sustainable bonds.

The handbook highlights the main objectives of issuing gender bonds, including the importance of women's empowerment and gender equality in sustainable finance. It provides practical guidance for the issuance of gender bonds and is therefore a valuable resource for issuers, investors and other stakeholders.

In addition, this handbook introduces a new standard: the Sustainability-Linked Bonds Principles (SLBP), which can be used to structure both gender bond issues and other types of financial instruments labeled as sustainable.

This handbook was used as a basis for the first issue of this type of instrument on the market. Banque Centrale Populaire (BCP) has indeed issued a Gender Bond by private placement in December 2021, for an amount of MAD 200 million. The proceeds of the said issue are intended to finance micro-credit activities contributing to the economic empowerment of women through the promotion of their professional insertion and their financial inclusion.

1.2.3 Other granted approvals

• Negotiable debt securities issuance programs

In the 2021 financial year, the AMMC granted nine visas relating to commercial paper issuance programs, including the establishment of a new commercial paper issuance program for Immorente Invest, and eight updates described below.

The AMMC also reviewed 16 submissions relating to the issuance programs of certificates of deposit and finance company bills.

The negotiable debt securities programs processed in 2021 are presented in the following table:

Table 21. Negotiable debt securities issuance programs
(in MAD million)

Instrument Type	Issuer	Program ceiling
Commercial paper	Résidences Dar Saada	500
	Douja Promotion Groupe Addoha (2 updates)	400
	Aradei Capital	500
	Jet Contractors	200
	Résidences Dar Saada	500
	Immorente Invest (establishment)	300
	Label Vie Sa	800
	Managem	1 000
Certificates of deposit	SGMB (2 updates)	15 000
	FEC	7 000
	BMCi	12 000
	Bank of Africa - Groupe BMCE (BOA)	15 000
	CDM	9 000
	CFG Bank	5 000
	CDG Capital	3 500
	Attijariwafa Bank	20 000
Finance company bills	Sogelease (2 updates)	4 000
	RCI Finance Maroc	3 500
	SOFAC (2 updates)	4 500
	EQDOM	7 000
	Salafin	2 213

Source : AMMC

- **Share repurchase programs**

In 2021, the AMMC approved three share repurchase programs:

Table 22. Approved share repurchase programs
(in MAD million)

Issuer	Authorization date	Description	Maximum amount to be committed
Itissalat Al-Maghrib	13/04/2021	Program covering 0.17% of the capital, with an intervention range of MAD 95-195, and including a liquidity contract covering 20% of the program. The program runs from 17 May 2021 to 16 November 2022.	292.5
BCP	08/06/2021	Program covering 5% of the capital, with an intervention range of MAD 189-351, and including a liquidity contract covering 20% of the program. The program runs from 5 July 2021 to 4 January 2023	3 549.57
Stokvis Nord Afrique	18/08/2021	Program covering 5% of the capital, with an intervention range of MAD 8-20, and including a liquidity contract covering 20% of the program. The program runs from 16 September 2021 to 15 March 2023	9.2

Source : AMMC

- **Public offerings carried out indirectly in Morocco by foreign groups**

During the 2021 fiscal year, the AMMC authorized 13 public offerings carried out indirectly in Morocco. These were exclusively made by foreign groups for their employees worldwide, including those of their Moroccan subsidiaries.

Table 23. Public offerings carried out indirectly in Morocco
(in MAD million)

Issuer	Authorization date	Security type	Total value of the offering in Morocco	Subsidiaries benefiting from the transaction in Morocco
Airbus	04/03/2021	Equity security	1.03	Stelia Aerospace Maroc SA, Aerolia Construction Aéronautique du Maroc SA.
Faurecia	28/04/2021 23/06/2021	Shares of FCPE	11.62	Faurecia Équipements Automobiles Maroc, Faurecia Automotive Systems Technologies and Faurecia Automotive Industries Morocco.
Vinci (France)	23/06/2021 25/05/2021	Shares of FCPE	26.51	Freyssima Maroc, Cegelec Maroc, Dumez Maroc, Sogea Maroc, Solsif Maroc, Exprom Facilities, Vigiprom, Asolution Services, Sixense Maroc et les succursales Sixense Soldata Maroc and Terre Armée Maroc.
Total (France)	05/05/2021	Shares of FCPE	12.27	Total Maroc, Emplissage de Gaz D'ouarzazate, Société d'Emplissage de Gaz de Berrechid and Mahatta.
Sanofi	27/05/2021 08/06/2021	Shares of FCPE	7.47	Sanofi-Aventis Maroc.
Décathlon International Shareholding Plan	29/07/2021	Equity security	5.11	Decapro Maroc, Decathlon Maroc, Proxyline and Decathlon Regional Support.
Axa (France)	23/08/2021 14/10/2021	Shares of FCPE	48.78	Axa Assurance Maroc, Axa Assistance Maroc, Axa Assistance Maroc Services, Institut de formation et de développement professionnel AXA, Axa Crédit, Carré Assurance Maroc et Société de Gestion et de Surveillance (SGS), Les succursales: Axa France IARD Succursale, AXA France Vie Succursale, AVANSSUR Succursale Maroc and AXA Group Opérations Morocco.
ATOS SE	09/09/2021	Shares of FCPE	20.86	Atos IT Services, Atos ITS Nearshore Center Maroc and Bull Maroc.
Veolia Environnement	13/09/2021 05/11/2021	Shares of FCPE	64.54	Veolia Services à l'Environnement Maroc, Veolia Environnement Industrie Maroc, Amendis, Redal, Amanor, Veos Déchets Dangereux and Compagnie de Travaux Hydrauliques du Maghreb.
CAPGEMINI	16/09/2021 05/11/2021	Shares of FCPE	48.36	Capgemini Technology Services Maroc SA, Altran Maroc and MG2 Engineering.
Orange	17/09/2021 04/11/2021	Shares of FCPE	94.64	Medi Telecom SA, Medi Telecom Distribution SA, Sofrecom Services Maroc, Orange Money Maroc SA, Orange Business Maroc SARL, Orange Middle East & Africa Management SA.
Air Liquide SA	04/11/2021	Equity security	3.51	Air Liquide Maroc.
Essilor Luxottica	16/11/2021	Equity security	4.17	Essilor Management North and West Africa, Optiben SA, Compagnie Industrielle d'Optique du Maroc SA, Movisia SA, L'N' Optic SA and Essilor Technologie et Services.

Source : AMMC

• The reference document

The reference document form contains information about the issuer. It is examined and registered by the AMMC under the same conditions as a prospectus, then published after its registration. The form then remains valid until the closing of the issuer's new financial statements, for a maximum period of 12 months.

During the validity period of the reference document form, the latter can be used for the issuer's various financial transactions. The reference document can be supplemented by a simplified prospectus, which only contains information relating to the planned transaction, in order to constitute a multi-document prospectus. The adoption of this scheme allows the issuer to benefit from exit opportunities on the market given the reduced time required to review the simplified prospectus. The market is also better prepared for the issuer's transactions since it will have had access to all information about the issuer prior to the launch of such transactions.

It should be noted that since the entry into force of Circular No. 03/19, the documents relating to negotiable debt security issuance programs must be composed of an annual information form (to be updated each year) and a memorandum relating to the negotiable debt security program (to be updated in case there are any changes in the program's characteristics).

As such, in 2021 the AMMC registered the following 25 reference documents:

Table 24. Registered reference documents

Issuer	Registration date	Uses of the Reference Document	Period covered
Résidences Dar Saada	08/01/2021	Annual update of the information record relating to the commercial paper program.	2019 financial year, H1 and Q3 2020
Sogelease	15/01/2021	Annual update of the information package for the finance company bond issue program.	2019 financial year and H1 2020
SGMB	25/01/2021	Annual and occasional update of the information package relating to the certificate of deposit issue program.	2019 financial year and H1 2020
Douja Promotion Groupe Addoha	15/02/2021	Annual and occasional update of the information package relating to the commercial paper program. Bond issue reserved for holders of commercial paper issued by the company.	2019 financial year and H1 2020
FEC	09/06/2021	Annual update of the information package relating to the certificate of deposit issue program.	2020 financial year
BMCI	05/07/2021	Annual and occasional update of the information package relating to the certificate of deposit issue program.	2020 financial year
Mutandis	16/07/2021	Voluntary registration of the information form	2020 financial year
Douja Promotion Groupe Addoha	16/07/2021	Annual update of the information package relating to the commercial paper program. Bond issue reserved for holders of bonds issued by the company in 2014.	2020 financial year

Issuer	Registration date	Uses of the Reference Document	Period covered
BOA	23/07/2021	Annual update of the information package for the certificate of deposit program. Issuance of perpetual subordinated bonds with loss absorption and coupon cancellation mechanism.	2020 financial year
CDM	28/07/2021	Annual update of the information package relating to the certificate of deposit issue program.	2020 financial year
CFG Bank	29/07/2021	Annual update of the information package relating to the certificate of deposit issue program.	2020 financial year
Aradei Capital S.A	04/08/2021	Annual update of the information package relating to the commercial paper program.	2020 financial year
Jet Contractors	13/08/2021	Annual update of the information file relating to the commercial paper program. Capital increase by compensation with liquid and due receivables.	2020 financial year
Résidences Dar Saada	09/09/2021	Annual and occasional update of the information package relating to the commercial paper program.	2020 financial year
Immorente Invest	13/09/2021	Implementation of a commercial paper program.	2020 financial year
Label'Vie	16/09/2021	Annual update of the information package relating to the commercial paper program.	2020 financial year
Sogelease	20/09/2021	Annual update of the information package for the finance company bond issue program.	2020 financial year
CDG Capital	21/09/2021	Annual and occasional update of the information package relating to the certificate of deposit issue program.	2020 financial year
RCI Finance Maroc	22/09/2021	Annual update of the information package for the finance company bond issue program.	2020 financial year
SOFAC	23/09/2021	Annual and occasional update of the information package for the finance company bond issue program.	2020 financial year
EQDOM	24/09/2021	Annual update of the information package for the finance company bond issue program.	2020 financial year
TGCC	19/11/2021	Initial public offering of the company.	2020 financial year and H1 2021
Managem	06/12/2021	Annual update of the information package relating to the commercial paper program. Ordinary bond issue.	2020 financial year and H1 2021
Attijariwafa Bank	13/12/2021	Annual update of the information package for the certificate of deposit program. Issuance of perpetual subordinated bonds. Issuance of subordinated bonds.	2020 financial year and H1 2021
Salafin	16/12/2021	Annual update of the information package for the finance company bond issue program.	2020 financial year and H1 2021

Source: AMMC

Moreover, the AMMC granted its approval to update two information forms. When the issuer publishes its half-yearly financial statements, or when significant developments occur in its organization, business, risks, financial situation, results or prospects, the information form must be updated before it can be included in a prospectus used for a financial transaction.

Table 25. Updated information form

Issuer	Registration date of the update	Uses of the updated information form	Period covered by the update
FEC	24/12/2021	Ordinary bond issue.	H1 2021
CFG Bank	26/11/2021	Subordinated bond issue. Perpetual subordinated bond with loss absorption and coupon cancellation mechanisms.	H1 2021

1.3 The authorization of collective investment schemes

1.3.1 UCITS

The AMMC approved 216 UCITS in 2021, up from 213 the previous year. These consist of 58 approvals of draft management regulations and articles of association of UCITS, as well as 158 authorizations of summary prospectuses.

The 58 UCITS approvals include 35 renewals and 23 creations. It should be noted that bond UCITS account for approximately 48% of newly created UCITS.

As for the 158 aforementioned prospectuses, 37 correspond to newly marketed UCITS and 121 are renewals.

Table 26. Summary of approved UCITS

UCITS	Authorizations			Approvals of prospectuses		
	Creation	Renewal	Total	Creation	Update	Total
Equity	6	9	15	7	30	37
Diversified	4	8	12	10	23	33
Money Market	2	2	4	3	20	23
Short-term bonds	3	3	6	4	13	17
Medium and long-term bonds	8	13	21	13	33	46
Contractual	0	0	0	0	2	2
Total	23	35	58	37	121	158

Source: AMMC

The AMMC received 218 applications for UCITS authorizations at the end of 2021, up from 198 the previous year, representing roughly a 10% increase. The applications for creation reflect the trend of asset managers diversifying their offerings to meet clients' needs, as well as institutional investors continuing to outsource management activities.

1.3.2 Securitization vehicles (FPCTs)

In 2021, the AMMC authorized the creation of five new FPCTs, two of which with sub-funds, and two new sub-funds. Most of these authorizations concerned "classic" securitization operations of different types of assets (mortgage loans, loans resulting from consumer credit contracts, loans resulting from LOA contracts, trade receivables and foreign currency denominated debt securities). In addition, the authorization of a financing risk guarantee transaction has opened the way for so-called "synthetic" securitization.

The authorized transactions are as follows:

- **FT Damane Tamayouz - Sub-fund I:** sub-fund created by the managing institution Maghreb Titrisation, to hedge the financing risk taken by Finéa on a portfolio of commitments granted to VSEs/SMEs that are part of the OCP ecosystem. To this end, the sub-fund issued ordinary shares through a private placement with OCP;
- **FT MIFTAH - Sub-fund "MIFTAH Fonctionnaires III":** sub-fund established by the managing institution Attijari Titrisation with a view to securitizing receivables resulting from mortgage loans granted by Attijariwafa Bank to civil servants of the Moroccan State. The said sub-fund has been issued through an IPO reserved to qualified investors incorporated under Moroccan Law;
- **SALAF INVEST FT - Sub-fund "INVEST AL MOUADDAF II":** sub-fund established by the managing institution Attijari Titrisation, operating within the framework of securitization of debts resulting from consumer loan contracts granted by Wafasalaf to civil servants of the Moroccan State. The bonds issued by the said sub-fund have been issued through an IPO reserved to accredited investors incorporated under Moroccan Law;
- **FT HYPOTHECA:** Securitization fund of mortgage receivables resulting from loans granted by BANK OF AFRICA to private individuals (civil servants/private and public sector employees) with a view to financing the acquisition of residential property, the construction of residential property or the acquisition of land for housing construction. This fund constituted by the managing institution BMCE Capital Titrisation has been issued through an IPO reserved to qualified investors incorporated under Moroccan Law;
- **FT NOVUS II:** Fund set up by the managing institution Maghreb Titrisation with a view to securitizing trade receivables held by the company "Gharb Papier et Carton." The bonds issued within the framework of this transaction were issued through a private placement to accredited investors incorporated under Moroccan Law;
- **FT SOFAC AUTO LEASE:** Fund set up by the managing institution Sofac Structured Finance set up for the securitization of receivables resulting from lease with purchase option of motor vehicles concluded by SOFAC. As part of a public offering, the subscription to bonds of the said fund was reserved to accredited investors incorporated under Moroccan Law;
- **FT RELEVIMUM Sub-fund I:** sub-fund created by the managing institution Maghreb Titrisation with a view to securitizing a portfolio of Moroccan Eurobonds held by CIH BANK. It is the first securitization operation of foreign currency receivables authorized in Morocco, whose bonds issued on January 14th 2022, have been issued through an IPO to accredited investors incorporated under Moroccan law.

BOX 8. THE SYNTHETIC SECURIZATION TRANSACTION CARRIED OUT BY "FT DAMANE TAMAYOUZ – SUB-FUND I"

Against a backdrop of national economic recovery, the AMMC authorized on 4 March 2021 a first synthetic securitization transaction carried out by the FPCT named "FT DAMANE TAMAYOUZ - Sub-fund I" and managed by "Maghreb Titrisation."

The successful outcome of this transaction in Morocco was enabled by the completion of the regulatory framework of the so-called "synthetic" securitization, following the publication of Order No. 1786-20 in the Official Gazette No. 6914 of September 3rd, 2020 (as amended by the Official Gazette No. 6932), introducing the procedures for executing FPCT financing risk guarantee transactions and the terms relating to prudential rules and control that are applicable to them.

This first sub-fund of "FT DAMANE TAMAYOUZ" makes it possible to guarantee the financing risk to which the initiating institution Finéa is exposed, with a view to facilitating the granting of loans to eligible suppliers of the OCP ecosystem at preferential terms and conditions and without providing additional collateral.

The said sub-fund issued shares for an amount of MAD 125 million entirely subscribed by OCP, with the guarantee limited to a maximum amount of MAD 118.75 million, benefiting a portfolio of commitments worth up to MAD 950 million.

The success of this transaction paves the way for synthetic securitization in Morocco and proposes an alternative model to help SMEs grow.

1.3.3 Private equity investment vehicles (OPCCs)

The AMMC approved three OPCCs in 2021, including two approvals of the draft management regulations for two OPCCs and one renewal of an opinion on the articles of association for one OPCR.

The two OPCCs involved in the approval of the draft management regulations are "Capmezzanine III" managed by CDG Invest Growth, and "MCP RE FPCC" managed by Mediterrania Capital Partners Gestion. These two investment vehicles are FPCCs (Private equity funds), and their units are issued as part of a private placement.

The renewal of the AMMC's opinion pertains to the OPCR "PME Croissance," which is set up as a venture capital company, managed by Private Equity Initiatives. This request for renewal follows the amendment of the said OPCR's articles of association after the reduction of its share capital.

1.3.4 Real estate investment schemes (OPCIs)

In 2021, the AMMC approved the draft management regulations of 14 OPCIs, seven of which are OPCIs with streamlined operating rules. These are:

- IMMOVERT PLACEMENT, NOTIS INVEST and AVENIR PATRIMOINE SECURITE managed by Ajarinvest;
- AL AKHAWAYN UNIVERSITY managed by AFRICA STONE MANAGEMENT;
- RESILIENCE IMMO, REAL ESTATE RENDEMENT, CORPO IMMO managed by BMCE Capital Real Estate;
- CMR O STONE managed by REIM Partners;
- EDUCAPITAL and GLOBAL ASSEIT REIT managed by Attijari REIM;
- NEMA IMMO INVEST 01 and NEMA INVEST 02 managed by NEMA Capital;
- NOTIS CAPITAL and IMMO VALEURS managed by IRG Real Estate.

Furthermore, the AMMC assented the disclosure document for nine OPCIs in 2021, including eight OPCIs with streamlined operating rules.

1.4 Certification of real estate appraisers of OPCI assets

In accordance with the provisions of Law No. 70-14 on OPCIs and Decree No. 2.18.32 implementing Articles 31 and 33 of the aforementioned law, and following the work of the consultative committee in charge of issuing certificates to real estate appraisers of OPCI assets, the AMMC was asked to give its opinion on applications to certify real estate appraisers received by the Ministry of Economy and Finance.

The AMMC's opinion is expressed following verification that the necessary conditions for the exercise of the real estate appraiser's profession in OPCI assets are met. These conditions pertain to professional experience in the field of real estate asset appraisal and the integrity of the managers and persons in charge of the real estate appraisal, as well as the necessary guarantees in terms of human, organizational and technical resources.

Following a favorable recommendation from the aforementioned committee, the Minister of Economy and Finance approved one real estate appraiser, bringing the total number of real estate appraisers to eleven in 2021.

2. CONTROL OF FINANCIAL INFORMATION

2.1 Periodic Disclosure

The periodic disclosure required from issuers is intended to inform investors about their performance and financial situation.

In 2021, the issuers have published the following periodic disclosures:

- publication of the annual financial reports for the year 2020;
- publication of half-yearly financial reports for the first half of 2021;
- publication of quarterly indicators for the fourth quarter of 2020 and the first, second and third quarters of 2021.

These disclosures were subject to regular controls by the AMMC, in particular with regard to:

- compliance with publication deadlines and media;
- comprehensiveness of the content required by the regulations;
- clarity, consistency and relevance of the information published.

Table 27. Result of the control of publications

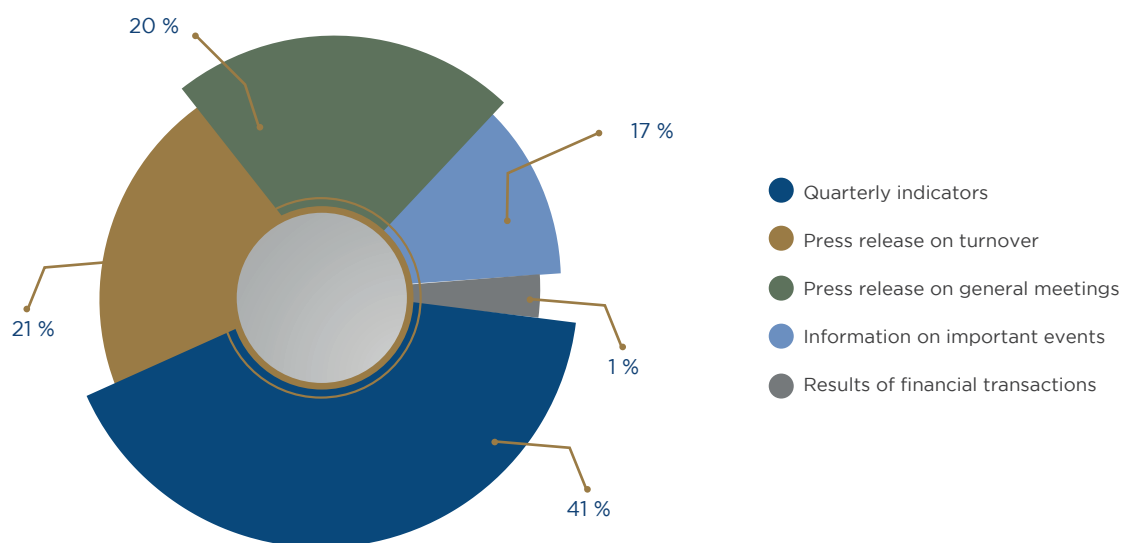
	Q4 2020	2020	Q1 2021	Q2 2021	H1 2021	Q3 2021
Non-compliance with financial publication deadlines	4	1	1	3	0	1

Source: AMMC

2.2 Other disclosure requirements

Legal entities making public offerings publish other information during the year relating to their corporate life or financial transactions. They are also required to publish any information relating to their organization, their commercial, technical or financial situation that may have a significant impact on the stock market price of their securities or the assets of security holders, as soon as they become aware of it.

Graph 42. Breakdown of publications by press release topic in 2021



Source : AMMC

Issuers published 891 press releases in 2021, compared to 946 in 2020. 41% of the press releases published were related to quarterly indicators, 20% were related to general meetings⁵, 21% were published following meetings of governance bodies, and 17% were related to an important event.

2.2.1 Suspension requests in 2021

In certain cases, and to ensure equal access to information, the AMMC steps in and requests that the Casablanca Stock Exchange temporarily suspend the listing of some securities, pending the publication of important information or as part of the filing of a public offering project.

As such, three securities were suspended during in 2021, two of them in connection with the filing of an IPO project and the third one related to the publication of an important information.

(5) Meeting notice, corrigendum notice, post general-meetings press releases, etc

2.3 Threshold crossing disclosures

Threshold crossing disclosures are a disclosure requirement incumbent on shareholders who have crossed the thresholds of ownership in listed companies, either upwards or downwards. These thresholds of 5%, 10%, 20%, 33.33%, 50% and 66.66% are set by Articles 97 and 98 of Law No. 19-14 on the Stock Exchange, brokerage firms and financial investment advisors. The AMMC controls and processes threshold crossing disclosures and makes them public on its website in order to report on changes in the shareholding structure of listed companies.

Table 28. Breakdown of disclosures by investor category

Investor Category	2020	2021
Threshold crossing disclosure (upward)	11	7
<i>Legal entities established under foreign law</i>	0	1
<i>Legal entities established under Moroccan law</i>	6	6
<i>Natural persons</i>	5	0
Threshold crossing disclosures (downward)	10	11
<i>Legal entities established under foreign law</i>	2	0
<i>Legal entities established under Moroccan law</i>	6	10
<i>Natural persons</i>	2	1
TOTAL threshold crossing disclosures	21	18

Source : AMMC

2.4 Repurchase programs of listed companies

Listed companies that have an ongoing repurchase program are required to submit a monthly statement to the AMMC, disclosing all transfers and acquisitions made either directly or through their subsidiaries during the previous month.

Table 29. Repurchase programs in 2021

4 repurchase programs as at 31/12/2020	3 programs expired in 2021	3 repurchase program renewed in 2021	4 repurchase programs as at 31/12/2021
Stokvis Nord Afrique, Douja Promotion Groupe Addoha, BCP and IAM	Stokvis Nord Afrique, BCP and IAM	Stokvis Nord Afrique, BCP and IAM	Stokvis Nord Afrique, Douja Promotion Groupe Addoha, BCP and IAM

Source : AMMC

**Table 30. Status of pending repurchase programs
as at 31/12/2021**

Companies	Addoha	BCP	MAROC TELECOM		Stokvis Nord Afrique
			Casablanca	Paris	
Performance of the repurchase program / Liquidity contract					
Number of shares held at the beginning of 2021	2 723 024	0 (*)	13 500	42 687	376 078
Total number of shares purchased under the repurchase program	-	-	353 299	345 317	11 570
Total number of shares purchased under the liquidity contract	-	153 267	512 557	-	-
Weighted average purchase price	-	273.33 MAD	140.40 MAD	13.18€	12.32 MAD
Total number of shares sold under the repurchase program	-	-	348 299	325 904	-
Total number of shares sold under the liquidity contract	-	108 074	508 532	-	-
Weighted average purchase price	-	276.30 MAD	140.47 MAD	13.17€	-
Number of shares held at the end of 2021	2 723 024	45 193	22 525	62 100	387 648
Equity share	0.68%	0.022%		0.01%	4.22%

(*): The company held 69 336 shares under the previous program, which were sold prior to the renewal of the repurchase program in July 2021.
Source : AMMC

2.5 Ethics of listed companies

In 2021, listed companies' use of the SESAM platform changed significantly. Out of a total of 74 listed companies, 61 submitted their ethics report via SESAM in the second half of 2021, compared with 55 in the first half of 2021.

Monitoring compliance with the deadline for submissions showed that:

- 14 reports were submitted late for the first half of 2021 compared to 10 for the second half. Most of the delays were due to technical issues;
- three companies did not submit the ethics report for the first half of 2021 and one company for the second half of 2021.

As for the comprehensiveness of the reports, the controls carried out revealed:

- the incomplete nature of 2 reports for the first half of 2021 and 2 reports for the second half of 2021;
- the failure to update 9 lists of insiders for the first half of 2021 and 4 for the second half of 2021. The companies concerned by this discrepancy have all made the necessary adjustments at the request of the AMMC.

Table 31. Results of the control of listed companies' ethics reports

	H1 2021	H2 2021
No submission	3	1
Non-compliance with the submission deadline	14	10
Non-compliance with regard to the comprehensiveness of the report	2	2
Comprehensiveness of insider lists	9	4

In addition, the analysis of the content of the ethics reports for 2021 revealed certain findings, including:

- all the compliance officers reported that there were no issues with the enforcement of ethical rules;
- 26 compliance officers reported conducting awareness-raising sessions in 2021, compared to 29 in 2020;
- in 2021, 4 compliance officers were consulted by insiders prior to trading in the listed company's shares;
- 22 compliance officers reported recording insider trading in a register;
- 12 companies have chosen to use discretionary management.

2.6 Management of relations with statutory auditors

Monitoring the new AMMC disclosure requirements by issuers and their auditors reveals:

Issuers:

In July 2021, Law No. 17-95 relating to limited companies was amended by Law No. 19-20, which introduced the principle of auditor rotation, which consists in limiting the maximum duration of the mandates of the auditors of companies making public offerings to 12 fiscal years and planning a four-year waiting period.

Statutory auditors:

The statutory auditors' duty to inform the AMMC concerns any fact or decision likely to affect the issuer's financial situation, jeopardize its ability to continue as a going concern or lead to a reservation or refusal of certification.

As such, in 2021, this duty of information of the statutory auditors has materialized through the reporting of 10 intentions to issue reservations, two of which concerned new reservations.

2.7 Reporting on corporate social responsibility

The purpose of an ESG report published by issuers is to inform the public about the impact of the company's activities on the environment, the company's relationship with its employees and stakeholders, and its governance. It contains both general and specific information.

2.7.1 ESG Reporting (Environmental, Social and Governance)

The second edition of ESG reporting by issuers was published in 2021. Thus, the analysis of the reports published in 2020 revealed that 98% of issuers met the legal deadlines.

An analysis of ESG reports' content shows a better compliance of issuers in terms of publishing certain aspects.

2.7.2 General Information

This section of the ESG report provides an overview of the issuer's profile and CSR strategy. In particular, it introduces the material issues and describes the process for collecting and processing non-financial information.

In this respect, the 91 reviewed reports highlight the following findings:

- **CSR strategy:** 86% of issuers described their CSR policies. 15 reported having a CSR or sustainable development committee, 19 have a CSR or sustainable development charter, 13 acknowledged contributing to the United Nations' Sustainable Development Goals (SDGs).
- **Reporting framework:** 57% of issuers specified the framework used to prepare the report. These include the Global Reporting Initiative (GRI), ISO 26000 and the Sustainable Development Goals.
- **Scope of the report:** 35% of issuers reported adopting a consolidated scope taking into account the subsidiaries and various activities of the group for the preparation of the report.
- **Materiality of ESG issues:** 34% of issuers have published a materiality assessment, compared to 24% for the 2019 financial year.
- **Information collection method:** 48% of issuers mentioned their information collection method, compared to 47% in fiscal 2019.

2.7.3 Specific Information

The "environmental" dimension: addresses the issuer's environmental policy and covers the impacts related to the use of natural resources and waste treatment, highlighting the company's participation in the preservation of these resources and the efforts made to reduce their consumption. In this respect, the analysis of the 91 reports for 2021 shows that:

- activities with an environmental impact were mentioned by 66% of issuers, compared to 61% in 2019. Four issuers reported that they had no environmental impact;
- some of the main methods mentioned by issuers to assess their environmental impact were ISO 14001, ISO 50001, carbon footprint and environmental impact assessment;
- 91% of issuers have an environmental policy, of which 17% have published quantified objectives in this area. In addition, no environmental disputes were reported by issuers;
- 75% of issuers reported on waste management;
- 57% of issuers provide quantified data (year-on-year change, cost of consumption, actual consumption, etc.), compared to 45% in 2019;
- 80% of reports contain measures implemented to optimize resource consumption, compared to 57% a year earlier. The measures mentioned revolve around the generalization of LED lighting, installation of photovoltaic panels, employee awareness, etc.).

The "social" dimension: describes the main aspects of the issuer's human resources management policy. In this dimension, most of the indicators required by Circular No. 03/19 have been provided, in particular recruitment, dismissals, strike days and information on the workforce.

In this respect, the 91 reviewed reports highlight the following findings:

- Inclusion of people with disabilities: 55% of issuers reported on measures taken for the inclusion of people with disabilities, while only 8% indicated the number of people in their workforce. The measures taken are varied and mainly concern the following aspects: awareness raising, accessibility, mapping of positions that can be filled by people with disabilities, participation in the Handicap Morocco Forum;
- Gender equality: analysis of the reports reveals that 75% of issuers adopt measures promoting gender equality, compared to 68% in 2019. Most companies refer to equal opportunities in all HR-related processes (recruitment, integration, compensation, career, training, etc.);
- The most frequently reported aspect of workforce distribution is gender, with 93% of companies reporting on this aspect;
- Companies provide the least information on the breakdown by branch of activity: only half of issuers provide this information.

The "governance" dimension: provides an overview of the composition of the governance body and its functioning, as well as its role in risk management and sustainable development. The analysis of this section shows that:

- 57% of the reports reviewed contain a description of the gender equality rules in place, compared to 32% in 2019;
- 60% of the reports mention that the Boards of Directors or Supervisory Boards meet more than twice a year, compared to 57% in 2019;
- 51% of issuers mentioned executive compensation, versus 47% in 2019;
- The process for evaluating the performance of the governance body was mentioned by 26% of issuers, which is the same level as the previous year;
- 77% of issuers report having implemented measures to prevent corruption. This rate is identical to that observed last year.

3. CONTROL OF PARTICIPANTS

The AMMC supervises the activities, organization and resources of market participants to ensure that they operate under secure conditions, in compliance with the legal and regulatory provisions that govern them. This supervision takes two complementary forms: inspections at the participants' premises, and documentary audits through the analysis of the regulatory reports submitted to the AMMC via the "Market Authority Exchange and Supervision System" (SESAM) platform.

3.1 On-Site Inspections

In the context of the COVID-19 pandemic and as a member of the International Organization of Securities Commissions (IOSCO), the AMMC, following the example of other regulators, has reviewed its approach to conduct inspections mainly in a remote format while ensuring the documentation of findings, the existence of audit trails and the principle of adversarial process. This approach is based on the following main steps:

- administration of detailed questionnaires covering all areas to be audited and/or requests for information and documents;
- interviews with the managers of the audited processes by videoconference using a secure platform in order to ensure the thoroughness of the audits related to the topics covered by the inspection;
- remote access to the information system and applications of the participant, if necessary;
- sending the inspection reports to the market participant for feedback and comments;
- sending the final inspection report to the market participant.

The AMMC stepped up its controls and inspected 42 market participants, representing nearly 54% of supervised entities, a 40% increase over 2020.

Table 32. Inspections 2021 : Coverage rate

	Total number	Number inspected
Brokerage firms	17	5
Management companies	45	21
Banks - Account keepers	14	14
Market undertakings	2	2
Total	78	42
Coverage rate (Number of market participants inspected/total number of market participants)		54%

BOX 9. REMINDER OF THE TYPOLOGY OF INSPECTIONS

Post-inspections (SCAN) are planned on an annual or multi-year basis and cover all of a market participant's business areas and processes.

Thematic inspections (SCRIN) are triggered on the basis of feedback related to the occurrence of a new risk or conducted on the basis of a risk management-oriented reference framework.

Periodic inspections (SCOP) consist of short thematic audits, targeted on a specific topic, carried out on several market participants at the same time. The main objective is to compare some practices of market players in a specific area with a view to identifying good and bad practices based on a reference framework (national regulations, international standards, etc.).

SCAN: Annual Scheduled Supervision and Control of an Actor

SCRIN: Supervision and Control Restricted to Identified or Reported Risks

SCOP: Supervision and Control of Operations on Certain Market Practices

In 2021, the following highlights were achieved:

- the completion of two inspections covering the year 2020;
- the launch of sixteen inspections with a predominance of SCAN and SCRIN inspections;
- the planning of two SCOP inspections;
- the inspection of market infrastructures (Casablanca Stock Exchange and Maroclear).

3.1.1 SCAN inspections

• The control of brokerage firms and management companies

SCAN inspections were carried out at the brokerage firms Atlas Capital Bourse and Artbourse, as well as at the UCITS management companies Atlas Capital Management, BMCE Capital Gestion and IRGAM. In addition to ensuring compliance with legal and regulatory requirements, these inspections focused on evaluating:

- governance;
- financial, human, organizational and technical resources;
- the processing of stock exchange orders and transactions by the brokerage firms;
- the management of funds, the methods of processing subscriptions and redemptions, portfolio valuation and the calculation of the net asset value by the management companies;
- the methods used to manage customer relations;
- the internal control and risk management system;
- the anti-money laundering and combating the financing of terrorism system.

3.1.2 SCRIN inspections

- **Post-inspections**

Following the previous SCAN inspections in 2017-2018, the AMMC carried out three SCRIN inspections of the brokerage firms Alma Finance Group, ICF Al Wassit and CDG Capital Bourse to assess the fulfillment and implementation of their commitments.

- **Inspections of account-keepers**

Two SCRIN inspections were carried out at BMCI and CIH in their capacity as securities account keepers. The first inspection allowed the control of the established organizational and human resources, the handling of customer transactions, the internal control system as well as the processes for handling incidents and complaints, while the second inspection aimed at assessing the methods used to perform the function of a UCITS depository institution.

- **Post-approval inspections**

Three SCRIN inspections were conducted at the OPCC management companies Azur Innovation Management, SEAF Morocco Capital Partners and Sogécapital Investissement. The purpose of these three inspections was to ensure that these companies have the organizational, human and technical resources required to carry out their business in accordance with the commitments made at the time their approval was granted.

3.1.3 SCOP inspections

- **SCOP inspection of securities account holders - banks**

The AMMC conducted SCOP inspections of banking institutions holding securities accounts.

Two topics were covered during this inspection:

- the evaluation of the organization of the entity in charge of the securities account keeping activity through the positioning within the bank, the resources available to the entity to carry out its missions as well as the control procedures carried out within the entity;
- the conditions under which the UCI depository is carrying out its activity.

Following a remote survey of all banks, an inspection was carried out at seven banks.

This SCOP inspection made it possible to:

- map out the practices observed within the banks in terms of organization and positioning of the entities in charge of the securities account keeping activity;
- identify the drivers of development, the resources to be deployed and the regulatory support required to upgrade the standards of the profession;
- detect the practices and challenges related to the exercise of the function of UCI depository institution.

Also, based on this inspection and the history of documentary and on-site inspections carried out by the AMMC, good and bad practices relating to the two above-mentioned themes were identified and shared with the profession.

- **SCOP inspection of UCITS management companies**

The last quarter of 2021 was marked by the start of a SCOP inspection of UCITS management companies concerning "the evaluation of the system for valuing the assets and liabilities of funds under management within UCITS management companies."

BOX 10. SUMMARY OF GOOD AND BAD PRACTICES RELATING TO THE ORGANIZATION OF THE ENTITY IN CHARGE OF THE SECURITIES ACCOUNT-KEEPING ACTIVITY

Organization of the entity in charge of the securities account management activity

Positioning and organization of the entity in charge of securities account management within the bank	✓ Separation of the entity in charge of securities account management from the front office entities of the investment bank and the establishment of a sales function within the account keeper. ✗ The positioning of the entity in charge of securities account management within structures that do not guarantee its independence from the entities in charge of trading activities.
Outsourced or shared activities	✓ Establishment of steering and monitoring committees for outsourced activities.. ✗ Existence of non-specific agreements.
Implementation of structuring projects for the development of information systems	✓ Existence of a team or entity in charge of examining projects and the readiness to grant funding for projects. ✗ Lack of identification of development drivers, the existence of delays in the execution of projects or the dependence of the group for the initiation of projects.
Relationship management with bank branches	✓ Communication with branches via a secure information system, as well as the introduction of an online stock exchange service and decentralized order entry. ✗ Lack of an information system at bank branches allowing for the automation of the customer relationship management process.
Customer relationship management procedures	✓ 17. Automation of the customer intake process, as well as the implementation of a system allowing the account keeper to monitor customer records. ✗ Lack of control and monitoring of customer records within the bank, as well as the existence of active customers not covered by the agreement.

Resources of the entity in charge of the securities account management activity

Organization of the securities account keeper	✓ Clear definition of the scope of each team within the entity in charge of account keeping, the separation of flow management from inventory management and the creation of a function in charge of managing the reference framework. ✗ Existence of non-detailed and unsigned job descriptions as well as the absence of procedures detailing all of the stakeholder's processes.
Human resources	✓ Recruitment of qualified and experienced staff and the adequacy of continuing education to the needs of employees. ✓ The use of temporary staff for the processing of back-office operations ✗ Inadequate staffing levels considering the importance of the account keeper's activity, lack of accreditation of staff members occupying a function eligible for accreditation.
Information system	✓ Automation of the major processes of the account maintenance activity and implementation of relevant blocking controls. ✗ Poor integration and/or automation of the information system.
Methods of data exchange with external entities	✓ Existence of secure and automated exchange channels with external entities allowing for the integration of files received on the information system. ✗ Multiple manual entries after receipt of documents from external entities.
Business continuity plan	✓ Implementation of a formalized business continuity plan specific to the securities account activity and the performance of BCP tests at a predetermined frequency. ✗ Lack of an operational BCP or lack of formalization of the BCP, lack of a fallback site or lack of backup in a remote site.

Internal control activities

Internal control system	✓ Implementation of three levels of control, existence of a system for reporting internal control results, identification of relevant control points and implementation of a system for monitoring action plans for correcting anomalies. ✗ Lack of an internal controller dedicated to the activity, of a functional link with the bank's internal control system, or lack of formalization and reporting of controls performed.
Risk identification and assessment	✓ Development of a relevant risk map, updated regularly and following a consistent methodology, as well as the existence of a risk management function. ✗ Incompleteness of the risk map and the absence of an action plan for risk control.
Conflict of interest prevention and management policy	✓ Existence of a conflict of interest map, implementation of a platform for reporting the accounts of staff performing sensitive functions and existence of a department or function in charge of ensuring compliance with the code of ethics. ✗ Lack of a procedure for detecting and managing conflicts of interest and lack of monitoring of the transactions of persons performing sensitive functions.
Internal vigilance and monitoring system	✓ Implementation of a system for filtering and monitoring transactions, as well as the setting of rules and alert systems within the information system. ✗ Lack of procedures and policies for internal vigilance and monitoring and the absence of an AML/CFT risk map.
Incident management and complaints handling	✓ Implementation of systems and tools for the centralized management of incidents and complaints and the existence of an entity dedicated to receiving and processing complaints at bank level. ✗ Lack of formalized monitoring of incidents and complaints.
Internal and external audits	✓ Certification of the entity's internal control system by a specialized firm and the performance of internal audit missions at predefined intervals within the account-keeping entity. ✗ Lack of internal or external audit within the entity.

BOX 11. SUMMARY OF GOOD AND BAD PRACTICES RELATING TO THE FUNCTION OF CUSTODIAN OF COLLECTIVE INVESTMENT SCHEMES

Resources of the UCI depository institution

Organizational resources	✓ Separation of the entity in charge of the depository control from the one in charge of the processing of the operations of the securities account keeping. ✗ Reporting of the internal control and UCI depository control functions to the same entity or manager, as well as the absence of formalization of procedures covering all the activities carried out by the UCI depository institution.
Human resources	✓ Recruitment of experienced staff as well as the setting up of specific training courses for the activity of UCI depository for all types of funds kept. ✗ Shortage of staff in charge of the activity of control of UCI depository.
Technical resources	✗ Lack of an information system or of modules taking care of the controls related to the different types of UCIs.
Internal control system at the UCI depository institution	✓ Implementation of three levels of control for the control activity of UCIs and the implementation of a reference framework or internal control manual for the different types of UCIs. ✗ Lack of formalization of first and/or second level controls relating to the control activity of UCIs.
Reporting and follow-up of anomalies	✓ Implementation of an escalation procedure in the event of anomalies being detected, as well as the automatic generation of control reports presenting the anomalies identified during the depository control. ✗ Lack of follow-up of the correction of anomalies with the management company as well as the lack of formalization of the follow-up of anomalies in a file or register of anomalies.
Legal files	✗ Lack of formalization of the control of the completeness of the legal files of the UCI funds and of the follow-up of their update..
Management of UCI cash accounts	✗ Lack of definition of the management rules of the UCI cash accounts adapted to their specificities and operating needs. ✗ Lack of formalized monitoring of the cash movements of all UCIs by the custodian institution.

Function of a UCITS depository institution

Information system	✓ Implementation of an information system enabling the: - automatic generation of control results and reports - automatic generation of asset inventories; - setting of regulatory and statutory restrictions. ✗ Lack of an integrated information system to perform all controls..
Controls implemented by the UCITS depository	✓ Implementation of an automated control of the cut-off time for subscriptions and redemptions. ✓ Automatic calculation and deduction of fees and rights acquired by the funds. ✓ Implementation of an information system enabling the revaluation of the comprehensiveness of the securities held by the funds, as well as the archiving of the results of the control of the regulatory and specific ratios. ✓ Data structuring enabling automated integration of orders received from management companies. ✓ Automation of cash, securities and unitholder reconciliations in order to reduce the risk of error, to make all reconciliations more reliable and to reduce processing time. ✓ Manual entry of subscription and redemption orders. ✗ Lack of specific parameters for each fund in the information system. ✗ Dependence on the information system provider for the setting of specific ratios. ✗ Lack of formalized monitoring of regulatory ratios and of the regularization of overruns. ✗ Lack of formalized control of securities valuation and the calculation of net asset value. ✗ Lack of monitoring of the positions of external unitholders in the information system and manual reconciliation of external unitholders

Function of an OPCI custodian institution

Information system	✓ Implementation of an information system enabling all the controls relating to the activity of OPCI custodian to be carried out.
A priori controls	✗ Lack of implementation of a priori controls allowing to guarantee the compliance of the operations with all the rules provided by the management regulations. ✗ Lack of information provided to the custodian by the management company of the transactions it carries out on behalf of the OPCI, 15 days before the date of execution of the transactions concerned.
Control of the liquidity flows of OPCIs	✓ Performance of a cash account reconciliation for each liquidity movement or event affecting the OPCI's cash account, as well as the implementation of measures to detect cash flows that may not correspond to the OPCI's activities. ✗ Reconciliation of cash by balance only.
Reconciliation of securities account and number of units or shares	✓ Automation of the reconciliation of the securities account and the number of units or shares.. ✗ Lack of formalization of the reconciliation of the securities account and number of units or shares.
Control of the orders of subscriptions and redemptions of OPCI	✗ Lack of formalization of controls relating to the respect of the cut-offs for receiving subscription and redemption orders from the OPCI. ✗ Lack of formal control over the keeping and updating of the register of unitholders.
Calculation of the net asset value	✓ Automated control of the net asset value and compliance with all the stages of control of the net asset value. ✗ Lack of recalculation of the net asset value.

Function of an OPCC/OPCR custodian institution

Implementation of controls	✓ Implementation of an information system enabling all the controls relating to the activity of custodian of the OPCC/OPCR to be carried out. ✗ Lack of performance or formalization of the control of asset valuation of the OPCC/OPCR and lack of formalization of the control of the respect of the date and cut-off time for subscription and redemption orders.
----------------------------	---

Custodian function for FPCTs

Implementation of controls	✓ Implementation of an information system enabling all the controls relating to the activity of FPCT custodian to be carried out. ✗ Lack of performance or formalization of the control of the regularity of management decisions and lack of formalization of the monitoring of FPCT payment accounts.
----------------------------	--

3.2 Documentary audits

As part of monitoring stakeholders, the AMMC carries out a documentary control based on the information and documents that must be provided on a regular and timely basis.

This control notably involves monitoring and analyzing:

- developments in the quarterly business and financial indicators of participants;
- monthly securities lending transactions;
- compliance with the various prudential rules applicable to them;
- half-yearly reports of the internal auditors;
- half-yearly contributions to the guarantee fund.

In particular, these controls allow the AMMC to:

- make recommendations that can improve market practices and the internal processes of market participants;
- enrich the risk map of market participants, so as to obtain a more detailed assessment of each participant's level of compliance with legal and regulatory requirements in terms of human, financial, organizational and technical resources, as well as their level of exposure to the various risks associated with their business.

Moreover, the AMMC pays particular attention to the follow-up of reported incidents. In this context, it ensures a meticulous follow-up of all these incidents until their closure, in order to assess their origin, criticality, frequency, impact as well as the action plan implemented by the stakeholder to remedy them.

In addition, as part of its monitoring and support of participants, the AMMC also handles all of their requests and consultations relating to:

- their development projects;
- optimization of their operational processes;
- the digitalization of treatments and processes.

3.2.1 Control of brokerage firms and account keepers

• Documentary audits

In 2021, the AMMC received 69 incident notifications from brokerage firms and banks in connection with securities account-keeping activities, compared to 66 notifications in 2020.

Table 33. Number and typology of incidents reported to the AMMC

	Activity- related incidents	Technical incidents	Other incidents
Brokerage firms	11	35	9
Banks – Account keepers	10	0	4

Source : Participants, AMMC calculations

Table 34. Typology of incidents reported by brokerage firms

Activity-related incidents			Technical incidents	
Brokerage firms	Incident related to triangular transactions	4	System bugs (abnormal operation)	15
	Incident relating to the implementation of stock exchange orders (excluding stabilization and outstanding)	3	Incidents relating to telecommunications links	8
	Overstepping prudential rules	2	Incident relating to time synchronization between systems	6
	Incident relating to the completion of transactions	1	Incident relating to the trading/quotation platform	3
	Incident relating to securities transactions	1	Incident relating to the telephone recorder	2
			Incident relating to the MCL platform	1

Source : Brokerage firms, AMMC calculations

Table 35. Typology of incidents reported by account keepers-banks

Activity-related incidents		
Account keepers-Banks	Incident relating to securities transactions	6
	Incident relating to the completion of transactions	2
	Incident relating to the accounting of transactions	1
	Incident relating to the constitution of the PONA	1

Source : Account keepers-banks, AMMC calculations

It should be noted that a large proportion of the incidents reported are of low to moderate criticality and relate, in particular, to technical problems such as system bugs that caused a temporary halt in activity, breakdowns in telecommunication links and problems relating to the completion of operations.

In addition, all of the reported incidents were closely followed up by the AMMC. These include:

- technical incidents affecting the information systems;
- incidents relating to customer-related activities.

3.2.2 Control of Collective Investment Undertakings (UCIs) and their management companies

• Control of UCIs

UCIs shall comply with the laws and regulations to which they are subject and which mainly relate to compliance with:

- prudential rules relating to the composition of their assets, which define the proportions of securities, repurchase agreements, securities lending transactions and cash constituting their portfolio, as well as the maximum level of debt that they are authorized to contract. The rules aim at circumscribing and managing the main risks to which UCIs are subject, namely market risk, counterparty risk, liquidity risk and leverage risk;
- the classification and the investment strategy as specified in their prospectus;
- the exclusive interest of their unitholders or shareholders in all the operations they initiate;
- the management and operating rules set out in their management regulations;
- the obligations in terms of investor information.

• Control of UCI management companies

The documentary audit of UCI management companies mainly concerns:

- compliance by management companies with all the legal and regulatory provisions governing their activities;
 - adequacy between the resources implemented by the management companies (financial, human, technical and organizational resources) and the activities carried out by these companies;
 - the primary consideration of said companies is the interests of the investors whose assets they manage;
 - compliance by the said companies with their disclosure requirements;
 - evaluation and monitoring of the risks borne by the said companies;
 - validation of advertising campaigns concerning the said companies or the UCIs that they manage;
 - the control of documents and information submitted by the management companies, with regard to the legal and regulatory provisions in force.
-

BOX 12. AWARENESS-RAISING SEMINAR FOR REAL ESTATE APPRAISERS OF REIS'(REAL ESTATE INVESTMENT SCHEMES) ASSETS

As part of monitoring OPCI management activities, the AMMC organized an awareness-raising session in 2021 for all real estate appraisers of OPCI assets. This awareness raising session focused on the following points:

- the legal and regulatory provisions governing the activity of real estate appraisers of OPCI assets;
- the missions of real estate appraisers of OPCI assets;
- the responsibility of real estate appraisers of OPCI assets and the central role played by appraisers in the protection of the interests of investors and savings invested in OPCIs.

During this awareness-raising session, the AMMC shared its feedback following the first two years of activity of OPCI real estate appraisers, as well as its expectations towards the said appraisers, while highlighting their crucial role in the operation of OPCIs.

Finally, it should be emphasized that this awareness-raising session was also an opportunity to hear about the obstacles and difficulties encountered by the real estate appraisers in the performance of their duties.

Furthermore, in 2021, in addition to the standard and regular controls to which UCITS are subject, the AMMC has:

- reiterated its requirement for management companies to carry out two "stress-test" campaigns for UCITS under management after this exercise was introduced for the first time in 2020 in response to the covid-19 crisis. These tests enable management companies to measure the ability of UCITS to meet massive redemption requests or to cope with a significant deterioration in market conditions in terms of both valuation and liquidity;
- initiated the monitoring and control of the regularity of the guarantees received in as part of securities lending transactions carried out by UCITS following the amendment of the relevant law in 2021.

4. SUPERVISING MARKET UNDERTAKINGS AND INFRASTRUCTURES

Market undertakings are an essential component of the organization of the capital market in terms of the services they offer to market participants and their systemic dimension. They manage technical infrastructures that operate regulated activities, particularly listing, clearing and settlement-delivery systems carried out by companies created by specific laws subject to a strict supervision.

• Legal basis for the supervision of market undertakings and infrastructures

Pursuant to the provisions of Law No. 43-12 on the Moroccan Capital Market Authority, Law No. 19-14 on the Casablanca Stock Exchange, brokerage firms and financial investment advisers, and Law No. 35-96 on the creation of a central depository and the establishment of a general regime for the book-entry of certain securities, the Moroccan Capital Market Authority controls and supervises capital market undertakings and infrastructures.

It should be noted that the activities of market undertakings and infrastructures cover on a main and regular basis one or more of the following activities:

- trading of financial instruments;
- clearing of financial instruments;
- settling financial instrument transactions;
- custody of financial instruments.

The AMMC controls and supervises the Stock Exchange Management Company and the infrastructures it manages. These infrastructures cover, on the one hand, the securities listing and trading system and, on the other hand, the guarantee system for the proper completion of listed securities transactions.

Also, Article 33 of Law No. 19-14 relating to the Casablanca Stock Exchange, brokerage companies and financial investment advisers empowers the AMMC to ascertain that Stock Exchange management companies comply with the specifications, as approved by the Minister in charge of finance.

The AMMC also controls and supervises Maroclear as well as the infrastructures it manages. These infrastructures concern, on the one hand, the custody of financial instruments admitted to Maroclear's transactions and, on the other hand, the settlement of transactions on retained financial instruments.

In this context, the AMMC has conducted, since 2010, sixteen inspections of Maroclear⁶ and the Casablanca⁷ Stock Exchange. Moreover, in 2021, the AMMC has conducted two missions concerning FMIs, targeting Maroclear and the Casablanca Stock Exchange.

In addition, and pursuant to Law No. 42-12 relating to the financial futures market, the Moroccan Capital Market Authority is in charge, individually and jointly with Bank Al-Maghrib, within the framework of the Futures Market Coordination Authority, of the functioning and supervision of the futures market. These two entities are also in charge of the functioning and the supervision of the clearinghouse and of the trading and clearing members, empowered to carry out the trading and clearing activities of transactions on listed financial instruments.

(6) 2010: "IS security" and "OTC and UCITS sector"; 2011: "Stock market and Repo sector"; 2012: "Affiliation and licensing process"; 2013 "Post-mission"; 2014: "Internal control system"; 2017: "Asset valuation"

(7) 2010: "Post mission"; 2011: "Guarantee and risk management system"; 2012: "Post inspection mission"; 2012: "Incident management"; 2013: "Internal control system"; 2015: "Processing of financial operations"; 2016: "Switch to the new trading platform."

- **Powers of the AMMC to supervise market undertakings and infrastructures**

With a view to ensuring the resilience and proper functioning of the managed market infrastructures, the Moroccan Capital Market Authority monitors the compliance of market undertakings with the operating rules governing them provided for by the various legal and regulatory provisions.

Furthermore, and in accordance with the regulatory framework provided for, in particular, by the circulars of the Moroccan Capital Market Authority, the latter ensures the adequacy of the resources rolled out by market undertakings, mainly in terms of governance, compliance, organizational, human, financial, IT and technical resources, and business continuity.

To this end, these market undertakings are required to send to the Moroccan Capital Market Authority, at defined intervals, all documents and information necessary for the accomplishment of its missions. Thus, the list, content and models of the above-mentioned documents and information, as well as the media and deadlines for their transmission, are set by a circular of the Moroccan Capital Market Authority.

In addition to the control of the above-mentioned means, the AMMC closely monitors the following aspects: internal control, internal and external audits, risk management system, business continuity plan (BCP), financial situation and decisions of governance bodies.

In this respect, various controls are carried out to verify all the submitted reports, particularly with regard to their completeness, consistency and timeliness. In addition to checking the resources deployed, the checks also concern the activities managed. These controls are mainly based on an analysis of market and post-trade indicators, in particular transaction volumes, trade confirmations, assets under custody, flows settled and pending items.

Moreover, and for the purpose of investigating and ascertaining violations of legal and regulatory provisions, the Moroccan Capital Market Authority is empowered to have sworn agents, specially commissioned for this purpose, carry out documentary and on-site inspections of market undertakings.

BOX 13: THE RISK-BASED SUPERVISION APPROACH

To ensure its mission of supervising market undertakings, the Moroccan Capital Market Authority relies on a risk-based approach. This approach makes it possible to focus on the scale and severity of the risks to which a market undertaking is exposed.

In fact, the benchmarks used in the framework of this approach highlight standard data allowing a standardization of the risk assessment methodology. It is based on a detailed analysis of the structure's processes in order to identify the risks involved as well as the causes and consequences throughout the value chain.

This analysis is based on the following steps:

1. identification of potential risks for each process;
2. measurement of the inherent risk (gross);
3. performance of a qualitative analysis by major risk;
4. evaluation of the risk management systems deployed by the company;
5. measurement of the residual risk (net).

As a result, risks are inventoried, measured and the risk management systems are regularly evaluated in order to verify compliance with regulations and good practices. The objective of this approach is to help the market undertaking comply and reduce its risks by systematically and methodically evaluating its governance, organization, risk management and control processes, while making proposals to strengthen their efficiency.

It should be noted that this approach is based on a mapping of the risks of each market undertaking. This map provides an overview of the risks, both in terms of severity (impact) and occurrence (frequency), and allows for prioritization of treatment. It includes several categories of risks, broken down by process: financial, strategic and operational.

Therefore, on the basis of the findings and observations made during controls and the processing of documents and information received, a score is assigned to each sub-field, corresponding to the assessment of the risk/control mechanism implemented by the market undertaking.

4.1 Supervising the Casablanca Stock Exchange

In 2021, the supervision activity of the Casablanca Stock Exchange SA ensured the adequacy of the means deployed and the resilience of the managed infrastructures, despite the context that was still marked by the impacts of the health crisis. Indeed, the technology platforms managed have ensured a 100% reliability rate for the fifth consecutive year.

4.1.1 Assessment of the supervision of the company managing the Stock Exchange

• Incidents recorded

The year 2021 recorded seven operational incidents on the managed technical platforms. The impact of these incidents was classified as of moderate or low criticality and concerned in particular the clearing system and the "statistics and indices" section. The reported incidents did not have a major impact on the activity of market participants. They were handled by the Casablanca Stock Exchange management company and were the subject of a diagnosis, which led to a set of corrective and preventive actions.

The overall risk rating of the Casablanca Stock Exchange remained stable in 2021, because of an efficient risk control system making it possible to keep the residual risk at a medium level.

• Audits carried out by the Casablanca Stock Exchange

The governance bodies of the Casablanca Stock Exchange have set up an annual audit plan covering several areas of activity. In this respect, three internal audit inspections as well as five follow-up missions have been carried out in 2021.

Moreover, eight normative audit missions as well as four external audit missions have been carried out in order to evaluate the efficiency and the relevance of the processes of information systems security and the management of the Moroccan Gross Settlement System (SRBM), which allows the Casablanca Stock Exchange to trade with Bank Al Maghrib.

• SCAN mission conducted by the AMMC

The SCAN inspection conducted at the Casablanca Stock Exchange covered, on the one hand, the compliance of the management company with the provisions of the specifications signed with the State and, on the other hand, the evaluation of the following elements:

- governance;
- organizational, human, material and technical resources;
- internal control and risk management system;
- conduct of operational activities.

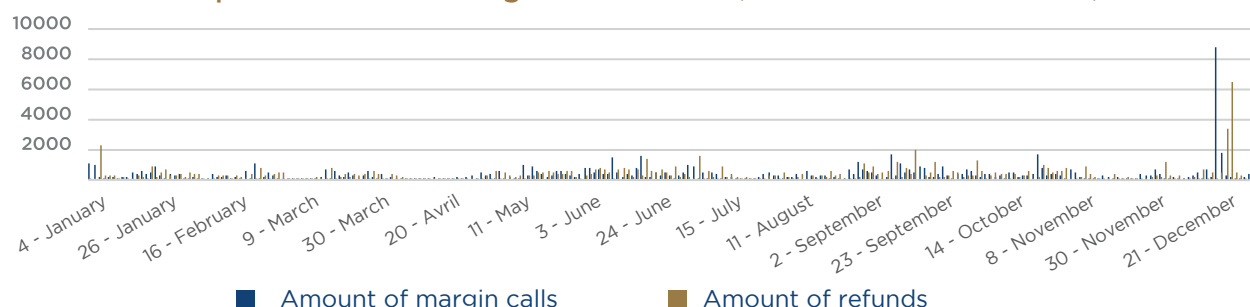
4.1.2 Focus on the clearing and settlement guarantee system

The transactions performance guarantee system makes it possible to streamline the settlement of transactions by ensuring to the brokerage firms the delivery of securities against cash settlement. Pursuant to Article 28 of Law No. 19-14, the management company implements mechanisms allowing the efficient and secure finalization of transactions on financial instruments listed on the Stock Exchange in order to guarantee their successful completion.

The analysis of the activity of the performance guarantee system covers its two main components. The risk management, which is based on the system of margin calls and the guarantee deposit provided by brokerage firms to cover the risks related to their transactions and the system of management of suspense and liquidation of positions by the management company.

The statistics relating to pending stock exchange transactions show that the counterparty risk of the stock exchange activity is maintained at a very low level. As for the level of margin calls, it remains consistent with the volume of transactions, emphasizing that no incident was recorded in 2021.

Graph 43. Status of margin calls in 2021 (in thousands of Moroccan dirhams)



Source : Brokerage firms

BOX 14. THE CASABLANCA STOCK EXCHANGE'S PERFORMANCE GUARANTEE SYSTEM: A PIVOTAL ROLE IN THE SETTLEMENT PROCESS OF STOCK EXCHANGE TRANSACTIONS

For the proper settlement of transactions in financial instruments listed on the regulated market of the Casablanca Stock Exchange, Law No. 19-14 relating to the Stock Exchange, brokerage firms and financial investment advisers established the requirement for the managing company to ensure the proper completion of operations.

It is a system integrated in a set of processes that interact to ensure a smooth and secure completion of transactions. The whole system is governed by operating principles including simultaneous settlement against delivery and a standardized settlement time frame of D+3, where D is the date of the transaction.

In this settlement scheme, brokerage firms play a pivotal role and are responsible for the successful completion of the transactions they initiate on the central market of the Stock Exchange. As such, they are liable towards their counterparty for the securities or cash until the settlement of their transactions. In case of a default of a counterparty, the Casablanca Stock Exchange, through its guarantee system, takes charge of the resolution of the pending without prejudice to the party affected by the default.

In fact, the system is based on two pillars. The first consists in assessing the market risk relating to open but not yet settled positions. Through the mechanism of daily margin calls, the Stock Exchange covers this risk. In addition, a guarantee fund (initial contribution) is provided to cover the risk of a total liquidation of transactions. Brokerage firms fund both.

The second pillar concerns the mechanisms for resolving pending transactions. The settlement or delivery defaults that have not been resolved are handled by the management company, which settles them instead of the defaulting counterparty by means of buy-back or resale sessions.

Finally, it is worth noting that, as of today, the management company does not manage clearing systems nor carries out novation.

4.1.3 Monitoring Committee of the Casablanca Stock Exchange concession

The Monitoring Committee of the Stock Exchange concession was created by the above-mentioned Law No.19-14, and is in charge of monitoring that the managing company of the Casablanca Stock Exchange carries out the main missions entrusted to it by the law and the specifications of the concession. It should be pointed out that the managing company holds a concession to run the Casablanca Stock Exchange market, by virtue of specifications, approved in 2015, by the Minister of Finance.

This committee, which is composed of the Ministry in charge of Finance, the Moroccan Capital Market Authority and the Casablanca Stock Exchange management company, has met several times since its creation, in order to inquire particularly about the progress of the various roadmap projects, emanating from the aforementioned specifications.

Moreover, the Moroccan Capital Market Authority has been mandated by the above-mentioned Law No.19-14 to ensure the monitoring of the managing company's compliance with the terms of the said specifications. In this respect, several meetings and regular exchanges have been set up with the Casablanca Stock Exchange Management Company in order to ensure this monitoring. Similarly, an inspection mission dedicated to the monitoring of compliance with the clauses of the specifications was carried out in 2021.

4.2 Supervision of the Central Depository

• Legal status and powers of the Central Depository

Maroclear is a public limited company under private law, created on July 1, 1997, pursuant to the provisions of Dahir No. 1-96-246 of January 9, 1997 promulgating Law No. 35-96 relating to the creation of a Central Depository and the institution of a general regime for the registration of certain securities in an account, as amended and supplemented by Law No. 43-02.

Within the framework of the legal prerogatives at its disposal, Maroclear is in charge of ensuring, on behalf of its affiliates, the custody of financial instruments, the management of the Settlement-Delivery system that allows the settlement of transactions as well as the administration of all the events related to the life of a security. Maroclear is involved in the post-trading phase as well for the stock exchange trading as for the over-the-counter transactions.

• Missions of Maroclear

Maroclear carries out the matching and the settlement, according to the principle of Settlement against Delivery, of any transaction on the instruments admitted to its operations. This results, on the one hand, in securities flows charged directly to the accounts that Maroclear keeps and, on the other hand, in corresponding cash flows, processed concomitantly via the Moroccan Gross Settlement System (SRBM).

Maroclear follows international standards of coding of financial instruments, by generalizing the use of the ISIN (International Securities Identification Number) codification. Such codification is compulsorily used by all the affiliates. Indeed, Maroclear has the quality of "Moroccan Agency of Codification" and consequently assigns codes to the instruments admitted to its operations.

The main missions of Maroclear can be summarized as follows:

- custody of financial instruments admitted to its operations, facilitating their circulation and simplifying their administration on behalf of its affiliates;
- managing the Settlement-Delivery System;
- managing the current accounts of financial instruments opened in the name of its affiliates;
- carrying out transfers between current accounts upon instructions from its affiliates;
- Implementing all procedures in order to assist its members in exercising the rights linked to the financial instruments and in collecting the income generated by them;
- codifying the financial instruments admitted to its operations.

4.2.1 Assessing Maroclear on the basis of an international benchmark

In 2021, the AMMC carried out a SCRIN-type inspection in order to assess the Central Custodian -Maroclear- with respect to the principles for financial market infrastructures as laid down by the Bank for International Settlements (BIS) and the International Organization of Securities Commissions (IOSCO), using the methodology recommended by these two organizations.

The BIS and IOSCO issue international standards in the form of 24 principles for payment systems, central securities depositories, securities settlement systems, central counterparties and systemically important trade repositories. These principles provide guidance on how to manage risk and ensure the resilience of FMIs.

BOX 15: BRI AND IOCV PRINCIPLES APPLICABLE TO THE CENTRAL DEPOSITORY

• Principle 1: Legal basis

An FMI should have a well-founded, clear, transparent and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.

• Principle 2: Governance

An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.

• Principle 3: Framework for the Comprehensive Management of Risks

An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational and other risks.

• Principle 4: Credit Risk

An FMI should effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a central counterparty (CCP) that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. All other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions.

• Principle 7: Liquidity Risk

An FMI should effectively measure, monitor and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.

• Principle 8: Settlement Finality

An FMI should provide a clear and certain final settlement. An FMI should provide clear and certain final settlement, at a minimum by the end of the value date. Where necessary or preferable, an FMI should provide final settlement intraday or in real time.

• Principle 9: Money Settlements

An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimize and strictly control the credit and liquidity risk arising from the use of commercial bank money.

• Principle 11: Central Securities Depositories

A CSD should have appropriate rules and procedures to help ensure the integrity of securities issues and minimize and manage the risks associated with the safekeeping and transfer of securities. A CSD should maintain securities in an immobilized or dematerialized form for their transfer by book entry.

• Principle 12: Exchange-of-value Settlement Systems

If an FMI settles transactions that involve the settlement of two linked obligations (for example, securities or foreign exchange transactions), it should eliminate principal risk by conditioning the final settlement of one obligation upon the final settlement of the other.

• Principle 13: Participant Default Rules and Procedures

An FMI should have effective and clearly defined rules and procedures to manage a participant default. These rules and procedures should be designed to ensure that the FMI can take timely action to contain losses and liquidity pressures and continue to meet its obligations.

• Principle 15: General Business Risk

An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialize. Further, liquid net asset should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.

- **Principle 16: Custody and Investment Risk**

An FMI should safeguard its own and its participants' assets and minimize the risk of loss on and delay in access to these assets. An FMI's investments should be in instruments with minimal market, credit and liquidity risks.

- **Principle 17: Operational Risk**

An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfillment of the FMI's obligations, including in the event of a wide-scale or major disruption.

- **Principle 18: Access and Participation Requirements**

An FMI should have objective, risk based and publicly disclosed criteria for participation, which permit fair and open access.

- **Principle 19: Tiered Participation Requirements**

An FMI should identify, monitor and manage the material risks to the FMI arising from tiered participations arrangements.

- **Principle 20: FMI Links**

An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link- related risks.

- **Principle 21: Efficiency and Effectiveness**

An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.

- **Principle 22: Communication Procedures and Standards**

An FMI should use, or at a minimum accommodate, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing, settlement, and recording.

- **Principle 23: Disclosure of Rules, Key Procedures and Market Data**

An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.

The inspection of Maroclear concluded that **the majority of principles are rated as "met" or "generally met" on a four-level rating scale:**

Rating scale

Met	The principle is met The deficiencies and shortcomings identified are not matters of concern and are minor, manageable, and of such a nature that the Central Depository could consider addressing them in the normal course of its activities.
Generally met	The principle is substantially met The assessment has identified one or more areas of concern that the Central Depository should address and follow up on within a defined period.
Partially met	The principle is partially met The assessment has identified one or more areas of concern that could become significant if not addressed promptly. The Central Depository should give high priority to resolving these issues.
Not met	The principle is not met The assessment has identified one or more serious concerns that need immediate action. Therefore, the Central Depository should give the highest priority to resolving these issues.

4.2.2 Report on the supervision of the Central Depository Maroclear

In 2021, the control of Maroclear helped ensure the smooth running of post-trade operations and the control of the risk related to the operations settlement activity by the settlement-delivery system.

Maroclear's overall risk rating remained stable in 2021 due to an effective risk control system that keeps the residual risk at an intermediate level.

• Incidents recorded

Five incidents of moderate or low criticality occurred in 2021, mainly involving file calculation and transmission. The incidents reported did not have a major impact on the activity of market participants. They were handled by Maroclear's teams and were the subject of a diagnosis that led to a set of corrective and preventive actions.

• Audits conducted by Maroclear

The governance bodies of the Central Depository have established an annual audit plan covering several areas of activity.

In this respect, eleven internal and five external audit missions were carried out in 2021 in order to assess the efficiency and relevance of operational processes, in particular the Information Security Management System (ISMS) in accordance with the ISO 27 001: 2013 standard and the Business Continuity Management System (BCMS) in accordance with the ISO 22 301: 2012 standard.

4.3 Market undertakings and infrastructure development projects

4.3.1 Roadmap of the Stock Exchange Management Company

The Bourse de Casablanca SA (Casablanca Stock Exchange SA), the managing company of the Casablanca Stock Exchange, has continued the implementation of its roadmap relating to the development of the market and the diversification of the products and markets offer.

Within this framework, several meetings of the concession monitoring committee were held and regular exchanges were set up with the managing company in order to ensure the follow-up of the roll out of the said roadmap.

4.3.2 Establishing the financial futures market and the clearing house

In 2021, the project of setting up the futures market and the clearinghouse has witnessed the completion of several actions, mainly:

- The finalization of the tests and developments necessary for the upgrading of the listing platform of the Casablanca Stock Exchange in order to allow the listing of derivatives;
- The development of the clearinghouse information system, in order to clear the transactions carried out on the futures market;
- The acquisition of a risk management system for the clearing activity, in compliance with international standards.

Regarding the regulatory aspect, the proposed general regulations of the futures market and the clearinghouse as well as the related decrees are under advanced discussion with the various stakeholders in the project, following the incorporation of the observations formulated by the Futures Market Coordination Authority.

Since the publication in the Official Gazette of Decree No. 2-18-827 establishing the composition and the functioning modalities of the Futures Market Coordination Authority (ICMAT), composed of BAM and AMMC, several working meetings of the Body have been held.

The exchanges focused mainly on the following points:

- ICMAT's internal rules of procedure, which should provide a framework for the functioning of the Authority and the rules and procedures for carrying out its missions;
- The memorandum of understanding that should govern the relationship between the two Authorities, particularly with regard to the deployment of resources;
- The general regulations of the futures market and the clearing house.

BOX 16: A CLEARING HOUSE TO NEUTRALIZE SYSTEMIC RISKS

A clearing house is a financial market infrastructure, which intervenes by means of novation mechanisms, between the counterparties of a transaction on a financial instrument, traded over-the-counter or on an organized market. Through these mechanisms, the clearing house becomes the buyer vis-à-vis any seller and the seller vis-à-vis any buyer by ensuring the proper completion of the transactions.

Thus, the clearing house significantly reduces the exposure of market participants to risk through multilateral clearing of transactions and through the risk management measures imposed on its participants. As part of this process and in order to cover their current and potential exposures, clearing houses require participants to provide guarantees, in the form of initial margin deposits, margin calls and contributions to a guarantee fund.

Owing to its strong ability to reduce market risks, a clearing house plays an important role in reducing systemic risks in the markets it serves.

4.3.3 Operationalization of the Futures Market Coordination Authority

The operationalization of the Futures Market Coordination Authority established by Law No. 42-12 on the futures market for financial instruments was initiated in 2019 following the adoption of the related implementing legislation.

This Authority, composed of the Moroccan Capital Market Authority and Bank Al-Maghrib, is in charge of the supervision of the said market.

Its main prerogatives are as follows:

- Assessment of the operating rules of the futures market and of the clearing house;
- Proposing the size of the financial resources of the clearing house;
- Proposal of the prudential system applicable to the clearing house;
- Assessment of the size of the financial resources of the trading and/or clearing members;
- Assessment of the prudential system applicable to the members;
- Assessment and examination of members' approval files;
- Control of the operational aspects of clearing members.

In 2021, the Futures Market Coordination Authority issued several texts to supervise the functioning of the futures market and the clearinghouse in coordination with the various stakeholders, including, the Ministry of Economy and Finance and the Casablanca Stock Exchange. It also finalized its internal regulations as well as the memorandum of understanding governing the relationship between the AMMC and Bank Al-Maghrib within the framework of their joint intervention relating to the futures market.

5 . MARKET DISCIPLINE

5.1 Monitoring stock market transactions

The purpose of market surveillance is to detect any event or behavior that may constitute a stock market violation or any other breach of the regulations that apply to market participants.

In this context, it provides real-time monitoring of data and participants on the stock market, supplemented by information disseminated by issuers or companies making public offerings. The monitoring system is based on an integrated monitoring solution as well as on database management tools.

Table 36. Surveillance data

	2020	2021
Securities under surveillance⁸	112	111
Listed stocks	76	76
Listed bonds	36	35
Number of orders introduced⁹	520 664	643 013
Daily average	2 083	2 582
Number of recorded transactions¹⁰	200 006	263 427
Daily average	800	1 058

Source : Casablanca Stock Exchange

Results in 2021 indicate 1,686 significant events¹¹, including seven cases of suspected market manipulation, which were thoroughly analyzed. Significant events are detected in real time on the basis of the monitoring of stock market sessions and market events. They are reviewed in particular with regard to the information collected from intermediaries on investors and their profiles, in order to identify suspicious behavior leading to in-depth analysis.

249
trading sessions

1 686
significant events

7 in-depth
analyses of records

⁸ As at 31/12.

⁹ On the central equity market.

¹⁰ Central and block market

¹¹ A significant event may relate to exceptional volume, price volatility, non-compliance with the terms of execution of repurchase or incentive programs, etc.

5.2 Investigations

The investigations conducted by the AMMC are opened by the Chair of the Authority following the detection of anomalies on the stock market, after the receipt of a complaint, in response to a request for assistance from a fellow authority in accordance with the provisions of the Multilateral Agreement of the International Organization of Securities Commissions (IOSCO), or following an inspection of a participant or an issuer. In general, they are carried out following the suspicion of a violation or a failure to comply with the legislation in force.

In addition to completing the processing of two investigations opened in 2020, six new investigations were opened in 2021 relating to behavior likely to undermine the proper functioning of the capital market.

One investigation involved a suspicion in the processing of some subscriptions made within the framework of collective management. The five others involved behaviors likely to be assimilated to an attempt of price manipulation linked to the transmission of orders and the execution of transactions carried out by natural persons through the online stock exchange. These investigations were opened following the detection of anomalies by the AMMC's Market surveillance staff.

Furthermore, the AMMC provides assistance to national authorities in the processing of requests from the various judicial authorities in the Kingdom. In 2021, it received 505 requisitions, almost double the number received in 2020. 53% of these were issued by the National Judicial Police Brigade (BNPJ), 29% by the Regional Judicial Police Brigades (BRPJ), 11% by the Royal Gendarmerie, 4% by the Central Bureau of Judicial Investigations (BCIJ) and 3% by the Prefectural Services of the Judicial Police (SPPJ). These requisitions mainly concern the identification of securities accounts opened on behalf of persons under judicial investigations.

5.3 Complaints handling

The AMMC received 25 complaints in 2021, up 14% from 2020, and they took an average of 12 days to process. Of these complaints, 17 were inadmissible because their subject matter did not fall within the AMMC's purview. It should be recalled that the admissibility of any complaint or claim is subject to the following requirements:

- having made a prior complaint to the person concerned, having remained unsuccessful for more than a month from the date of its submission or having been rejected in whole or in part;
- not be the subject of legal proceedings pending before any court, or not have been the subject of a judicial decision which has the force of *res judicata*.

Most complaints handled in 2021 involved disputes between investors and market participants or issuers.

6. ENFORCEMENT POWER

6.1 Organization of the AMMC's enforcement power

With the introduction of the Enforcement Committee, Law No. 43-12 sets out the principle of separation of powers to investigate reprehensible acts in connection with capital market regulation, and the power to impose disciplinary and/or financial sanctions on the perpetrators of such acts.

After the Enforcement Committee reviews the sanction case, and following its opinion, the AMMC Chair may either impose an administrative sanction or close the case without taking any further action.

It should also be noted that the decision made by the AMMC Chair must be in line with the opinion expressed by the Enforcement Committee.

6.2 Exercising the AMMC's enforcement power

In 2021, the AMMC Chairperson imposed a financial penalty of MAD 400,000 on a UCITS management company.

7. ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM (AML/CFT)

7.1 Regulation and support

- **Amendment to AMMC Circular No. 01/18**

The draft amendment to Circular No. 01/18 on due diligence and internal monitoring incumbent on AMMC-supervised persons and organizations, drawn up in consultation with capital market professionals, has been sent to the Ministry of Finance for approval before its publication in the Official Gazette.

- **Awareness-raising of market participants**

In December 2021, the AMMC held a joint online and in-person conference with the National Financial Intelligence Authority (ANRF) and the Financial Markets Authority (AMF, France) on certain priority topics relating to anti-money laundering and combating the financing of terrorism for executives and internal auditors of brokerage firms, management companies and account keepers.

The lectures focused on the following topics:

- new AML/CFT obligations in light of the amendment to Law No. 43-05;
- the process of suspicious transaction reports;
- results of the ML/FT risk assessment in the capital market;
- ML/CF risk indicators for the detection of suspicious transactions;
- feedback from the AMF and best practices regarding suspicious transaction reports.

• Exchanges with capital market participants

In 2021, the AMMC continued to engage with all capital market participants as part of its ongoing efforts to improve the level of compliance of the AML/CFT mechanisms of persons subject to the legislation and regulations in force. The purpose of these exchanges was to provide answers to questions about the operational implementation of specific requirements, to evaluate the quality of the relationship between ANRF and those subject to AMMC supervision and to recall the legal provisions, in particular those relating to suspicious transaction reports.

7.2 Control of capital market participants

To ensure compliance with AML/CFT obligations, following the example of previous years, the AMMC conducted an annual survey among the various capital market participants to assess compliance and the effectiveness of the measures implemented.

The analysis of the answers to the above-mentioned survey made it possible to assess the risk profile associated with each participant and to define the corrective measures likely to address the identified gaps. The results of this analysis were shared with all participants during the awareness-raising sessions.

The results of this assessment were also used to update the ML/FT risk map of capital market participants in order to plan AML/CFT inspections.

In addition, the AML/CFT system is routinely assessed during SCAN inspections of AMMC's reporting entities.

7.3 Update of the national AML/CFT risk assessment

Following the dissemination of the results of the national risk assessment in 2019, the ANRF rolled out a project to update this assessment in 2021 with the contribution of all the parties who took part in the first edition.

For its part, the AMMC has re-examined the elements for evaluating ML/FT risk in the capital market based on the factors recommended by the World Bank methodology.

7.4 National coordination and cooperation

• AML/CFT roadmap for the financial sector

Building on the joint AML/CFT coordination actions, the financial sector supervisory and regulatory authorities (AMMC, ACAPS, BAM, and the Exchange Office) held consultation meetings to monitor the progress of previously agreed-upon actions and to update the financial sector's joint AML/CFT roadmap.

The actions aimed at operationalizing the roadmap were reviewed and monitored by the Systemic Risk Coordination and Monitoring Committee (SRCMC).

- **Cooperation with the ANRF**

The technical committee set up under the AMMC/ANRF memorandum of understanding held two consultation meetings in 2021 covering topics of common interest. These meetings focused mainly on the relationship between ANRF and the persons subject to AMMC's supervision with regard to suspicious transaction reports, requests for information, awareness-raising actions for capital market participants, information exchanges and enhanced monitoring by the FATF and MENAFATF.

7.5 Enhanced monitoring process by the FATF bodies

- **Enhanced monitoring by the ICRG (International Cooperation Review Group)**

Following the FATF's adoption of Morocco's action plan in February 2021, the AMMC contributed to three monitoring reports that highlight the measures taken by the Authority, particularly in terms of operationalizing the risk-based approach and raising awareness of capital market participants and supervision.

- **Enhanced monitoring by MENAFATF (Middle East and North Africa Financial Action Task Force)**

As a key stakeholder in the national AML/CFT framework, the AMMC actively contributed to the preparation of the third report for MENAFATF, which presents the status of compliance of the Authority's regulatory texts with certain FATF recommendations.

8. FIGHTING CORRUPTION WITHIN THE CAPITAL MARKET

In 2021, the AMMC continued to carry out the actions included in the roadmap to fight corruption in the financial sector, in collaboration with the National Authority for Probity, Prevention and Fight against Corruption (INPPLC). These include:

- Preparation of a large-scale awareness-raising campaign, following up on the one organized in 2020 for capital market stakeholders. The themes addressed will mainly concern the basic concepts related to corruption, a presentation of the national mechanism, including Law No.46-19 on the INPPLC and corruption in the business world;
- Drawing up an anti-corruption handbook for stakeholders in the financial sector. This handbook tackles the basic concepts related to corruption, the main components of an anti-corruption system and its key success factors, as well as the priority steps for its implementation;
- Organization of training sessions and thematic seminars for AMMC teams, focusing in particular on advanced methodologies in the area of corruption risk management and the contributions of the new Law No. 46-19 on the INPPLC.

9. SYSTEMIC RISK MONITORING

Systemic risk assessments are carried out every six months in preparation for meetings of the Systemic Risk Coordination and Supervision Committee (SRCSC). This work consists in analyzing the level of stability of the capital market and in identifying, on the basis of market trends, the various risks likely to negatively impact this stability. This work is based on the analysis of several types of indicators, in particular those relating to asset prices, liquidity, interconnection, indebtedness and the macro-economic context. The risk assessment is based on a five-level scale: very low, low, moderate, high and critical. Detailed results are set out in a report produced jointly by Bank Al-Maghrib, the AMMC and ACAPS.



CHAPTER III.
**THE AMMC
AND THE
DEVELOPMENT
OF THE CAPITAL
MARKET**

1. REGULATORY DEVELOPMENT

The 2021 financial year was marked by the publication of a series of legislative and regulatory texts in the Official Gazette, as well as by the launch of new projects to which the AMMC has actively contributed.

1.1 Legislative and regulatory texts published in the official gazette

1.1.1 Legislative texts

- **Law No. 15-18 on crowdfunding**

The Law No. 15-18, which establishes the legal framework for crowdfunding, was published in the Official Gazette No. 6967 of 8 March 2021, laying the groundwork for this new financing method. Implementing texts will round out the legal arsenal by setting some important practical details such as financing ceilings, disclosure requirements, approval terms, etc.

BOX 17. THE LEGAL CROWDFUNDING FRAMEWORK IN MOROCCO

Crowdfunding is an alternative financing method based on the principle of "crowdsourced financing" that involves direct contact between project carriers and contributors via an online platform managed by a dedicated, pre-approved company. Crowdfunding can take the form of a loan, a grant or an investment. Known to be more flexible and less restrictive than other forms of traditional financing, crowdfunding operations are not subject to Law No. 44-12 on public offerings when they are carried out in the form of investments. When they are carried out in the form of loans, they are not considered as credit operations or funds received from the public under Law No. 103-12 on credit institutions and similar organizations.

The objective of adopting specific texts is to create a legal framework suited to this mode of financing in order to ensure its development under secure and transparent legal terms, as well as to offer a minimum level of protection to both contributors and project holders.

Law No. 15-18 sets out the main principles underlying the operating model of crowdfunding platforms and establishes a comprehensive regulatory framework whose main provisions are as follows:

- defining the legal framework for the exercise, by crowdfunding companies (CFCs), of the various forms of crowdfunding;
- creating the status of crowdfunding platform manager;
- defining the mechanism for the approval of CFCs and the supervision of crowdfunding activities;
- defining the procedures and arrangements for the creation and operation of crowdfunding platforms;

- defining the commitments and obligations of CFCs in terms of public information, disclosure and reporting.

Owing to its flexibility and simplicity, crowdfunding seems to be a suitable financing method to overcome the lack of funding for innovative projects as well as for VSEs and SMEs. The ease with which contributors can access the platforms fosters active participation in the financing of projects. However, some protection is needed for this financing mechanism to work in secure and transparent conditions. To this end, Law No. 15-18 provides for a series of provisions that include, for example:

- the supervision of CFCs by two regulators, the AMMC (investment category platforms) and BAM (loans and grants category platforms);
- CFCs are subject to the provisions of Law No. 43-05 on anti-money laundering, in particular to due diligence and disclosure requirements. They must also comply with the provisions of Law No. 09-08 on personal data protection;
- the collected contributions are rigorously managed;
- a strict process for identifying the platform's clients, both upstream (project owners) and downstream (contributors);
- strict transparency obligations that CFCs are required to fulfill (publication of project presentation documents, quarterly publication of the failure rate of projects made available online, provision of contributors with a periodic status report allowing them to monitor the progress of the financing transaction, etc.).

A regulatory framework consisting of decrees, orders and circulars will specify and complete the legislative framework and will aim in particular to:

- introduce ceilings on the amounts to be raised per project for the various forms of financing;
- introduce ceilings for contributors for the various forms of financing;
- regulate the status of business angels;
- determine the terms and conditions for the exercise of related activities.

• Law No. 83-20 on securities lending

Law No. 83-20, published in the Official Gazette No. 7008 of 29 July 2021, amended and supplemented certain laws, namely Law No. 45-12 on securities lending, Law No. 43-12 on the Moroccan Capital Market Authority, Law No. 35-96 on the Central Depository and the general regime for the book-entry of some securities and the Dahir establishing Law No. 1-93-213 on UCITS.

The amendments introduced had two main objectives: to broaden the possibilities and forms of carrying out securities lending transactions and to make the system more secure.

BOX 18. MODERNIZATION OF THE SECURITIES LENDING REGIME

By amending and supplementing Law No. 45-12 on securities lending, Law No. 83-20 established new operating rules in the legal securities lending regime. The amendments made by the aforementioned law essentially aimed to broaden the possibilities of carrying out securities lending operations, with an enhancement of the liquidity and security of the capital engaged in the system.

By way of illustration, the list of persons or organizations authorized to borrow has been extended to natural persons, provided that they have a securities portfolio and that they can demonstrate knowledge of securities lending operations.

To attract foreign investors, securities lending is now open to persons and organizations subject to foreign legislation and to foreign financial instruments recognized as equivalent by the AMMC, in accordance with terms and conditions to be determined by regulation. Moreover, to contractualize the exchange, the participants can resort to a framework agreement consistent with one of the standard templates of agreements approved by the administration or to standard templates of international agreements recognized as equivalent by the AMMC.

The list of financial instruments eligible for loans has also been expanded to include the entire list provided for in Article 2 of Law No. 44-12 on public offerings, with the exception of financial futures instruments.

Another new feature introduced by Law No. 83-20 concerns intermediation. Lending operations may be arranged through a multilateral securities lending platform which organizes the meeting between one or more lenders and one or more borrowers to enter into securities lending contracts. The platform manager must first be approved by the AMMC and have the necessary financial, human, material and technical means, to guarantee the good operation and the security of the multilateral securities lending platform.

The new law places great emphasis on the security of the securities lending market. Thus, several new provisions have been introduced and others reinforced, such as the obligation to back up lending operations with collateral, apart from a few limited cases, or the prohibition to sell borrowed securities until they are available in the seller's account or until he has sufficient guarantees that he will be able to deliver them at maturity.

In addition, in order to ensure the proper functioning of the market, investor protection and financial stability, the AMMC's powers have been strengthened. It may, for example, restrict the securities lending activity to certain financial instruments, suspend for a specified period the exercise of this activity for some financial instruments or prohibit the exercise of this activity for some financial instruments or for some market participants.

Finally, Law No. 83-20 introduces specific disciplinary and financial penalties that may be imposed by the AMMC on market participants who have failed to comply with their legal or regulatory obligations in this area.

- **Law No. 19-20 amending and supplementing Law No. 17-95 on public limited companies**

Law No. 19-20, published in the Official Gazette No. 7006 of 22 July 2021, amends Law No. 17-95 on public limited companies and Law No. 5-96 on general partnership, limited partnership, partnership limited by shares, limited liability company and joint venture.

Law No. 19-20 introduces some significant changes:

- ensuring a balanced representation of women and men in the administrative and governance bodies of public limited companies;
- improving the financing capacity of public limited companies by facilitating the use of bond issues;
- introducing a rotation system for statutory auditors of publicly traded companies ;
- introducing a new form of joint stock company called "Société par Action Simplifiée (simplified joint stock company)."

- **Law No. 12-18 amending and supplementing Law No. 43-05 on anti-money laundering**

Law No. 12-18 published in the Official Gazette No. 6995 of 14 June 2021 and amending Law No. 43-05 on anti-money laundering introduces the following changes:

- the adaptation of Law No. 43-05 to the standards and norms adopted at the international level by the Financial Action Task Force "FATF";
- the reinforcement of the requirements in terms of internal monitoring and due diligence;
- the extension of the list of natural and legal persons subject to the requirements of the law;
- the name change of the Financial Intelligence Processing Unit (UTRF) to the National Financial Intelligence Authority (ANRF), with a redefinition of its missions;
- the creation of a national commission in charge of the enforcement of sanctions set out in the United Nations Security Council resolutions on terrorism, arms proliferation and their financing, with the definition of its prerogatives.

- **Law No. 70-20 ratifying Decree-Law No. 2-20-665 reorganizing Casablanca Finance City**

Law No. 70-20, published in the Official Gazette No. 6951 of 11 January 2021, ratifies the Decree-Law No. 2-20-665 on reorganizing Casablanca Finance City "CFC." The said Decree-Law, published in the Official Gazette No. 6922 of 1 October 2020, abrogates and supplants Law No. 44-10 on the statutes of "Casablanca Finance City" and introduces new rules on the reorganization of CFC.

1.1.2 Regulatory texts

- **Decree No. 2.20.715 amending Decree No. 2-08-530 enacting Law No. 33-06 on asset securitization**

Published in the Official Gazette No. 6976 of 8 April 2021, Decree No. 2.20.715 amends Decree No. 2-08-530 enacting Law No. 33-06 on asset securitization. Article 12-1 of the Decree as amended designates the governmental authority in charge of finance as the competent authority for setting the terms and conditions of prudential and supervision rules, and the methods by which the securitization collective investment fund carries out the operations set out in Article 1(3) of Law No. 33-06 aimed at guaranteeing financing or insurance risks.

- **Decree No. 2-21-708 on the public register of beneficial owners of companies incorporated in Morocco and of legal entities**

Published in the Official Gazette No. 7024 of 23 September 2021, Decree No. 2-21-708 determines the procedures for keeping the register and the information it must contain, the commitments of declared persons, as well as the terms of access to the information centralized in the register.

- **Decree No. 2-21-633 on the organization of the National Financial Intelligence Authority (ANRF)**

Published in the Official Gazette No. 7026 of 30 September 2021, Decree No. 2-21-633 determines:

- the administrative and financial organization of ANRF ;
- the procedures for appointing the Chairperson of ANRF, his/her prerogatives and the duration of his/her term of office;
- the missions of the board and the terms of appointment of its members;
- the head office of ANRF.

- **Order of the Minister of Economy, Finance and Administration Reform No. 2829-20 enacting Article 53 of Law No. 43-12 on the Moroccan Capital Market Authority**

Published in the Official Gazette No. 6974 of 1 April 2021, Order No. 2829-20 sets the methods of calculation and payment of fees due to the AMMC for processing files for approval, notice and endorsement of UCIs.

This Order also sets the methods of calculation and payment of the fees relating to the processing of files of approval of brokerage firms and of approval of prospectuses for public limited companies' repurchase of their own shares on the stock exchange.

- **Order of the Minister of Economy, Finance and Administration Reform No. 2830-20 enacting Article 29 of Law No. 44-12 on public offerings and information required of legal persons and organizations making public offerings**

Published in the Official Gazette No. 6970 of 18 March 2021, Order No. 2830-20 determines the terms of payment of fees due to the AMMC for processing financial transaction documents and sets the different applicable rates based on the transactions and financial instruments involved.

- **Order of the Minister of Economy and Finance No. 3109-21 setting the list of newspapers empowered to publish legal notices set out in Article 30 of Law No. 44-12 on public offerings and information required of legal persons and organizations making public offerings**

Published in the Official Gazette No. 7048 of 16 December 2021, Order No. 3109-21 abrogates Order No. 4195-19 of the Minister of Economy, Finance and Administration Reform of 31 December 2019.

1.2 Draft legislative and regulatory texts

1.2.1 Draft legislative texts

- **Draft amendment to the Dahir establishing Law No. 1-93-213 on UCITS**

The objective of the draft amendment is to establish a range of diversified and complementary investment vehicles, while standardizing, to the extent possible, the rules for their creation, approval, issuance, operation and investment. As such, the bill is structured around the following main points:

- new UCITS classification;
- introduction of the asset compartmentalization mechanism;
- possibility of listing on the stock exchange (introduction of Exchange Traded Funds – ETFs-);
- extension of the geographical scope of issue and investment of securities;
- approval of management institutions by the AMMC.

A draft text was prepared by the joint working group (AMMC, DTFE and ASFIM) set up for this purpose. The said draft was sent to the General Secretariat of the Government (SGG).

- **Bill No. 12-20 on Covered Bonds**

The purpose of the Bill No. 12-20 is to establish the legal regime applicable to covered bonds issued by banks. These are bonds backed by collateral consisting of a cover portfolio and preferential rights, the

issue of which is reserved exclusively for banks. After a public consultation, the bill was submitted to the SGG for assent.

1.2.2 Draft regulatory text

• Draft Decree No. 2-21-158 enacting Law No. 15-18 on crowdfunding

The purpose of the above-mentioned draft decree is to:

- regulate the status of business angels ;
- determine the terms and conditions for the exercise of related activities and for the incorporation of crowdfunding companies;
- establish the list of legal activities and legal entities excluded from crowdfunding operations;
- establish ceilings on the amounts to be raised per project and per contributor for the various forms of financing.

1.3 AMMC circulars

• Draft Circular on financial investment advisors (FIA)

Law No. 19-14 on the Casablanca Stock Exchange, brokerage firms and financial investment advisors introduced a framework for the financial investment advisor (FIA) profession. To this end, the aforementioned law has provided for the compulsory registration with the AMMC for persons carrying out the activity of FIA, and has provided for the setting by the AMMC of some rules of application of the legislative provisions, in particular:

- the terms of registration of the FIAs;
- the ethical rules and rules of good conduct that FIAs must comply with;
- the obligations of FIAs with regard to the reporting of information to the AMMC;
- the terms and conditions to deregister FIAs.

The draft circular was the subject of public consultations and was sent to the SGG for approval.

• Draft amendment to Circular No. 01/18 on due diligence and internal monitoring requirements for organizations and persons subject to the Moroccan Capital Market Authority's supervision

The draft amendment to the Circular modifies some provisions and introduces new ones. The draft is intended to align the existing provisions with international AML/CFT standards (FATF Recommendations).

The draft Circular has been the subject of a public consultation and has been sent to the SGG for approval.

• Draft Circular on the management companies of investment grade crowdfunding platforms

The draft Circular is issued pursuant to the provisions of Articles 9, 26, 33, 34, 45, 47 and 57 of Law No. 15-18 on crowdfunding. The draft Circular aims to set:

- the list of documents and information that must be included in the application for approval of crowdfunding companies (CFCs);
- the procedures for CFCs' informing donors about the financing of a project, as well as its progress after the financing;
- the form and content of the annual report that CFCs publish for each platform they manage;
- the terms and conditions for the implementation of an internal control system by CFCs;
- the minimum clauses of the crowdfunding contract that must be signed between the project holder and the donor;
- the list, content, template, materials, as well as the frequency and deadlines for submitting the documents and information necessary for the AMMC's control of CFCs.

2. CAPACITY BUILDING OF ACTORS AND INVESTORS

2.1 Financial literacy

As part of its mission to promote financial literacy, the Moroccan Capital Market Authority has been actively involved in building investors' financial capacities and skills by providing them with a variety of tools to gain an understanding of the various concepts related to the capital market.

The AMMC took part in the two flagship international financial education campaigns, the World Investor Week (WIW) and the Global Money Week (GMW) in 2021, with the goal of improving investors' knowledge of the capital market and encouraging them to become more involved in the development of their financial literacy in order to become active players in their own protection.

2.1.1 Participation in the 2021 edition of the Global Money Week

Organized by the OECD International Network on Financial Education (OECD/INFE), Global Money Week is an annual global campaign to raise awareness of financial issues and provide young people with the opportunity to gain the knowledge they need to make informed financial decisions.

As a founding member of the Moroccan Foundation for Financial Education (FMEF), the AMMC reiterated its commitment to the financial education of investors and participated in this large-scale campaign through a diversified program aimed at reinforcing the knowledge of the young public on the topics of savings and investment in the capital market.

Thus, the program developed by the AMMC during this campaign consisted of several actions intended in particular for a young audience:

- providing secondary school teachers with teaching materials recorded by the AMMC teams for distribution to young students;
- organizing a competition on capital market knowledge through the "Quiz Finance" application;
- developing a program in the form of webinars, designed for students from top schools and universities;
- a training and exchange workshop with trainers from the Moroccan Foundation for Financial Education, focusing on the presentation of the capital market in Morocco and its mechanisms, and a discussion of possible joint interventions.

Also, on the occasion of Global Money Week, the AMMC published the second issue of the "Investor's Handbook" series dedicated to financial instruments.

2.1.2 Participation in the 2021 edition of the World Investor Week

World Investor Week (WIW) is an international campaign initiated in 2017 by the International Organization of Securities Commissions (IOSCO) to promote financial education and investor protection.

For the 5th consecutive year, the Moroccan Capital Market Authority took part in this event alongside regulators and international organizations. This 5th edition of the WIW mobilized more than 100 jurisdictions around the world on two major themes: sustainable finance and fraud prevention.

The AMMC's participation in this annual event was achieved through two main families of financial education actions, namely the provision of educational tools and content and direct interventions with specific targets.

Thus, the AMMC disseminated a variety of financial education content intended for investors, industry professionals and the general public:

- a new edition of the "Investor's Handbook" on IPOs. The objective of this edition is to explain the mechanism of an IPO in a simplified manner and to demystify all the concepts related to it;
- an animated video clip on capital market investing;
- a special "financial education" feature in the 7th issue of the Capital Market Review.

The AMMC has also intervened directly with university students through webinars and seminars aimed at introducing the capital market and its financial instruments.

2.1.3 Development of partnerships with stakeholders in the Moroccan financial ecosystem

The year 2021 was marked by the signing of an agreement between the AMMC and the Professional Association of Moroccan Banks (GPBM). This agreement institutionalizes the existing cooperation framework between the two organizations, with the aim of implementing an action plan to promote access to the capital market, particularly through financial education, training and awareness programs for the public, VSEs and professionals in the banking network.

BOX 19. AMMC – GPBM AGREEMENT

The AMMC-GPBM agreement aims to set up an action plan to develop the attractiveness of the capital market by rolling out a joint program for financial education and promoting access to capital market financing.

In this respect, the agreement aims mainly to:

- increase the dissemination of financial education initiatives to the public;
- strengthen the training and/or accreditation of professionals working in the financial ecosystem;
- support project carriers and startups by advising them on the most appropriate financing solutions (collaborative finance, crowdfunding, investment funds, business angels, etc.);
- facilitate access to financing solutions via the capital market for SMEs;
- improve information on investment solutions offered by the capital market;
- promote the understanding and use of the stock market as a financing tool for companies and an investment tool for investors;
- support all innovative and new technology-driven initiatives.

To achieve the objectives of the agreement, three main lines of action have been defined:

1st line of action: Training and capacity building for Bank professionals to:

- develop investment and financing through capital markets;
- raise the standards of professional practice to ensure better protection of savings invested in capital markets.

2nd line of action: Preparation of educational resources for the public through:

- providing GPBM professionals with a catalog containing the global offer of the capital market with its two components: investment and financing, for the purpose of promoting the Moroccan financial market.

3rd line of action: Supporting companies on financing offers through the following actions:

- presentation of the financing solutions offered by the capital market;
- training of bank advisors on capital market financing solutions.

To this end, a joint committee has been set up to follow up on the various agreed actions.

2.2 Accreditation of market professionals by the AMMC

The accreditation of market professionals is a compulsory system whose objective is to ensure that the professionals, who perform certain specific functions within the market players subject to AMMC supervision, have the knowledge required to perform these functions in compliance with the regulations and ethics.

In 2021, 63 candidates sat for the accreditation examination sessions and 40 new professionals were accredited by the AMMC, as follows:

- 16 internal auditors;
- 11 financial advisors;
- 1 financial instruments trader;
- 12 back-office managers.

It should be noted that since its launch in 2019, the accreditation of professionals has involved 324 candidates, 258 of whom have been accredited by the AMMC, with an overall success rate of 80%.

Graph 44. Summary of accreditation sessions by position



Source : AMMC

3. INSTITUTIONAL COOPERATION

In line with its strategic vision, the AMMC continues to strengthen cooperation at the national level through various initiatives in partnership with regulators and other market players.

3.1 ADD Platform for claims and complaints management

As part of the framework partnership agreement signed on 26 November 2019 between the AMMC and the Digital Development Agency (ADD), the AMMC worked closely with the ADD to implement a digitalized application dedicated to complaints management with a ticket tracking system, which replaced sending complaints through a traditional web form. The application went live on 22 June 2021, and is accessible from the AMMC website.

3.2 ADD Platform for managing legal queries

Similar to the complaint management application, the AMMC has also implemented a dedicated solution for managing legal queries as part of its partnership with the Digital Development Agency. The platform went online on December 14, 2021

3.3 Systemic risk coordination and supervision committee

The Systemic Risk Coordination and Supervision Committee (CCSRS), composed of the AMMC, ACAPS, and BAM, held two semi-annual meetings in 2021. This Committee is assisted by a working group made up of representatives of the various financial sector authorities as well as the Directorate of Treasury and External Finance (DTFE). The different activities of the CCSRS have mainly focused on the following points:

- monitoring the crisis situation related to the impact of the Covid-19 pandemic on the financial sector;
- the semi-annual assessment of risks to financial stability;
- drawing up the financial stability report for the year 2020;
- monitoring the implementation of the 2019-2021 financial stability roadmap;
- drawing up the new 2022-2024 financial stability roadmap;
- following-up the AML/CFT inter-authorities roadmap for the financial sector.

With respect to the first point in particular, the working group set up within the CCSRS continued its work in 2021 at the outset of the Covid-19 crisis. In this respect, regular monitoring of risk indicators for the three components of the financial sector did not reveal an accumulation of risks in 2021 that could seriously threaten financial stability.

The new financial stability roadmap for 2022-2024 is made up of 42 projects divided into five areas, namely:

- macroprudential policy ;
- informational and analytical framework ;
- emerging risks and new paradigms;
- crisis resolution and management;
- communication and cooperation.

As part of this new roadmap, the AMMC is leading 12 projects and is also involved in 6 other projects.

3.4 Monitoring committee of the Casablanca Stock Exchange concession

As part of controlling the Casablanca Stock Exchange management company's compliance with the specifications of the concession, the AMMC actively participates in the work of the Concession Monitoring Committee established by Law No. 19-14 on the Stock Exchange, Brokerage Firms and Financial Investment Advisors.

The Committee is in charge of monitoring the implementation by the management company of its key missions, mainly the roll out of the new roadmap of the Casablanca Stock Exchange.

3.5 Memorandum of understanding on an SME offer

SMEs are an essential component of the Moroccan economic and social fabric. Despite the variety of financing solutions available on the capital market, this category of companies is often unable to access the various financing sources that would allow them to accelerate their growth. To overcome these difficulties, the AMMC, the Casablanca Stock Exchange, the APSB and Maroclear have set up a support solution in the form of a memorandum of understanding that stipulates:

- the reduction of the cost of access to the alternative market dedicated to SMEs, through a reduction of 50% in the commissions applied by the signing parties;
- optimizing market access procedures, in particular by setting up a single window at the level of the AMMC to centralize administrative procedures;
- developing a training and support system for SMEs wishing to raise funds on the capital market.

4. PROXIMITY TO MARKET PLAYERS

4.1 Market attentiveness

As part of the market consultation process established by the AMMC, regular meetings were held with market participants and the main professional associations in the financial sector. This is a preferred channel for the Authority to discuss issues of interest to the profession, to keep it informed of institutional and regulatory developments, and to coordinate with it market development and the implementation of structuring projects.

4.1.1 Market undertakings: Casablanca Stock Exchange and Maroclear

In 2021, the AMMC held several work meetings with market undertakings as part of the market attentiveness process. These meetings focused on the following:

- AMMC 2021-2023 Strategic Plan;
- AMMC's priorities for the year 2021;
- implementation of the Casablanca Stock Exchange roadmap, including the setting up of the Futures Market and the Clearing House;
- setting up an offer intended for SMEs;
- project to interconnect African stock exchanges.

4.1.2 The Professional Association of Stock Exchange Companies (APSB) and the Professional Association of Moroccan Banks (GPBM)

In 2021, the AMMC held several meetings with professional associations, during which various topics were discussed, including:

- AMMC 2021-2023 Strategic Plan;
- AMMC's priorities for 2021 ;
- evolution of the regulatory texts governing market activities;
- project to operationalize the new law on securities lending;
- progress of the projects of the financial market;
- AML/CFT system;
- system of accreditation of professionals;
- organization of the Capital Market Days on the sidelines of Expo 2020 Dubai.

4.1.3 The Moroccan Investment Management Companies' Association (ASFIM)

Against a backdrop of economic recovery and the gradual lifting of restrictions related to the Covid-19 pandemic, six meetings were held with ASFIM in 2021.

In addition to topics related to the post-Covid-19 economic recovery and its financing, the meetings also focused on:

- AMMC 2021-2023 Strategic Plan;
- ASFIM's action plan;
- the draft amendment to the Law governing UCITS;

- the respect by management companies of all the regulatory provisions to which they are subjected as well as their UCITS under management;
- the actions to be implemented for a greater transparency and efficiency of the markets on which the UCITS invest;
- the risks to which UCITS are exposed and their monitoring via regular stress tests;
- the roll out of AML/CFT measures within the asset management sector.

In addition, the AMMC also held four working sessions with the representatives of ASFIM dedicated to the draft amendment to the legislation and regulations governing UCITS and their management companies.

4.1.4 The Moroccan Private Equity Association (AMIC)

In 2021, the AMMC held two working meetings with AMIC as part of the market attentiveness process. These meetings resulted in discussions that focused on:

- the presentation of the AMMC's priority actions for the year 2021;
- the economic recovery plan and support for the establishment of the Mohamed VI Investment Fund;
- the setting up of sample management regulations for venture capital investment companies and venture capital investment trusts;
- the amendment to Law No. 41-05 on private equity investment vehicles. The exchanges with AMIC were followed by working meetings with the DTFE on the proposals to amend the provisions of the Law No. 41-05 on private equity investment vehicles;
- the setting up of investor handbooks;
- the setting up of a handbook for the OPCC custodian activity.

4.1.5 OPCI management companies

With the remarkable growth in assets under management of Real Estate Investment Schemes (REIS) in 2021, the AMMC and REIS management companies have launched a number of structuring projects. In this respect, exchanges with OPCI management companies have identified the following projects:

- the standardization of the calculation of the net asset value of OPCIs;
- the standardization of real estate appraisal reports;
- the standardization of the drafting of the management regulations;
- the development of a handbook dedicated to the activities of the OPCI depositary and an educational handbook on REISs;
- the creation of a professional association for REISs management companies

Exchanges with OPCI management companies also provided an opportunity to discuss the progress of the creation of the professional association of REISs management companies.

4.1.6 The Association of Securitization Fund Managers (AGFT)

The year 2021 was marked by the launch of the projects identified in 2020 with the AGFT. As such, a meeting and several exchanges took place with the AGFT on the following two main projects:

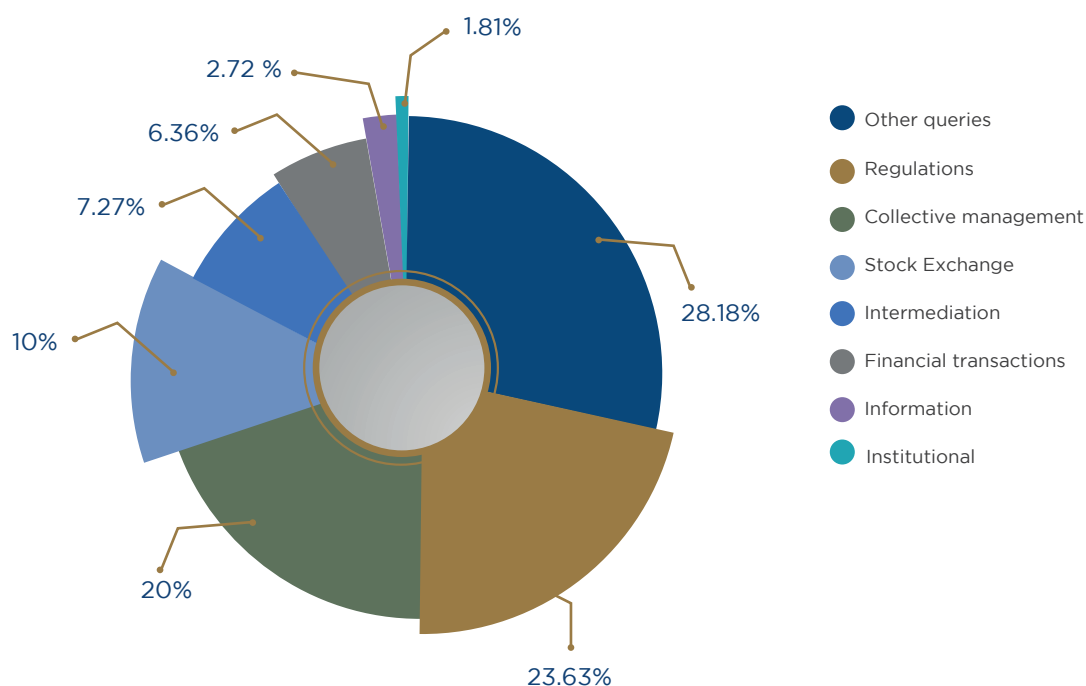
- standardization of the drafting of the management regulations and the securitization trusts disclosure document;
- drawing up a handbook on asset securitization for stakeholders in a securitization transaction.

4.2 Handling questions from the general public and legal queries

The AMMC regularly receives legal queries from market professionals and the public. A channel is provided for this purpose on the Authority's website under the heading "File a Legal Query."

In 2021, the AMMC received 58 external legal queries from law firms, capital market professionals, and publicly traded companies. These queries covered several topics, primarily:

Graph 45. Breakdown by theme of queries processed in 2021



Source : AMMC

Table 37. Breakdown of queries processed in 2021 by requester profile

Profiles	Number of queries
Individuals	36
Student researchers	8
Financial advisors	4
Lawyers	3
Banks	2
Brokerage firms	2
Statutory auditors	1
Depository	1
Investor	1
Total	58

Source : AMMC

5. INTERNATIONAL COOPERATION

After the unprecedented recession witnessed in 2020, Morocco is entering a phase of normalization, marked by the slowdown in the pandemic and an economic recovery beginning in early 2021. In this context, the AMMC has continued its commitment at the regional level and has actively contributed to the work of multilateral cooperation bodies, focusing on initiatives to support economic recovery and making a significant contribution to the development of sustainable finance.

5.1 Multilateral cooperation

This form of cooperation is carried out within the framework of international and regional bodies.

5.1.1 International Organization of Securities Commissions (IOSCO)

The AMMC is a member of the Board of the International Organization of Securities Commissions (IOSCO). This is the reference organization for inter-regulatory cooperation and the development of capital market regulation standards.

2021 was marked by an active contribution to the different works of IOSCO's committees and working groups. Thus, the AMMC participated in several important international events.

- **Participation in the annual meeting of the International Organization of Securities Commissions (IOSCO)**

The 46th IOSCO Annual Meeting was organized by the Portuguese regulator (CMVM) by videoconference from November 10 to 16, 2021. The event included meetings of the various IOSCO bodies and a public conference. The agenda comprised meetings of the IOSCO Board, the Growth and Emerging Markets Committee (GEMC), the Regional Committees, the Affiliate Members Consultative Committee (AMCC), and the President Committee.

On the sidelines of the annual meeting, the Portuguese regulator held its public conference on November 4 and 5, 2021 under the theme "Global Capital Markets - Understanding the Future." It was marked by the presence of the President of the Portuguese Republic and brought together experts, policy makers, academics, researchers and think tanks from around the world to discuss the main regulatory challenges, priorities and opportunities for the financial sector in order to contribute to sustainable global growth.

The AMMC Chairperson took part in the conference by addressing the first panel "Global Capital Markets: challenges in a changing landscape."

- **Africa/Middle-East Regional Committee meetings (AMERC)**

A meeting of the Africa and Middle East Regional Committee (AMERC), chaired by the AMMC, was held on 3 June 2021 and was entirely dedicated to the theme of financial market fragmentation.

Mitigating market fragmentation is a priority for IOSCO, which had published a report on "Market Fragmentation and Cross-Border Regulation" in 2019, identifying areas affected by fragmentation and proposing ways to mitigate its impact. Following this report, the IOSCO Board decided to produce an annual report on market fragmentation, based on input from the Regional Committees in order to collect information and lessons learned on cases of fragmentation encountered. Areas identified as potential sources of market fragmentation due to lack of minimum standards include sustainable finance, digital assets and cyber resilience.

At the IOSCO Annual Meeting, AMERC members met on 10 November 2021 to discuss priorities for the region. On the agenda were FinTech, sustainable finance, and the impacts of the pandemic. The meeting was chaired by Ms. Nezha HAYAT, accompanied by AMERC Vice Chairman Mr. ALHOUMOU, Capital Market Authority Board Member from Saudi Arabia and Mr. Martin MOLONEY, IOSCO Secretary General.

• Participation in the IOSCO Board

In her capacity as Chair of the Africa and Middle East Regional Committee (AMERC), Ms. Nezha HAYAT, Chairperson of the AMMC, is also a member of the IOSCO Board.

During the meetings held on 24 February, 14 May, 9 June and 13 September 2021, the AMMC participated in reviewing the progress of the Organization's projects, notably those related to financial stability, and studying recent developments in capital markets and the post-Covid-19 economic recovery.

• Commitment under the IOSCO Multilateral Memorandum of Understanding

Within IOSCO, 124 members have signed the IOSCO Multilateral Memorandum of Understanding concerning Consultation and Cooperation and the Exchange of Information (MMoU). This agreement allows its signatories to consult, cooperate and exchange information with view to enforcing capital market regulations. In order to monitor the operation and development of this cooperation mechanism, a Monitoring Group-Steering Committee (MG-SC) has been established.

The AMMC was reappointed by the members as the AMERC representative on the monitoring committee and participated in the work meeting held on 4 October 2021.

• Promoting sustainable finance within IOSCO

In April 2020, the AMMC became a member of the IOSCO Sustainability Task Force (STF), aimed at continuing the work and recommendations of the Sustainable Finance Network (SFN) report.

As a member of the STF, the AMMC took part in the meetings of 5 February and 11 May 2021, presenting the progress of the three sub-working groups that make up the STF.

As such, the AMMC participated, along with the other 22 member jurisdictions, in meetings held on 9 February, 23 April and 5 October 2021. Discussions focused on the progress of the Workstream and its report on "Sustainability-related Issuer Disclosures."

Members of the first STF subgroup also organized an ecosystem roundtable to discuss practical steps to implement a global system architecture for sustainability-related financial disclosures. At the national level, the event marked the participation of Al Omran Holding (Real Estate) as an issuing company and BMCE Bank of Africa as a financial institution.

BOX 20. IOSCO TECHNICAL STANDARDIZATION COMMITTEES

IOSCO's standardization work is carried out by eight technical committees. The AMMC is a member of two such committees: Committee 3 on Regulation of Market Intermediaries and Committee 5 on Investment Management. These committees hold regular working meetings and their work contributes to the advancement of the market regulation framework through the exchange and sharing of experience on the various issues concerning the financial markets.

As a member of Committee 3, the AMMC took part in the meetings held in 2021 and participated in the review of the progress of the committee's projects, namely:

- the review of operational measures in the face of the pandemic ;
- the impact of social networks on market behavior;
- the implosion of the Archegos hedge fund;
- digitalization;
- the use of Artificial Intelligence (AI) in the activity of market intermediaries and portfolio management companies;
- Collateralized Loan Obligations (CLOs).

Within the framework of Committee 5, the main themes considered during the meetings held in 2021 concerned:

- Exchange-Traded Funds (ETFs);
- IOSCO's Investment Funds Statistics Report;
- Index providers;
- Artificial Intelligence and Machine Learning;
- Corporate bond market liquidity (CBML).

• Cooperation within the framework of an MoU

This form of cooperation is governed by the provisions of the IOSCO multilateral cooperation agreement, the "MMoU." In 2021, the AMMC issued one query and was approached by its counterparts for three queries.

5.1.2 Other international bodies

• The AMMC takes part in the work of the Union of Arab Securities Authorities (UASA)

The AMMC took part in the 15th meeting of the Union of Arab Securities Authorities (UASA) Board held on 25 May 2021.

During this meeting, members reviewed the Union's achievements in 2020 and the status of projects, and discussed the Union's strategic plan for the 2021 - 2025 period.

- **The AMMC participates in the work of the Institut Francophone de la Régulation Financière (IFREFI)**

The AMMC participated in the meeting of the Presidents of the French-speaking regulators members of the Institut Francophone de la Régulation Financière (IFREFI), held in April 2021. During this meeting, the discussions mainly focused on the major developments in the member jurisdictions, including in relation to the management of the COVID-19 pandemic.

IFREFI members also exchanged on the practices adopted for the management of general meetings in camera and the exercise of shareholder democracy. It should be recalled that in response to the state of health emergency, Morocco had introduced exceptional flexibility measures allowing companies to continue to meet their legal obligations, through the adoption of Law 27-20, which sets the possibility of holding remote meetings of the governance bodies of public companies (sociétés anonymes), using videoconferencing and equivalent means, and the possibility for the Boards of Directors or Supervisory Boards of companies making public offerings to authorize the issuance of bond issuance.

The AMMC also took part in the 19th annual session of the Institut Francophone de la Régulation Financière (IFREFI), organized in September 2021 under the theme of anti-money laundering and combating the financing of terrorism.

- **The AMMC joins the Islamic Financial Services Board (IFSB)**

On 10 December 2020, the Board of the Islamic Financial Services Board (IFSB) approved the acceptance of the AMMC as an observer member at its annual meeting.

The IFSB is the international standard-setting organization that promotes and enhances the soundness and stability of the Islamic financial services industry. It brings together central banks, capital market regulators and insurance companies.

On 3 August 2021, the AMMC participated in the webinar organized by the IFSB and the Capital Market Authority (CMA) of Saudi Arabia under the theme "Investor Protection and Transparency in Islamic Capital Markets."

- **The AMMC signs a cooperation agreement with the International Finance Corporation**

The International Finance Corporation (IFC), a member of the World Bank Group, and the Moroccan Capital Market Authority (AMMC) signed, on 11 February 2021, a cooperation agreement to improve companies' Environmental, Social and Governance (ESG) reporting practices. As part of this partnership, the AMMC will rely on IFC's assistance to strengthen its ESG reporting capabilities through training programs and the development of effective tools for assessing, monitoring, and overseeing this type of reporting.

- **The AMMC participates in the Climate Bonds Conference**

The 2021 edition of the Climate Bonds Conference took place from 6 to 10 September 2021. The AMMC participated in the "Regional Day" during which regional experiences were shared in the session around the theme: "Private Stakeholder Collaboration: The Key to Unlocking Finance for Green Growth and Resilience." The AMMC shared its vision on the role of regulators in stimulating green investments in Africa.

5.2 Exchange of experiences, mutual assistance and capacity building

5.2.1 AMMC assistance to foreign counterparts

- **Technical assistance to the "Regional Council for Public Savings and Financial Markets (CREPMF)"**

As part of the technical assistance agreement signed between the Regional Council for Public Savings and Financial Markets (CREPMF) of West Africa and the AMMC, three working meetings were held on the topics for which the CREPMF requested technical assistance.

The exchange sessions focused on:

- the means to monitor important participants and their identification ;
- supervising market infrastructures, in accordance with the principles of the BIS and IOSCO;
- the legislative and regulatory system governing collective management in the capital market of the WAMU (West African Monetary Union) region.

- **Technical assistance to the regulator of Central Africa**

As part of the cooperation agreement signed between the Moroccan Capital Market Authority (AMMC) and its counterpart, the Central African Financial Market Supervisory Commission (COSUMAF), the AMMC shared its experience in the field of sustainable finance, including the issuance of green and social bonds, on 11 October 2021 in Douala.

In addition, the AMMC shared its experience in financial market regulation and supervision with members of its Board of Directors during dedicated working sessions organized in Douala in October 2021.

5.2.2 Bilateral exchanges

In terms of bilateral relations, the AMMC was actively involved during 2021 in organizing several meetings with various regulators on topics of common interest. Thus, the Chairperson of the AMMC took part in meetings to exchange and strengthen relations with her counterparts, notably the authorities of COSUMAF, the Securities and Exchange Commission (SEC) - GHANA, the Comisión Nacional del Mercado de Valores (CNMV) - Spain, the Conseil Régional de l'Épargne Publique et des Marchés Financiers (CREPMF-Regional Council for Public Savings and Financial Markets), the Financial Services Commission (FSC) of Mauritius, and the Commission de Surveillance du Secteur Financier (CSSF-Financial Sector Supervisory Commission) - Luxembourg.

5.2.3 Promoting foreign investment in Morocco at Dubai Expo 2020

Held in 2021, Expo 2020 Dubai was designed around the theme "Connecting Minds and Creating the Future," and developed around three axes: mobility, sustainability and opportunity. Morocco created within its programming a week dedicated to the Kingdom to present its potential and highlight its international attractiveness as a global investment hub.

A delegation composed of the main actors of the Moroccan financial ecosystem traveled to Dubai to participate in various events, conferences and other events. The AMMC actively participated in the organization of meetings to promote the Moroccan capital market and the opportunities it offers.



**LIST OF TABLES,
GRAPHS, BOXES
AND ACRONYMS**

LIST OF TABLES

Table 1.	Staff headcount between 2017 and 2021	30
Table 2.	Overall breakdown of employees as at 31 December 2021	30
Table 3.	Change in trading volume by category	48
Table 4.	Breakdown of central market trading volume by investor category	50
Table 5.	Breakdown of stock market buying and selling volume on the central market by investor category	50
Table 6.	Types of investments by foreigners and MRA in listed Moroccan equities	51
Table 7.	Equity securities transactions	54
Table 8.	Debt securities transactions	55
Table 9.	Other financial transactions	55
Table 10.	Change in GDP, UCITS net assets and the [UCITS net assets/GDP] ratio	56
Table 11.	Breakdown of total UCITS assets by investment category (2019-2021)	61
Table 12.	Breakdown of net assets by investor type	63
Table 13.	Change in the governance structures of brokerage firms	67
Table 14.	Key figures of brokerage firms	69
Table 15.	Client structure of brokerage firms	70
Table 16.	Key figures of account keepers	71
Table 17.	Key figures of the activity of the Central Depository Maroclear	72
Table 18.	List of applications processed by the AMMC in 2021	84
Table 19.	Equity securities transactions	85
Table 20.	Authorized debt securities	87
Table 21.	Negotiable debt securities issuance programs	89
Table 22.	Approved share repurchase programs	90
Table 23.	Public offerings carried out indirectly in Morocco	91
Table 24.	Registered reference documents	92
Table 25.	Updated reference documents	94
Table 26.	Summary of approved UCITS	94
Table 27.	Result of the control of the annual publications	98
Table 28.	Breakdown of disclosures by investor category	100
Table 29.	Repurchase programs in 2021	100
Table 30.	Status of pending repurchase programs as at 31/12/2021	101
Table 31.	Results of the control of listed companies' ethics reports	102
Table 32.	Inspections 2021 : Coverage rate	105
Table 33.	Number and typology of incidents reported to the AMMC	111
Table 34.	Typology of incidents reported by brokerage firms	112
Table 35.	Typology of incidents reported by account keepers-banks	112
Table 36.	Surveillance data	127
Table 37.	Breakdown of queries processed in 2021 by requester profile	150

LIST OF GRAPHS

Graph 1.	Breakdown of positions by gender	30
Graph 2.	Age pyramid	30
Graph 3.	Change in operating revenues	33
Graph 4.	Composition of operating revenues	34
Graph 5.	Composition of operating expenses	35
Graph 6.	Change in the MASI, MSI20 and FTSE CSE Morocco 15 indices in 2021	45
Graph 7.	Change in sector indices in 2021	46
Graph 8.	Change in the MASI and MSCI FM indices	46
Graph 9.	Breakdown of market capitalization by sector in 2021	47
Graph 10.	Monthly trade volumes	49
Graph 11.	Change in the stock market liquidity ratio	49
Graph 12.	Total volume of securities lending transactions	52
Graph 13.	Trading volume by customer category (lending)	52
Graph 14.	Trading volume by customer category (borrowing)	53
Graph 15.	Share of trading volume by securities category	53
Graph 16.	Average duration in weeks by securities category	53
Graph 17.	Change in the [UCITS net assets / Total domestic savings] ratio]	56
Graph 18.	Change in UCITS net assets (2016-2021)	57
Graph 19.	Change in UCITS net assets in 2021	58
Graph 20.	Structure of UCITS net assets by category at the end of 2021	59
Graph 21.	Structure of foreign currency investments made by UCITS at the end of 2021	62
Graph 22.	Change in FPCT securitized assets	64
Graph 23.	Breakdown of FPCT assets by transaction type	65
Graph 24.	Change in the net assets of OPCIs	66
Graph 25.	Change in the total staff of brokerage firms	68
Graph 26.	Change in the financial indicators of brokerage firms	68
Graph 27.	Breakdown of brokerage firms' revenues by type of activity	69
Graph 28.	Breakdown of assets in custody	71
Graph 29.	Breakdown of the number of securities admitted by category at year-end 2021	73
Graph 30.	Breakdown of total assets of admitted securities by category at year-end 2021	73
Graph 31.	Change in the headcount of UCITS management companies	74
Graph 32.	Breakdown of market shares of UCITS management companies by type of shareholding	74
Graph 33.	Breakdown of net assets by UCITS Management Company	75
Graph 34.	Change in financial indicators for UCITS management companies	76
Graph 35.	Breakdown of net assets by FPCT Management Company	77
Graph 36.	Change in financial indicators of FPCT management companies	77
Graph 37.	Change in the financial indicators of OPCC management companies	78
Graph 38.	Breakdown of net assets of OPCC management companies	79
Graph 39.	Change in the financial indicators of OPCC management companies	80
Graph 40.	Breakdown of net assets of OPCI management companies at year-end 2021	81
Graph 41.	Change in the financial indicators of OPCI management companies	81
Graph 42.	Breakdown of publications by press release topic in 2021	99
Graph 43.	Status of margin calls in 2021	119
Graph 44.	2021 summary of accreditation sessions by position	145
Graph 45.	Breakdown by theme of queries processed in 2021	150

LIST OF BOXES

Box 1.	Activities of the board of directors 2021	18
Box 2.	Activities of the audit committee	19
Box 3.	Activities of the enforcement committee	20
Box 4.	Activities of the scientific committee	22
Box 5.	The AMMC, a responsible and committed authority	32
Box 6.	Capital market indicators	44
Box 7.	Handbook on Gender Bonds	88
Box 8.	The synthetic securitization transaction carried out by "FT DAMANE TAMAYOUZ- SUB-FUND I"	96
Box 9.	Reminder of the typology of inspections	106
Box 10.	Summary of good and bad practices relating to the organization of the entity in charge of the securities account-keeping activity	108
Box 11.	Summary of good and bad practices relating to the function of custodian of collective investment schemes	109
Box 12.	Awareness-raising seminar for real estate appraisers of opci reis' (real estate investment schemes) assets	114
Box 13:	The risk-based supervision approach	117
Box 14:	The Casablanca Stock Exchange's performance guarantee system: a pivotal role in the settlement process of stock exchange transactions	119
Box 15:	BRI and IOCV principles applicable to the central depository	121
Box 16:	A clearing house to neutralize systemic risks	126
Box 17.	The legal crowdfunding framework in Morocco	136
Box 18.	Modernization of the securities lending regime	138
Box 19.	AMMC - GPBM agreement	144
Box 20.	IOSCO technical standardization committees	153

LIST OF ACRONYMS

ACAPS	Insurance and Social Welfare Control Authority
AMCC	Affiliate Members Consultative Committee
AMERC	Africa/Middle East Regional Committee
AMF	Autorité des Marchés Financiers
APSB	Professional Association of Brokerage Firms
ASFIM	Association of Moroccan Management Companies and Investment Funds
CCSRS	Coordination and Monitoring Committee for Systemic Risks
CGNC	General Code of Accounting Standards
COSUMAF	Central African Financial Market Supervisory Commission
CREPMF	Regional Council for Public Savings and Financial Markets
FMEF	Moroccan Foundation for Financial Education
FPCT	Securitization Vehicles
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
FATF	Financial Action Task Force
MENAFATF	Middle East and North Africa Financial Action Task Force
GEMC	Growth and Emerging Markets Committee
GPBM	Professional Association of Moroccan Banks
GMW	Global Money Week
ICMAT	Futures Market Coordination Body
INPPLC	National Instance of Probity, Prevention and Fight against Corruption
IOSCO	International Organization of Securities Commissions
IPO	Initial Public Offering
STB	Short-term bond
MLTB	Medium and long-term bond
SESAM	Market Authority Exchange and Supervision System
SPI-RFA	Real Estate Investment Companies with Streamlined Operating Rules
UASA	Union of Arab Securities Authorities
UTRF	Unité de Traitement du Renseignement Financier
WASRA	West African Securities Regulators Association
WIW	Financial Intelligence Processing Unit





APPENDICES

APPENDIX 1:

FINANCIAL STATEMENTS AT 31 DECEMBER 2021

BALANCE SHEET (assets)

	ASSETS	FISCAL YEAR			PREVIOUS FISCAL YEAR
		Gross	Depreciation and provisions	Net	Net
FIXED ASSETS	NIL VALUE ASSETS (A)	28 956 166,86	9 467 681,23	19 488 485,63	12 792 905,86
	. Preliminary expenses	-	-	-	-
	. Deferred charges	28 956 166,86	9 467 681,23	19 488 485,63	12 792 905,86
	. Bond redemption premium	-	-	-	-
	INTANGIBLE FIXED ASSETS (B)	22 121 634,24	19 340 886,88	2 780 747,36	1 975 030,60
	. Research and development fixed assets	-	-	-	-
	. Patents, trademarks, assets and similar rights	20 828 712,84	18 047 965,48	2 780 747,36	1 737 880,60
	. Goodwill	-	-	-	-
	. Other intangible fixed assets	1 292 921,40	1 292 921,40	-	237 150,00
	PROPERTY, PLANT AND EQUIPMENT (C)	48 225 289,24	27 453 765,90	20 771 523,34	27 466 653,93
	. Land	-	-	-	-
	. Buildings	-	-	-	-
	. Technical installations, plant and machinery, equipment and fixtures	-	-	-	-
	. Transport equipment	-	-	-	-
	. Furniture, fixtures and equipment	48 225 289,24	27 453 765,90	20 771 523,34	27 466 653,93
	. Other intangible fixed assets	-	-	-	-
	. Tangible fixed assets in progress	-	-	-	-
	FINANCIAL FIXED ASSETS (D)	-	-	-	-
	. Long-term loans	-	-	-	-
	. Other financial debts	-	-	-	-
	. Equity securities	-	-	-	-
	. Other financial fixed assets	-	-	-	-
	TRANSLATION ADJUSTMENTS - ASSETS (E)	-	-	-	-
	. Decrease in fixed debts	-	-	-	-
	. Increase in financing debts	99 303 090,34	56 262 334,01	43 040 756,33	42 234 590,39
	TOTAL I (A+B+C+D+E)	785 194,37	-	785 194,37	506 054,82
CURRENT ASSETS	INVENTORY (F)	785 194,37	-	785 194,37	506 054,82
	. Goods	-	-	-	-
	. Consumable materials and supplies	-	-	-	-
	. Goods-in-process	-	-	-	-
	. Intermediate and residual products	-	-	-	-
	. Finished products	-	-	-	-
	CLAIMS ON CURRENT ASSETS (G)	56 240 322,84	-	56 240 322,84	53 414 757,05
	. Prepayments, payments on account	-	-	-	-
	. Accounts receivable	52 925 763,35	-	52 925 763,35	43 811 864,73
	. Payroll	723 895,88	-	723 895,88	877 308,42
	. Government	1 771 710,38	-	1 771 710,38	7 605 110,74
	. Partners' accounts	-	-	-	-
	. Other accounts receivable	11 563,44	-	11 563,44	11 563,45
	. Adjustment accounts. Assets	807 389,79	-	807 389,79	1 108 909,71
	INVESTMENT SECURITIES (H)	175 000 000,00	-	175 000 000,00	160 000 000,00
	TRANSLATION ADJUSTMENTS - ASSETS (I)	-	-	-	-
	(Current items)	232 025 517,21	-	232 025 517,21	213 920 811,87
	TOTAL II (F+G+H+I)	9 542 339,45	-	9 542 339,45	3 488 490,17
CASH	. Cheques and cash values	2 500,00	-	2 500,00	-
	. Bank, treasury and post office account	9 525 854,27	-	9 525 854,27	3 483 805,72
	. Cash, petty cash and credit lines	13 985,18	-	13 985,18	4 684,45
	TOTAL III	9 542 339,45	-	9 542 339,45	3 488 490,17
TOTAL GENERAL I + II + III		340 870 947,00	56 262 334,01	284 608 612,99	259 643 892,43

Balance sheet (liabilities)

	LIABILITIES	FISCAL YEAR	PREVIOUS FISCAL YEAR
FINANCEMENT PERMANENT	SHAREHOLDERS' EQUITY		
	. Corporate or personal capital (1)	222 200 627,37	222 112 261,92
	. less: shareholders, subscribed uncalled capital, called capital, Including paid-in.....		
	. Issue, merger and contribution premiums	-	-
	. Revaluation reserve	-	-
	. Legal reserve	-	-
	. Other reserves	-	-
	. Retained earnings (2)	-	-
	. Net income pending appropriation (2)	-	-
	. Net income of the fiscal year (2)	29 403 769,39	15 382 483,10
	Total shareholders' equity (A)	251 604 396,76	237 494 745,02
	QUASI EQUITY (B)	-	-
	. Investment grants		
	. Regulated provisions		
	. Other quasi-equity		
	FINANCING DEBTS (C)	-	-
	. Bonded debt		
	. Other financing debt		
	. Miscellaneous financing debt		
	LONG-TERM PROVISIONS FOR LIABILITIES AND CHARGES (D)	-	-
	. Provisions for liabilities		
	. Provisions for charges		
	TRANSLATION ADJUSTMENTS - LIABILITIES (E)	-	-
	. Increase in fixed debts		
	. Decrease in financing debts		
	TOTAL I (A+B+C+D+E)	251 604 396,76	237 494 745,02
PASSIF CIRCULANT	CURRENT LIABILITIES DEBTS (F)	33 004 216,23	22 149 147,41
	. Trade and other accounts payable	6 800 943,74	4 336 564,94
	. Trade receivables, prepayments and advances	20 400,00	1 200,00
	. Payroll	4 233 476,22	3 966 030,55
	. Social organizations	374 184,49	343 946,97
	. Government	21 089 090,04	12 388 856,90
	. Partner's accounts	-	-
	. Other creditors	486 121,74	1 112 548,05
	. Adjustment accounts - liabilities	-	-
	OTHER PROVISIONS FOR LIABILITIES AND CHARGES (G)	-	-
	TRANSLATION ADJUSTMENTS - LIABILITIES (current items) (H)	-	-
	TOTAL II (F+G+H)	33 004 216,23	22 149 147,41
TRÉSORERIE	CASH - LIABILITIES		
	. Discount credit facilities	-	-
	. Cash loans	-	-
	. Banks, (credit balance)	-	-
	TOTAL III	-	-
	GENERAL TOTAL I + II + III	284 608 612,99	259 643 892,43

(1) Negative personal capital

(2) Profit (+). Loss (-)

Income statement

		TRANSACTIONS		FISCAL YEAR FROM 01/01/21 TO 31/12/21	
NATURE		Particular to the Fiscal year 1	For the Previous fiscal years 2	TOTAL OF THE FISCAL YEAR 3 = 1 + 2	TOTAL OF THE PREVIOUS FISCAL YEAR 4
EXPLOITATION	I OPERATING INCOME				
	Sales of goods (as is)				
	Sales of goods and services produced Turnover				
	. Changes in product inventory (+ -) 1)	-	-	-	-
	. Fixed assets produced	170 092 286,65	-	170 092 286,65	138 953 358,96
	by the company itself	-	-	-	-
	. Operating grants	-	-	-	-
	. Other operating income	-	-	-	-
	. Resumption of operations; expense transfers	-	-	-	-
	TOTAL I	170 092 286,65	-	170 092 286,65	138 953 358,96
	II OPERATING EXPENSES				
	. Cost of goods sold (2)	-	-	-	-
	. Cost of materials and (2) supplies consumed	2 720 264,21	-	2 720 264,21	2 665 347,92
	. Other external charges	25 075 518,49	-	25 075 518,49	25 910 989,20
	. Taxes and duties	2 998 368,00	-	2 998 368,00	2 998 968,00
FINANCIER	. Payroll	82 048 515,26	-	82 048 515,26	73 092 030,81
	. Other operating charges	653 571,48	-	653 571,48	587 142,90
	. Operating allowances	15 057 941,72	-	15 057 941,72	13 529 940,26
	TOTAL II	128 554 179,16	-	128 554 179,16	118 784 419,09
	III OPERATING INCOME (I-II)	41 538 107,49	-	41 538 107,49	20 168 939,87
	IV FINANCIAL INCOME				
	. Income from equity holdings and other fixed assets				
	. Translation gains	-	-	-	-
	. Interest and other financial income	13 539,62	-	13 539,62	3 280,75
	. Financial writebacks;	2 964 799,20	-	2 964 799,20	3 731 072,27
	. expense transfers	-	-	-	-
	TOTAL IV	2 978 338,82	-	2 978 338,82	3 734 353,02
	V FINANCIAL EXPENSES				
	. Interest charges	-	-	-	-
	. Translation losses	17 427,88	-	17 427,88	28 161,13
	. Other financial expenses	-	-	-	-
	. Financial allowances	-	-	-	-
	TOTAL V	17 427,88	-	17 427,88	28 161,13
	VI FINANCIAL INCOME (IV - V)	2 960 910,94	-	2 960 910,94	3 706 191,89
	VII CURRENT INCOME (III + VI)	44 499 018,43	-	44 499 018,43	23 875 131,76

1) Changes in inventory: closing inventory - opening inventory; increase (+) ; decrease (-)
2) Purchases resold or consumed: purchases - change in inventory

2) Purchases resold or consumed: purchases - change in inventory		TRANSACTIONS	FISCAL YEAR FROM 01/01/21 TO 31/12/21		
	NATURE	Particular to the Fiscal year 1	For the Previous fiscal years 2	TOTAL OF THE FISCAL YEAR 3 = 1 + 2	TOTAL OF THE PREVIOUS FISCAL YEAR 4
VII	CURRENT INCOME (Report)	44 499 018,43	-	44 499 018,43	23 875 131,76
VIII	NON CURRENT INCOME				
	. Proceeds from disposal of fixed assets	34 000,00		34 000,00	30 000,00
	. Equalization subsidies	-		-	-
	. Reversals of investment grants	-		-	960 666,67
	. Other non-current income	288 019,84		288 019,84	41 619,53
	. Non-current reversals; expense transfers	10 000 000,00	-	10 000 000,00	15 000 000,00
	TOTAL VIII	10 322 019,84	-	10 322 019,84	16 032 286,20
IX	NON CURRENT EXPENSES				
	. Net depreciation value of disposed assets	-		-	10 306,17
	. Subsidies granted	-		-	-
	. Other non-current expenses	11 200 154,88		11 200 154,88	16 635 678,69
	. Non-current allowances to depreciation and prov.				
	TOTAL IX	11 200 154,88	-	11 200 154,88	16 645 984,86
X	NON CURRENT INCOME (VIII-IX)	-878 135,04	-	-878 135,04	-613 698,66
XI	PRE-TAX INCOME (VII+ X)	43 620 883,39	-	43 620 883,39	23 261 433,10
XII	CORPORATE INCOME TAX	14 217 114,00		14 217 114,00	7 878 950,00
XIII	NET INCOME (XI-XII)	29 403 769,39	-	29 403 769,39	15 382 483,10
XIV	TOTAL INCOME (I + IV + VIII)	183 392 645,31		183 392 645,31	158 719 998,18
XV	TOTAL EXPENSES (II + V + IX + XII)	153 988 875,92		153 988 875,92	143 337 515,08
XVI	NET INCOME (Total income - Total expenses)	29 403 769,39	-	29 403 769,39	15 382 483,10

RAPPORT DE L'AUDITEUR EXTERNE

EXERCICE DU 1^{ER} JANVIER AU 31 DECEMBRE 2021

Aux membres du Conseil d'Administration

Autorité Marocaine du Marché des Capitaux (AMMC)

Avenue Annakhil, Hay Riad – Rabat

Audit des états de synthèse

Opinion

Conformément à la mission qui nous a été confiée par votre Conseil d'Administration du 30 septembre 2019, nous avons effectué l'audit des états de synthèse ci-joints de l'Autorité Marocaine du Marché des Capitaux (AMMC), qui comprennent le bilan au 31 décembre 2021, le compte de produits et charges, l'état des soldes de gestion, le tableau de financement pour l'exercice clos à cette date, ainsi que l'état des informations complémentaires (ETIC). Ces états de synthèse font ressortir un montant de capitaux propres et assimilés de 251 604 396,76 MAD dont un bénéfice net de 29 403 769,39 MAD. Ces états ont été arrêtés par la Présidente de l'AMMC le 4 mars 2022 dans un contexte évolutif de la crise sanitaire de l'épidémie de Covid-19, sur la base des éléments disponibles à cette date.

A notre avis, les états de synthèse cités au premier paragraphe ci-dessus donnent, dans tous leurs aspects significatifs, une image fidèle du patrimoine et de la situation financière de l'Autorité Marocaine du Marché des Capitaux (AMMC) au 31 décembre 2021, ainsi que du résultat de ses opérations pour l'exercice clos à cette date, conformément au référentiel comptable en vigueur au Maroc.

Fondement de l'opinion

Nous avons effectué notre audit selon les Normes de la Profession au Maroc. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités de l'auditeur à l'égard de l'audit des états de synthèse » du présent rapport. Nous sommes indépendants de la société conformément aux règles de déontologie qui s'appliquent à l'audit des états de synthèse au Maroc et nous nous sommes acquittés des autres responsabilités déontologiques qui nous incombent selon ces règles. Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion d'audit.

Responsabilités de la direction et des responsables de la gouvernance à l'égard des états de synthèse

La direction est responsable de la préparation et de la présentation fidèle des états de synthèse, conformément au référentiel comptable en vigueur au Maroc, ainsi que du contrôle interne qu'elle considère comme nécessaire pour permettre la préparation d'états de synthèse exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

Lors de la préparation des états de synthèse, c'est à la direction qu'il incombe d'évaluer la capacité de la société à poursuivre son exploitation, de communiquer, le cas échéant, les questions se rapportant à la continuité de l'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si la direction a l'intention de liquider la société ou de cesser son activité ou si aucune autre solution réaliste ne s'offre à elle.

Il incombe aux responsables de la gouvernance de surveiller le processus d'information financière de la société.

Responsabilités de l'auditeur à l'égard de l'audit des états de synthèse

Nos objectifs sont d'obtenir l'assurance raisonnable que les états de synthèse pris dans leur ensemble sont exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs et de délivrer un rapport de l'auditeur contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux normes de la profession au Maroc permettra toujours de détecter toute anomalie significative qui pourrait exister. Les anomalies peuvent résulter de fraudes ou d'erreurs et elles sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce que, individuellement ou collectivement, elles puissent influencer sur les décisions économiques que les utilisateurs des états de synthèse prennent en se fondant sur ceux-ci.

Dans le cadre d'un audit réalisé conformément aux normes de la profession au Maroc, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique tout au long de cet audit. En outre :

- nous identifions et évaluons les risques que les états de synthèse comportent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs, concevons et mettons en œuvre des procédures d'audit en réponse à ces risques, et réunissons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative résultant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- nous acquérons une compréhension des éléments du contrôle interne pertinents pour l'audit afin de concevoir des procédures d'audit appropriées aux circonstances, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de la société ;
- nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, de même que des informations y afférentes fournies par cette dernière ;
- nous tirons une conclusion quant au caractère approprié de l'utilisation par la direction du principe comptable de continuité d'exploitation et, selon les éléments probants obtenus, quant à l'existence ou non d'une incertitude significative liée à des événements ou situations susceptibles de jeter un doute important sur la capacité de la société à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport sur les informations fournies dans les états de synthèse au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants obtenus jusqu'à la date de notre rapport. Des événements ou situations futurs pourraient par ailleurs amener la société à cesser son exploitation ;

- nous évaluons la présentation d'ensemble, la structure et le contenu des états de synthèse, y compris les informations fournies dans l'ETIC, et apprécions si les états de synthèse représentent les opérations et événements sous-jacents d'une manière propre à donner une image fidèle.

Nous communiquons aux responsables de la gouvernance notamment l'étendue et le calendrier prévus des travaux d'audit et nos constatations importantes, y compris toute déficience importante du contrôle interne que nous aurions relevée au cours de notre audit.

Casablanca, le 23 mars 2022

**L'auditeur externe
Deloitte Audit**



Deloitte Audit
M. Sidi Mohammed Benabdellah
Bâtiment "C" - Ivoire 2, La Marina
Casablanca
Tél: 0522 22 40 25 / 05 22 22 47 34
Fax: 05 22 22 40 78 / 47 59

**Sakina Bensouda Korachi
Associée**

APPENDIX 2: SUMMARY OF PENALTIES

Party involved	Alledged violations	Date of penalty	Penalty
AD CAPITAL UCITS management company	i. Non-compliance with the rules governing the disclosure of information to the AMMC;	13 September 2021	Financial penalty of MAD four hundred thousand (400 000)
	ii. Non-compliance with the rules governing the transmission of regulatory reporting to the AMMC in accordance with predefined procedures;		
	iii. Non-compliance with the obligations of management companies in relation to business continuity (business backup).		



 www.ammc.ma
 [/ammc](https://www.linkedin.com/company/ammc)
 [@ammc_news](https://twitter.com/ammc_news)