

financial asset prices. To this end, by decision of the AMMC, the thresholds for daily price changes of listed instruments were to be reduced. Also, the listing sessions duration was shortened in agreement with the involved stakeholders.

Asset management industry put to the test by the crisis

The health crisis tested the resilience of the asset management industry in all its components (UCITS, Securitization Vehicles, Private Equity Funds and Real Estate Funds). All the funds continued to operate normally, managing portfolio assets and handling investor transactions.

UCITS, in particular, had to cope with falling stock market prices and some investors' increased need for liquidity. The market's overall net assets fell at the peak of the crisis before returning to the level observed in the pre-crisis period. In this context, the AMMC supported the management companies through daily monitoring of transactions on the assets and liabilities of the funds and introduced market and liquidity stress tests to check the funds' resilience to crises.

Issuers making public offerings facing their disclosure obligations

Aware of the need to maintain regular and relevant communication, which increases investors' confidence and stands as a prerequisite for the market smooth running, issuers have implemented the necessary means to meet their disclosure obligations (post-Board of Directors communication, annual financial report, quarterly indicators) despite the difficulties inherent in the current context.

As such, the AMMC has supported issuers in this process, notably by regularly publishing details and reminders on its website to guide them in their financial reporting (publications related to general meetings, material information, publication of quarterly indicators, etc.).

The post-crisis period: capital market to serve financing the economy

The Moroccan Capital Market Authority is resolved to contribute to the economic recovery through strengthening financing instruments offered by capital markets.

Indeed, capital markets can be an important complementary source of financing for both private and public companies.

In this respect, a plan to step up corporate financing solutions via the market proves highly relevant.

Some tools are worth boosting, such as the private debt market, the alternative market dedicated to SMEs or the segment reserved for institutional investors, which can notably meet the financing needs of infrastructure projects. Innovative financing mechanisms are available and offer alternative solutions (green bonds, REITs, securitization, etc). In addition, other activities have yet to be engaged as a priority, such as crowdfunding or financial investment advisory.

The Moroccan Capital Market Authority is committed along the entire ecosystem to develop a roadmap to this end.

We wish you a good read.



The AMMC takes action to counter Coronavirus spread and to preserve national economy

• AMMC takes part in the national solidarity effort

The AMMC made a financial contribution of MAD 15 million to the Special Fund for the Management of the Coronavirus Pandemic, dated 20 March 2020.

This donation is part of the solidarity effort initiated by His Majesty King Mohammed VI, may God assist him, by decree of March 16th, 2020 establishing the Special Fund to meet exceptional health expenses and support sectors affected by the pandemic-induced crisis.

Furthermore, AMMC's staff have also made individual contributions to the Fund.

MOROCCAN CAPITAL MARKETS: MEASURES AND RECOMMENDATIONS IN TIMES OF THE COVID-19 CRISIS

In response to the impact of Covid-19 health crisis and the operational constraints generated by the lockdown, the AMMC adopted a comprehensive response plan to ensure the capital market smooth running and to maintain infrastructures and market participants' activities. The Authority also had to adapt its own internal organization with a twofold objective, to ensure the continuity of its activities while ensuring its staff safety.

Besides, a close coordination and monitoring mechanism has been set up between the AMMC, Bank Al Maghrib, the Supervisory Authority of Insurance and Social Welfare (ACAPS) and the Ministry of Economy, Finance and Administration Reform to continuously assess the impacts of Covid-19 on financial stability.

BUSINESS CONTINUITY MEASURES

1. Business Continuity of the AMMC:

The AMMC has adopted a remote work arrangement for the great majority of its staff, who have been provided with all the material resources required to carry out their missions in the best possible conditions.

[AMMC Press Release of 20 March 2020](#)

2. Business continuity of market participants and infrastructures:

The Authority has continued to closely monitor market participants under its supervision with a view to supporting them in the roll-out of their business continuity plans, particularly following the large-scale introduction of telework. Market participants had to remain alert, particularly with regards to respecting the primacy of customer interests, complying with market operating rules and strengthening the audit trails of transactions. Also, while ensuring that the market was kept abreast of all important facts, the AMMC adapted the terms and conditions for the submission of certain reports by stakeholders to take into account the crisis context.

MEASURES RELATING TO THE ISSUANCE AND LISTING OF FINANCIAL INSTRUMENTS

3. Listing of financial instruments on the stock exchange:

In order to limit the high price volatility of instruments listed on the Casablanca Stock Exchange, two measures have been implemented:

- Tightening of the maximum variation thresholds applicable to listed financial instruments. As of 17 March 2020, the



maximum authorized price variation was of 4% for the most liquid shares (instead of 10%) and 2% for other equity securities (instead of 6%).

[AMMC Press Release of 17 March 2020](#)

- Adjustment of the timetables for listing, processing and settlement of transactions in financial instruments, in consultation with the relevant market participants.

[Casablanca Stock Exchange Press Release of 23 March 2020](#)

4. Bond issues during the health emergency period:

The AMMC reminds companies making public offerings wishing to issue bonds that, in application of the provisions of Article 4 of the aforementioned Law No. 27.20, such bond issues may, during the period of health emergency, be authorized by the Board of Directors or the Management Board, without calling an Ordinary General Meeting of Shareholders. The Board of Directors or the Management Board that exercises this option must draw up a report thereon at the next general meeting of shareholders, to be called within a maximum period of 15 days after the end of the state of health emergency.

[AMMC press release of 1 June 2020](#)

MARKET DISCLOSURE MEASURES

5. Supporting issuers in the implementation of their disclosure obligations:

Keeping the market informed in times of great uncertainty was a major objective for the AMMC. To this end, the Authority reminded issuers making initial public offerings of their disclosure obligations and their publications deadlines.

The AMMC has also made them aware of the importance of making all material information public and has recommended the use of electronic platforms of journals of legal notices.

[AMMC Press Release of 23 March 2020](#)

[AMMC Press Release of 21 May 2020](#)

Also, on its website, the AMMC centralizes all publications produced by the issuers and

disseminates periodic news to facilitate public access.

6. Organization of General Meetings in times of health crisis:

The AMMC reminded issuers that have to hold their general meetings during the period of the state of health emergency that Law 27.20 introduces exceptional measures relating to the holding of meetings of the governing bodies and general meetings of public limited companies during the state of health emergency. It authorizes all public limited companies to hold their general meetings by videoconference or equivalent means. To this end, the AMMC reminds issuers of the main procedures that need to be followed by issuers and makes a number of recommendations: ensure reliable technical resources; provide shareholders who so request with postal voting forms; provide sufficient communication on the procedures for holding the AGM, etc.

[AMMC press release of 1 June 2020](#)

7. Accounting and auditing standards:

On 29 April 2020, the National Accounting Council (CNC) published its opinion no. 13 explaining the accounting implications of the Covid-19 pandemic. This notice specifies the methods for taking into account the impact of the pandemic on the financial statements, as well as the specific information to be included in the additional disclosure statement (ETIC) in this regard. In addition, at its meeting of 9 April 2020, the National Association of Chartered Accountants (Conseil National de l'Ordre des Experts Comptables - OEC) adopted a directive on the impact of the Covid-19 pandemic on the audit of financial statements. This directive considers the Covid-19 pandemic as a post-closing event and specifies the steps to be taken by the statutory auditors to ensure appropriate financial reporting.

[CNC press release of 29 April 2020](#)



MEASURES IN TIMES OF THE COVID-19 CRISIS: INTERNATIONAL LATEST EVENTS

The current health crisis has had a strong impact on the financial markets, with both operational consequences, linked mainly to widespread lockdown, and financial repercussions marked by the significant declines recorded by the markets, particularly through March. The public authorities, like the AMMC, and the other market participants in the financial market ecosystem have reacted by adopting appropriate measures to limit the consequences of the pandemic on the markets. Among their priorities, regulators had to ensure the proper functioning and stability of markets and support issuers to ensure adequate communication regarding the impacts of the pandemic on their activities and financial positions.

A review of the measures implemented around the world shows that they have mainly affected markets and their infrastructures, issuers, asset management and investors. The measures implemented are at the initiative of regulators, governments or market infrastructures. Some measures are shared by several countries (limitation or banning of certain market practices, lightening of reporting obligations, etc.) and others are more exclusive (suspension of stock exchange trading, extension of reporting deadlines, etc.). Overall, and despite the major operational disruptions and historical downturns, the markets have been running smoothly. Several regulators (AMF - France, CNMV - Spain, etc.) expressed the importance of keeping markets and trading platforms in operable condition in order to provide liquidity for financial instruments. Worthy of note that some markets recorded exceptional volumes despite high volatility throughout March.

Several regulators have also multiplied warnings to investors about scams and potential frauds. The AMF France, for example, has issued a press release reminding investors of the precautions to be taken and the due

diligence to be observed prior to making any investment or subscription. It has also created a page on its website to provide retail investors with easy-to-read and understandable information.

The UK authority (FCA) alerted the public to the risks of frauds during the crisis period, which take many forms: insurance policies, pension transfers or high-yield investment opportunities, including investments in cryptographic assets. The Due to the significant distress witnessed thereto, authorities closely monitored collective investment market. A number of regulators have introduced enhanced oversight arrangements to monitor, in particular, the development of redemptions, the liquidity of assets and the valuation methods.

Finally, the International Organization of Securities Commissions (IOSCO), a global regulatory body with 226 members, lists and regularly updates on its website the specific actions taken by public authorities and market regulators in relation to Covid-19. They are grouped into 8 areas: margin policies and related measures (clearing houses); short selling and volatility control; business continuity plans; supervision; requirements for holding General Meetings; reporting and disclosure requirements; collective management and fraud.

The following is a Benchmark of the main measures taken by a number of regulators around the world representing markets of different size and development level.



Measure/ Country	Measures relating to the listing of financial instruments on stock markets
France	<p>On 17 March, the Financial Markets Authority (France) announced by decision, a ban on any net short position within the meaning of Article 3 of the aforementioned regulation and any increase in a net short position in the equity securities of issuers whose shares are admitted to trading on a French trading platform.</p> <p>On 18 May and after several renewals of the measure, the AMF decided to end it, noting that risk indicators on the French market were gradually being normalized.</p> <p>In consultation with the European Securities and Markets Authority (ESMA) and the national authorities of Austria, Belgium, Spain, Greece and Italy, which have adopted similar measures, the AMF decided not to renew the ban on net short positions, which expired at 11:59 pm on 18 May.</p>
Spain	<p>The CNMV decided to ban short selling on 13 March on all liquid shares admitted to trading on the Spanish markets, whose prices fell by more than 10% during the 12 March session, and on all illiquid securities.</p> <p>On 18 May 2020, after analyzing market developments and the circumstances that led to the adoption of this measure, the CNMV decided to end it. However, the CNMV recalls that the obligation to notify the authority of positions is still applicable.</p>
Canada	<p>Québec-Autorité des marchés financiers activated the «switch-off» mechanisms and all Canadian markets were suspended for a period of 15 minutes. These market-wide «switch-offs» are aligned with equivalent volatility control mechanisms in the United States. To date, these are Level One suspensions, resulting from a 7% decline in the S&P 500 Index.</p>
Italy	<p>On 12 March 2020, the CONSOB issued a temporary ban (for the day of 13 March 2020) on short selling activities of 85 Italian shares.</p> <p>The markets and trading platforms remained open despite the high price volatility. Mechanisms to interrupt trading are available and active in the event of high volatility.</p>
Saudi Arabia	<p>On 26 March, the Stock Exchange temporarily reduced trading hours for all listed securities from 10:00 a.m. to 1:00 p.m. and confirmed its ability to fully exploit the exchange's systems and operations at all times.</p>
Egypt	<p>The Egyptian Stock Exchange was suspended for one trading session on 12 March 2020. The Egyptian Authority (FRA) approved a proposal submitted by the Egyptian Exchange (EGX) to cancel the upward reservation threshold and to continue to apply the suspension in the event that the EGX100 falls by 5%.</p>
Kuwait	<p>After suspending the listing during one session (12 March 2020), the Kuwait Stock Exchange exceptionally revised the price limit from 10% to 5% (reservation thresholds).</p>
Tunisia	<p>Implementation of new listing rules</p> <ul style="list-style-type: none"> - Maximum static session thresholds reduced to 3% - Trading hours between 9:00 a.m. and 12:00 noon.



Measure/ Country	Business continuity measures
France	<p>On April 2nd, the AMF published an updated press release reminding market participants that they are permitted to work from home. In this context, entities are called upon to be vigilant in the event of possible conflicts of interest and latency risks that could lead to difficulties with real-time transaction monitoring. The statement also recalls</p> <ul style="list-style-type: none"> - The importance of the audit trail and voice recording while expecting participants to respond appropriately to ensure compliance with these requirements. - Compliance with transaction reporting rules which are crucial for the monitoring of market participants. <p>The AMF has widely adopted teleworking with a reassignment of staff to focus on supervisory priorities.</p>
Spain	<p>The CNMV has issued reminders to the entities under its supervision. In its announcements, the CNMV has underlined the importance of contingency plans, if necessary, and the need to contact the CNMV in case of non-regular events. These notices also indicate that the CNMV will continue to exercise its supervisory functions but taking into account the current extraordinary situation. In addition, the CNMV provides a 24/7 call center to report any operational issues that may affect their business continuity. The CNMV's website contains a specific section to inform market participants of the key decisions made by the authorities regarding BCPs.</p> <ul style="list-style-type: none"> - Since 11 March, the CNMV has widely adopted teleworking. A small group of staff is present at the headquarters for the purposes of market and market participant supervision. - Since 13 March, all CNMV staff have been working remotely with a few specific exceptions.
Saudi Arabia	<p>Capital market infrastructures (Saudi Stock Exchange and Securities Depository Center) maintained their level of activity as part of the crisis management plan. Teleworking has been active and face-to-face activities have been limited.</p> <p>The Saudi Arabian Financial Markets Authority has activated a series of preventive measures restricting the movement of employees and favoring work from home, tested as of 16 March. A crisis management committee has been set up to assess the situation and the mitigation measures and is also coordinating with the Saudi Monetary Authority (Central Bank) to continuously assess the impact of Covid-19 on the financial stability of the Saudi market.</p>



Measure/ Country	Business continuity measures
Canada	<p>A large majority of the employees of the Autorité des marchés financiers are teleworking and access to the premises is limited to staff who support certain operations that are essential to the mission of the AMF.</p> <p>The Authority has set up a page on its website dedicated to information about the health crisis. The page also lists all decisions on regulatory exemptions for market participants. IIROC (Investment Industry Regulatory Organization of Canada) will not hold any disciplinary hearings until 30 April 2020.</p> <p>IIROC has put in place a procedure for granting exemptions, in certain situations, to assist brokers in maintaining business continuity in a more flexible regulatory environment.</p>
Italy	<p>The relevant Italian authorities have activated teleworking of staff, while ensuring full functioning and good coordination with staff members who continue to carry out critical tasks on site.</p> <p>Trading platforms and financial market infrastructures have made staff teleworking possible. The CONSOB closely monitors the regular activation of contingency plans by financial market infrastructures, market operators and market participants. The CONSOB also has frequent contacts with market infrastructures and some liquidity providers/ market makers on trading platforms.</p>

Measure/ Country	Market information measures: exemptions, regulatory flexibilities and other measures
Spain	<p>Spanish Royal Decree-Law 8/2020, of 17 March, on extraordinary emergency measures to address the social and economic impact of Covid-19, provides for some flexibility in financial reporting regulations. Temporary measures are applied to Spanish listed companies.</p> <p>The annual financial report as well as the audit report will be published and sent to the CNMV within six months of the end of the year (the usual period is four months). The interim management report (quarterly information) and the half-yearly financial reports may be published and transmitted to the CNMV within four months (instead of 45 days and three months respectively).</p> <p>Board meetings held by videoconference or telephone conference are valid, even if this is not expressly provided for in the articles of association.</p>



Measure/ Country	Market information measures: exemptions, regulatory flexibilities and other measures
France	<p>The French Financial Markets Authority (AMF) has issued several press releases recalling or explaining how the market was kept informed during the Covid-19 crisis. These reminders mainly concerned:</p> <ul style="list-style-type: none"> • Exceptional measures taken for the organization of general meetings pursuant to the emergency law of 23 March 2020 to deal with the Covid-19 epidemic. Several provisions are planned to simplify and adapt the rules for convening, notifying, meeting and deliberating of general meetings. The AMF encourages shareholders to exercise their voting rights and lists a series of recommendations to be followed in the event of in-camera meetings and the consequent use of remote voting. • Items requiring vigilance in the publication of financial information. The AMF has reiterated that, in general, issuers must continue to ensure the continuity of information during the crisis period, incorporate the impact of the crisis into their reporting and provide inside information about themselves as soon as possible. The AMF is aware that this can be a difficult task under the current conditions of uncertainty, but notes that providing reliable, specific and detailed information helps to maintain market confidence.
Canada	<p>The Canadian securities regulators provided rules for the conduct of Annual General Meetings (AGMs) during the Covid-19 pandemic</p> <ul style="list-style-type: none"> • How to change the date, time or location of AGMs • Modalities for holding remote AGMs <p>On 30 April 2020, the Canadian Securities Administrators (CSA) announced new flexibility measures giving listed issuers until 31 December 2020 to comply with certain regulatory requirements:</p> <ul style="list-style-type: none"> • The disclosure of information on executive directors' remuneration • The disclosure of financial statements and comments from the company's management prior to the AGMs. <p>On February 28th, the Financial Market Authority recalls issuers of their financial reporting obligations:</p> <ul style="list-style-type: none"> • Release to the public of any «insider information» including any significant impact of the Pandemic on the financial activity, performance or perspective. • Issuers closing their annual accounts as at 31/12/2019 must include in their annual reports (to be published by April 30th, 2020) a description of the major risks and uncertainties to which they are exposed. The «Risk Factors» section of the Universal Reference could specify the issuer's economic exposure to the pandemic and the potential actions to be taken. <p>On March 27th, The Financial Market Authority (AMF) informs shareholders and listed companies of exceptional measures related to holding general meetings as to simplify and adapt notices, information, meeting and deliberation rules.</p> <p>On March 30th, the Financial Market Authority (AMF) issued a press release. Issuers that would not be able to publish their financial report on time, should communicate to the market any advance notice of delay, the reasons for this delay and the provisional publication date.</p>
Italy	<p>The Italian Stock Exchange Authority (CONSOB) has adopted two resolutions aimed at improving disclosure of information on shareholdings in listed companies by lowering the reporting thresholds to 1% (instead of 3%) and to 3% (instead of 5%) for SMEs. The measure concerned 104 issuers.</p> <p>On 9 April 2020, the CONSOB issued a warning note drawing the attention of members of Boards of Directors, persons responsible for drafting the financial statements of listed companies, auditors and audit committees to the need to comply with financial reporting standards.</p> <p>With regard to the financial information to be provided in accounting reports and summary prospectuses, the warning invites companies to highlight with the greatest possible transparency the possible effects of the Covid-19 health emergency on the company and its activities, by referring to both the financial statements as at 31 December 2019 and subsequent reports.</p>

DASHBOARD : MARKET OVERVIEW

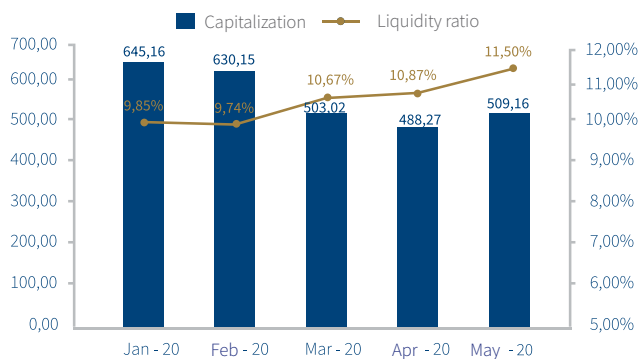
STOCK MARKET INDICATORS

Key stock market indicators

	MAY 2019	MAY 2020	CHANGE
MASI	10 999,88	9 852,80	-10,43%
Capitalization	559,62	509,16	-9,01%
Volume of the central market (annual total)	8,56	17,20	100,92 %
Volume of the block market (annual total)	4,07	4,15	2,04 %
Liquidity ratio	7,34 %	11,50%	

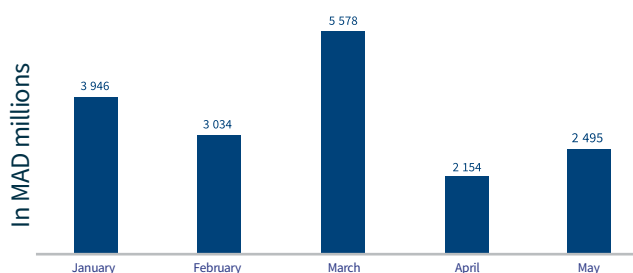
Source: Casablanca Stock Exchange

Changes in market capitalization and liquidity ratio (January-May 2020)



Source: Casablanca Stock Exchange

Changes in monthly volume - central equity market (January-May 2020)



Source: Casablanca Stock Exchange, AMMC calculations

STOCK MARKET TRENDS DURING THE HEALTH CRISIS

In a context of uncertainty caused by the Covid-19 health crisis, the Casablanca Stock Exchange indicators recorded various evolution during the first five months of 2020. After a slight upturn during the first two months of the year, the MASI and MADEX indices fell by 20.85% and 21.26% respectively in March, before entering a recovery phase, reaching 9852 points, i.e. a two-month high. At the end of May 2020, the indices recorded annual negative performance of -19.05% and -19.38% respectively.

Market capitalization on the other hand stood at MAD 509.16 billion at the end of May 2020. It declined by 18.75% compared to the end of December 2019 and by 9.01% year-on-year.

In terms of volume on the central and block markets, over the first five months of 2020, the Casablanca Stock Exchange recorded a transaction volume of about MAD 21.35 billion, up by 69% compared to the same period of the previous year, i.e. more than MAD 8.72 billion. This growth is mainly due to the economic situation in March which recorded a volume of activity of MAD 6.7 billion. On the central market, the average daily trade volume increased from MAD 80 million during the first five months of 2019 to MAD 163 million over the same period in 2020.

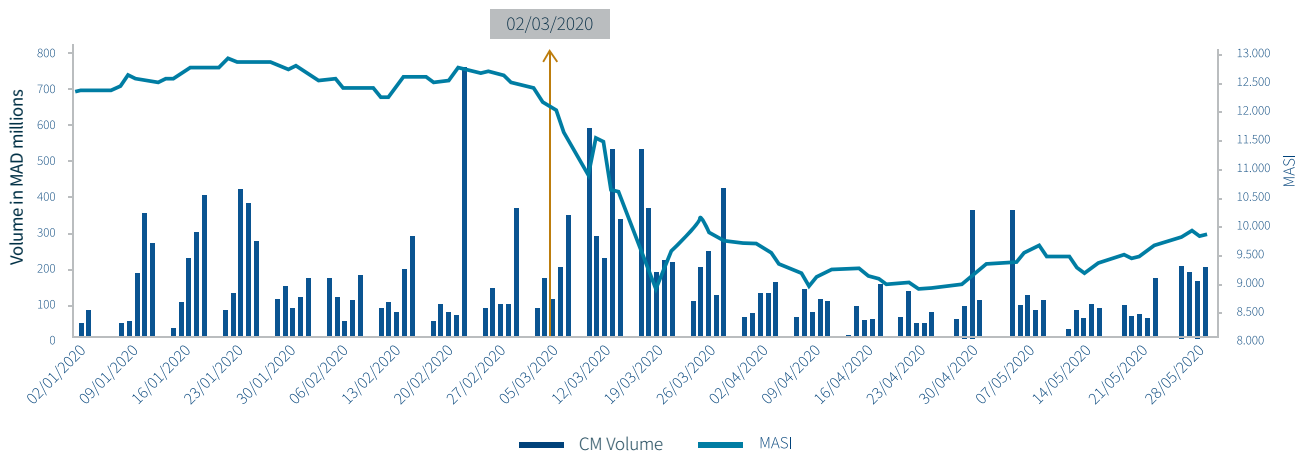
In addition, the liquidity ratio rose to 11.50% in May 2020, compared to 7.34% one year earlier.

The liquidity ratio is a moving average of the undoubled monthly volume of the central and block markets in relation to month-end capitalization, calculated on a rolling year basis.

Substantial increase in trading volume on the central equity market in March 2020 (+83.9% compared to February and +270% year-on-year)

DASHBOARD : MARKET OVERVIEW

Volume trends in the central market / shares and of the MASI (January-May 2020)



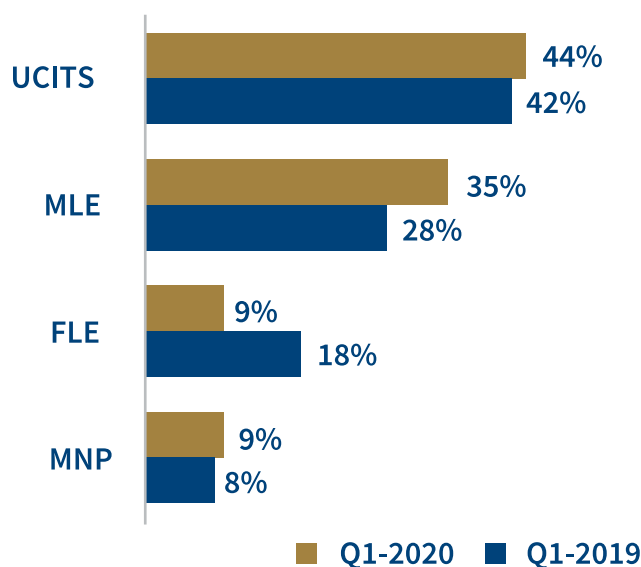
Source: Casablanca stock exchange, AMMC calculations

INVESTORS PROFILE

44%

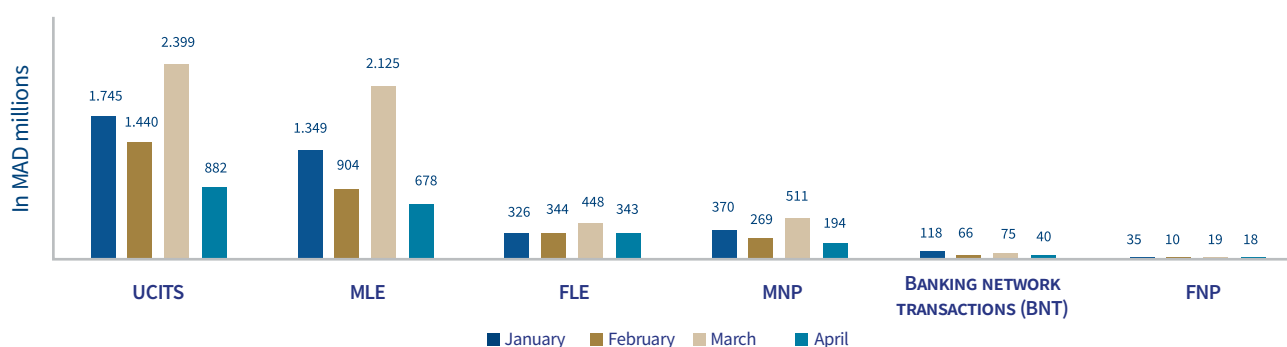
During the first quarter of 2020, UCITS generated 44% of the trading volume of shares on the Central Market of the Stock Exchange, closely followed by Moroccan legal entities (35%). Foreign legal entities and Moroccan natural persons accounted for an equal share of 18%.

In terms of trends, the weight of Moroccan legal entities increased by 7 points, rising from 28% in Q1-2019 to 35% in Q1-2020. In the same vein, the share of UCITS rose by 2 percentage points (from 42% to 44%). However, the share of foreign legal entities fell by 9 percentage points.



Source: Brokerage firms

Monthly volume trends by investor category - central equity market



MNP : Moroccan natural persons
 UCITS : Undertakings for the Collective Investment in Transferable Securities
 MLE : Moroccan legal entities
 FLE : Foreign legal entities
 FNP : Foreign natural persons

Source: Brokerage firms, AMMC calculations

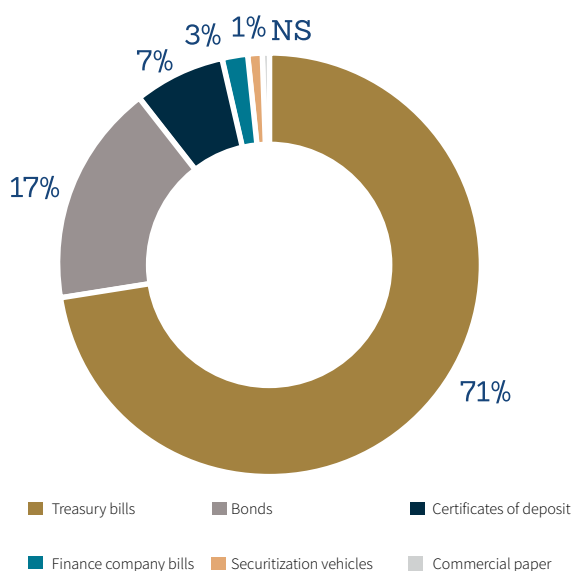
DASHBOARD : MARKET OVERVIEW

DEBT MARKET

Outstanding bonds and negotiable debt securities (In MAD millions)

	TREASURY BONDS	FINANCE COMPANY BILLS	CERTIFICATES OF DEPOSIT	COMMERCIAL PAPER	BONDS	SECURITIZATION VEHICLES
OUTSTANDING AS OF Q4-2019	557 160,80	25 187,95	64 347,60	1 934,00	138 752,68	10 606,74
RAISED	35 650,00	3 020,00	6 077,50	1 738,00	3 647,68	240,01
REIMBURSEMENT	17 079,40	1 850,00	9 850,60	1 483,00	4 556,34	10,97
POSITION AS AT END Q1-2020	575 731,40	26 357,95	60 574,50	2 189,00	137 844,02	10 835,78

Source: Maroclear



71%

Debt market is to remain dominated by Treasury bonds, representing 71% of the total outstanding amount. The treasury raised MAD 35.6 billion in the first quarter of 2020. 63% of issues were for long-term maturities, 24% for medium-term maturities and 13% for short-term maturities, with rates ranging from 2.2% to 4%.

On the negotiable debt securities market, issues amounted to MAD 10.8 billion, 56% of which was raised by banks.

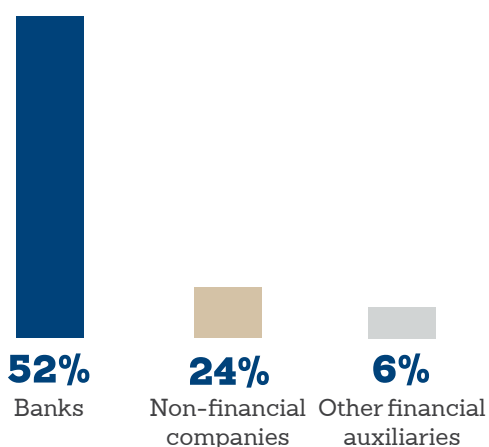
On the bond market, issues amounted to MAD 3.6 billion, bringing their outstanding amount to MAD 137.8 billion at the end of March 2020.

Source : Maroclear

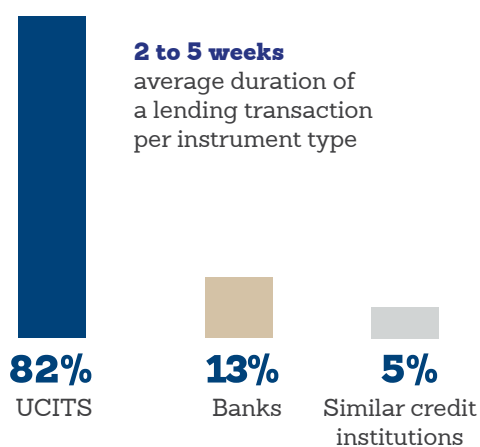
SECURITIES LENDING

Breakdown of lending/borrowing transactions as a % of Q1-2020 volume

Main borrowers as a % of volume



Main lenders as a % of volume



2 to 5 weeks
average duration of a lending transaction per instrument type

Source: Account keepers

MAD 69.8 billion

With a transaction volume of MAD 69.8 billion, the securities lending business recorded a decline of almost 1.4% during the first quarter of 2020 compared to the same period in 2019.

Securities lending operations are still dominated by treasury bills, accounting for 87% of total volume. Certificates of deposit and equities were also the subject of lending transactions with shares of 8% and 1% respectively. There were no securities lending transactions in bonds during the first quarter of 2020.

Borrowers continue to consist mainly of banks and non-financial companies, with respectively 52% and 24% of the total volume handled.

As for the lenders, they are mainly represented by UCITS with 82% of transactions volume, followed by banks and similar credit institutions accounting for 13% and 5% respectively.

MARKET INTERMEDIATION

Breakdown of orders by origin for the Q1 2020

CENTRAL MARKET - EQUITIES			
Origin of the order	Number	Share	Change*
Online trading	53 940	41,07 %	25,61 %
Routing	35 769	27,23 %	57,30 %
Trading station	7 259	5,53 %	4,24 %
OMS	34 381	26,18 %	54,31 %
TOTAL	131 349	100%	38,37 %

Source: Casablanca Stock Exchange
(*): Change compared to the same period the previous year

Client structure of brokerage companies

Type/number	Q1-2019	Q1-2020
MNP	5 488	6272
UCITS	792	1037
MLE	501	424
FLE	136	141
FNP	109	127
TOTAL	7 026	8001

Source: Brokerage companies

Structure of securities accounts opened with account keepers

Number of securities	Q1-2019	Q1-2020
RNP	124 475	132 206
RLE	8 309	8 527
NRNP	13 240	13 523
NRLE	559	513
TOTAL	146 583	154 769

Source: Account keepers

MNP : Moroccan natural persons
UCITS : Undertakings for the Collective Investment in Transferable Securities
MLE : Moroccan legal entities
FNP : Foreign natural persons

FLE : foreign legal entities
RNP : Resident natural persons
RLE : Resident legal entities
NRNP : Non-Resident natural persons
NRLE : Non-Resident Legal Entities

SECURITIES LISTING RESERVATION MECHANISM EXPLAINED

The listing of financial instruments at the Casablanca Stock Exchange is organized on an electronic platform which matches buy and sell orders from brokerage firms and generates transactions from an algorithm which takes into account the prices expressed (compatibility of orders) and their priority on the order book (according to the price expressed and the time stamp of the order). During a trading session, a trading range is set for each security, based on its reference price (which is equal to the previous day's closing price) plus and minus a maximum variation threshold set by regulation. Thus, for a variation threshold of 10%, a security whose daily reference price is MAD 100 will have a trading range from MAD 90 (low threshold) to MAD 110 (high threshold). Consequently, a transaction during this trading session cannot be executed at a price that is higher than the high threshold or lower than the low threshold. When the matching of orders is likely to lead to a transaction price exceeding these thresholds, the price reservation mechanism is activated and trading in the said security is temporarily suspended. Trading is then resumed at hourly intervals scheduled by the exchange, and trading resumes when prices return to the authorized thresholds.

Actually, this switch-off mechanism exists in most stock exchanges worldwide and is aimed at limiting sharp price variations and preventing panic movements when the market is in distress. Some markets apply this switch-off mechanism on a security-by-security basis (Casablanca Stock Exchange, Euronext, London Stock Exchange, etc.) while others (e.g. NYSE) suspend temporarily the market as a whole when the level of variation in the reference index is exceeded.

DASHBOARD : MARKET OVERVIEW

COLLECTIVE MANAGEMENT

UCITS key figures

	May 2019		May 2020		Change	
	Number	Net assets*	Number	Net assets*	Number	Net assets
UCITS	456	452 913	484	470 954	28	3,98 %

Source: Asset management companies

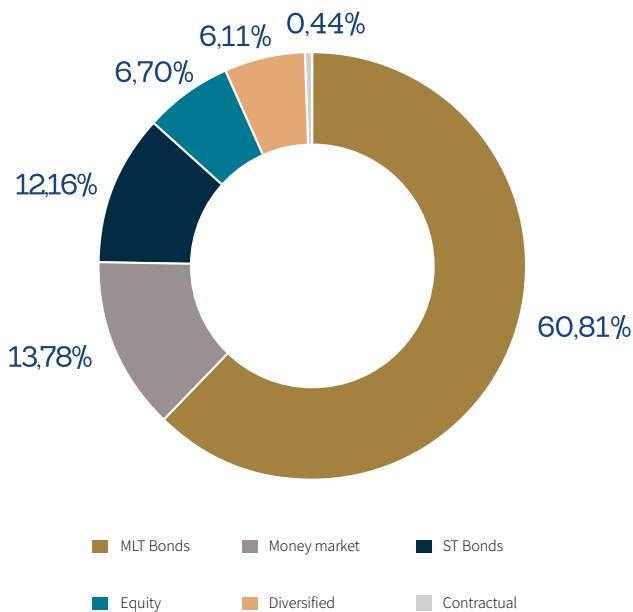
*in MAD millions

41,6%

UCITS Outstanding amount at end of May 2020 / GDP 2019*

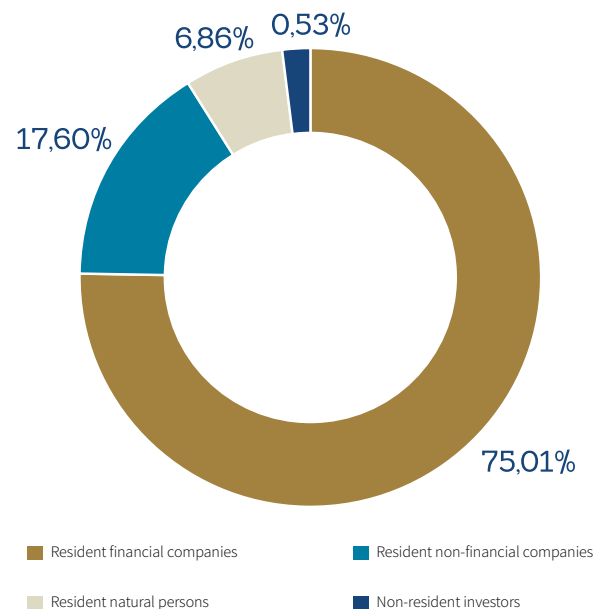
*Estimated figure (HCP)

Breakdown of UCITS net assets by category as at 29-05-2020



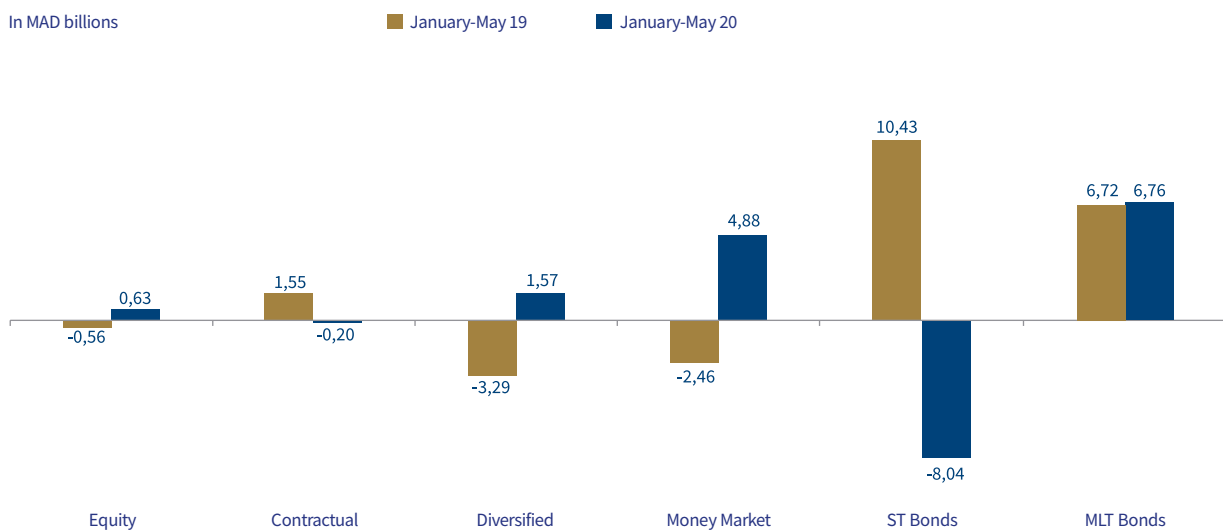
Source: Asset management companies

UCITS investors as at 24-04-2020 (as a % of net assets)



Source: Asset management companies

Net subscriptions¹ by UCITS type

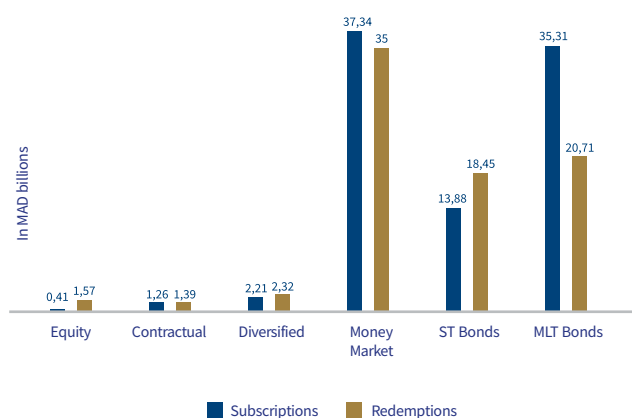


Source: Asset management companies

¹Net subscriptions = (Subscriptions - Redemptions)

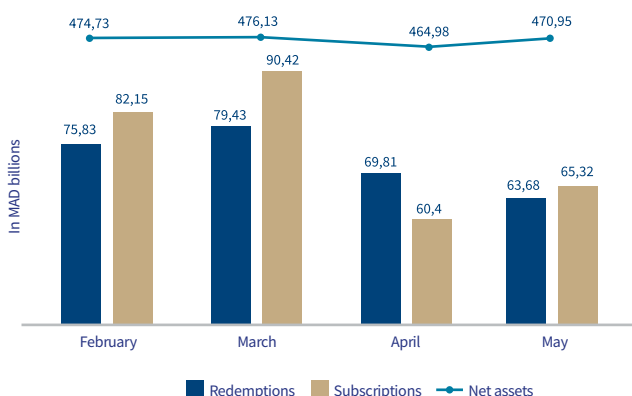
DASHBOARD : MARKET OVERVIEW

Subscriptions/redemptions by UCITS category in March 2020



Source: Asset management companies

Subscriptions/ redemptions of UCITS and trends in net assets February-May 2020



Source: Asset management companies

Subscriptions 298.28 billion
 Redemptions 288.74 billion
 February-May 2020

COLLECTIVE MANAGEMENT STRESS TESTED BY THE COVID-19 HEALTH CRISIS

The fund management industry has generally shown resilience during this period of health crisis, despite a decline in performance and net assets in the “equity” and “diversified” segments, in line with MASI trends.

Owing to the consolidation of positions on bond products whose performances have increased, the net assets of UCITS have declined by only 0.79% between February and May 2020, and now stand at MAD 470.95 billion, i.e. a level similar to that reached in December 2019. At the end of May, the “STB”, “money market” and “MLTB” UCITS posted annual performances of 1.16%, 0.92% and 0.78% respectively. By contrast, the “equity” and “diversified” UCITS posted negative performances of 16.56% and 5.33% respectively.

During the first quarter of 2020, investors have taken a stronger buying position. UCITS subscriptions amounted to MAD 308 billion and redemptions reached MAD 294 billion, representing a net inflow of almost MAD 13.4 billion. The period from February to May 2020 recorded a net inflow of MAD 9.54 billion, even in the absence of mechanisms for suspending or capping redemptions.

Over the first five months of the year, in terms of net position, “medium and long-term bonds” UCITS posted the highest net inflow, i.e. MAD 6.76 billion, followed by “money market” and “diversified” UCITS with positive balances of MAD 4.88 and 1.57 billion respectively. Conversely, the segment of short-term bonds posted a net outflow of MAD 8.04 billion.

DASHBOARD : MARKET OVERVIEW

PUBLIC OFFERING

List of financial transactions approved by the AMMC between October 2019 and May 2020

Transaction type	Contractual	Amount (in MAD millions)	Comment
Transactions reserved for employees of foreign groups	Axa France (17/10/2019) Final approval	41,6	Capital increase in cash through the issuance of AXA SA shares reserved for employees of the Group who are members of the Group Employee Savings Plan (Plan d'Epargne d'Entreprise de Groupe - PEEG) and the International Group Shareholding Plan (Plan International d'Actionariat de Groupe - PIAG). Companies concerned in Morocco: Axa Assurance Maroc, Axa Assistance Maroc, Axa Assistance Maroc Services, Institut de formation et de développement professionnel AXA, Axa Crédit, Carré Assurance Maroc, Société de Gestion et de Surveillance (SGS), Axa Global Services Morocco Branch, Axa France IARD, Axa France Vie and Avanssur.
	CAPGEMINI (08/11/2019)	26,5	Capital increase in cash through the issue of CAPGEMINI SE shares reserved for eligible employees and corporate officers of the Group who are members of the Company Savings Plan (Plan d'Epargne d'Entreprise - PEG) and the International Group Savings Plan (Plan d'Epargne Groupe International - PEGI). Company concerned in Morocco: CAPGEMINI TECHNOLOGY SERVICES MAROC S.A.
	Suez Environnement Company (13/12/2019)	48,16	Opening up of capital reserved for employees who are members of the International Group Savings Plan (Plan d'Epargne Groupe International - PEGI) in cash through the issue of new Suez shares. Companies concerned in Morocco: Conseil Eau Environnement et Energie, Lydec, Metalimpex Maroc, Suez Atlas, Sita Boughaz, Suez Services Maroc, Suez Services Zones Franches Maroc, and Société des Eaux de l'Oum Errabia.
	Airbus SE (25/02/2020)	8,48	Capital increase of "Airbus". Offer reserved for the employees of Airbus subsidiaries. The companies concerned in Morocco: Stelia Aerospace Maroc SA, Aerolia Construction Aeronautique du Maroc SA.
	SAFRAN (08/05/2020)	27,388	Offer reserved for SAFRAN group employees through the sale of Safran shares purchased under the share buyback program. Companies concerned in Morocco: Safran Maroc, Safran Nacelles Morocco, Safran Engineering Services Maroc, Safran Electrical & Power Morocco SA, Safran Electronics & Defense Morocco, Safran Aircraft Engine Services Morocco and Zodiac Aerospace Maroc.
Bond issue	Crédit Agricole du Maroc (15/10/2019)	850	Issuance of a perpetual subordinated bond with a loss absorption and coupon cancellation mechanism.
	BMCI (28/10/2019)	500	Issuance of a subordinated bond for a maximum amount of MAD 500 million. The issue was oversubscribed more than 33 times.
	LABEL VIE S.A. (08/11/2019)	750	Issuance of ordinary bonds. Total amount of the loan: MAD 750 million. The issue was oversubscribed 7.4 times.
	EQDOM (14/11/2019)	1500	Issuance of an ordinary bond issue for a maximum amount of MAD 1.5 billion.
	Crédit Agricole du Maroc (CAM) (27/11/2019)	450	Issuance of subordinated bonds for an amount of MAD 450 million. The issue was oversubscribed 5 times.
	Attijariwafa Bank (12/12/2019)	1000	Issuance of subordinated bonds for a total amount of MAD 1 billion. The issue was oversubscribed 2.32 times.
	Attijariwafa Bank (12/12/2019)	1000	Issuance of perpetual subordinated bonds with a loss absorption and coupon cancellation mechanism for a total amount of MAD 1 billion. The issue was oversubscribed 2.3 times.
	Banque Centrale Populaire (BCP) (13/12/2019)	2000	Issuance of subordinated bonds. Total issue amount: MAD 2 billion. The issue was oversubscribed almost 4 times.
	Alliances Darna (25/12/2019)	534,54	Ordinary bond issue with a partial guarantee as part of the private debt restructuring.
	Alliances Développement Immobilier (ADI) (25/12/2019)	1 093,13	Ordinary bond issue with a partial guarantee as part of the private debt restructuring.

DASHBOARD : MARKET OVERVIEW

Transaction type	Contractual	Amount (in MAD millions)	Comment
Capital increase	ADDOHA (05/12/2019)	799,94	Issuance of ordinary shares through a capital increase by cash contribution and by offsetting against liquid and payable receivables.
	BMCE Bank Of Africa (14/10/2019)	1 930	Capital increase reserved for CDC Group.
	IMMORENTE INVEST (08/01/2020)	408,00	Issuance of ordinary shares as part of a capital increase reserved for the public with cancellation of preferential subscription rights. The issue was oversubscribed 1.67 times.
Issuance of commercial paper	ARADEI CAPITAL (31/01/2020)	500,00	Issuance of commercial paper.
Share buyback programs	STOKVIS NORD AFRIQUE (21/02/2020)	9,20	Share buyback programs.
	MAROC TELECOM (09/04/2020)	297,00	Share buyback programs.
Implementation of negotiable debt securities	ARADEI CAPITAL (31/01/2020)	500,00	Implementation of a Commercial Paper issuance program with a ceiling of MAD 500 million.
Updating of commercial paper program information files	ADDOHA (09/12/2019)	-	Annual update of the information pack on share buyback programs. The issue ceiling is MAD 1 billion.
	LABEL VIE S.A. (13/12/2019)	-	Annual update of the information pack relating to LABEL VIE S.A.'s commercial paper issuance program. The ceiling of the program is MAD 800 million.
	JET CONTRACTORS (23/12/2019)	-	Annual update of the information pack relating to Jet Contractors' commercial paper issuance program. The issue ceiling is MAD 200 million.
	RESIDENCES DAR SAADA (26/12/2012)	-	Annual update of the information pack relating to the commercial paper issuance program of Résidences Dar Saada. The issue ceiling is MAD 500 million.
	MANAGEM (30/12/2019)	-	Annual update of the information pack relating to MANAGEM's commercial paper issuance program. The issue ceiling is MAD 1 billion.

PRIVATE PLACEMENT EXPLAINED

Private Placement consists of an issue or sale of securities to a limited number of qualified investors. This scheme is therefore not assimilated to a public offering and issuers are therefore not subject to the obligations of a public offering.

Thus, issues by private placement are not subject to the AMMC's approval (visa) procedure, but can only be carried out with the agreement of the AMMC, which ensures that the transaction complies with the conditions laid down for its qualification as a private placement.

The recent reforms of Law 44-12 on public offerings and the information required from legal entities and organizations making public offerings, as well as Circular No. 03/19 relating to financial transactions and information, have introduced further flexibility to the private investment regime. Indeed, the number of qualified investors able to take part in these transactions has

been increased from 9 to 20 investors, and the criteria enabling legal entities (not automatically qualified) to qualify as qualified investors have been reduced. The aforementioned flexibility has aroused the interest of issuers in this type of placement.

Between October 2019 and May 2020, the AMMC approved 10 private placement transactions for a total value of MAD 10.42 billion.

Thus, during this period, nine (9) bond issues and one (1) equity securities (issue and sale) transactions were carried out. The equity securities transaction amounted to MAD 580 million.

The AMMC activities

Ms. Nezha HAYAT, Chairperson of the AMMC, elected Chair of Africa and Middle East Regional Committee (AMERC) of the International Organization of Securities Commissions (IOSCO).



On 9 March 2020, Ms. Nezha Hayat, Chairperson of the AMMC, was elected Chair of the Africa and Middle East Regional Committee (AMERC) of the International Organization of Securities Commissions (IOSCO), thus becoming a member of the Board of Directors of the International Organization of Securities Commissions for the term 2020-2022.

The Africa and Middle East Regional Committee (AMERC) brings together all IOSCO member capital market regulators in the region. The objectives of its work are to examine and promote issues specific to the development of capital markets in the region. AMERC comprises 28 Ordinary Members and twelve Associate Members, all representing regulators in the Africa and Middle East region and meeting the standards of the International Organization.

The AMMC grants Licensing to 100 new professionals for the functions of back-office manager, financial advisor and internal controller and launches the portal of market professionals licensing.

On 9 April 2020, the Moroccan Capital Market Authority granted licensing to 100 market

professionals, serving as back-office managers, financial advisors and internal controllers, following review sessions organized between December 2019 and February 2020. These sessions were held for 122 candidates (32 back-office managers; 31 financial advisors and 59 internal controllers), for an overall success rate of 82%.

In the same vein, the AMMC has launched a web portal exclusively dedicated to Licensing system in order to ensure that the professionals involved benefit from a seamless and transparent Licensing application process. The portal also provides educational content related to Licensing and maintains a publicly accessible register of licensed professionals. [Web portal.](#)



HABILITATION DES PROFESSIONNELS DU MARCHÉ

L'Autorité Marocaine du Marché des Capitaux habilite 100 nouveaux professionnels pour les fonctions de responsable post-marché, conseiller financier et contrôleur interne et lance le portail d'habilitation des professionnels du marché



The AMMC takes part in several international events



• 44th annual meeting of the Africa/Middle East Regional Committee (AMERC) in Doha

The AMMC took part in the 44th annual meeting of the Africa/Middle East Regional Committee (AMERC), organized by the Qatar Financial Markets Authority in coordination with the International Organization of Securities Commissions (IOSCO), on 29 January in Doha, Qatar.

REGULATOR NEWS

This marked, once again, the AMMC's involvement in the work of the International Organization of Securities Commissions (IOSCO), particularly in the MENA region.

• 3rd Annual Conference of the Qatar Financial Markets Authority in Doha

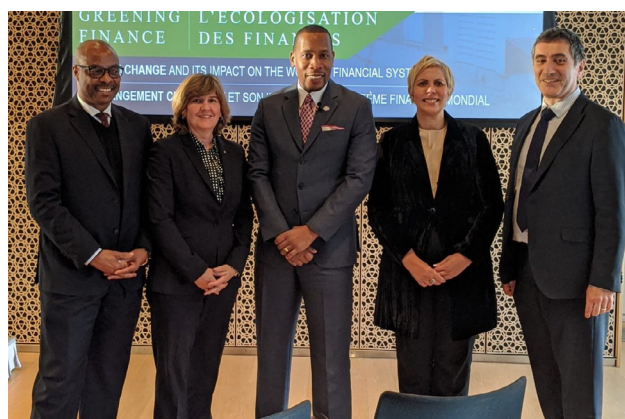
Ms. Nezha HAYAT, Chairperson of the AMMC contributed to the panel on “The Social Role of Capital Markets: Financial Inclusion and Sustainability” at the 3rd Annual Conference of the Qatar Financial Markets Authority on 30 January in Doha, Qatar.



• Conference of the Toronto Centre, in Ottawa, on sustainable finance “Climate Change and its Impact on the Global Financial System”

On 3 February 2020, the Toronto Centre organized a conference on the sidelines of the International Development Week (IDW) in Ottawa, hosted by Ms. Christine HOGAN, Canada's Deputy Minister of Environment and Climate Change. Ms. Nezha HAYAT took part in a panel discussion with Mr. Timothy ANTOINE, Governor of the Eastern Caribbean Central Bank (ECCB); and Mr. Anthony NYONG, Director of Climate Change and Green Growth at the African Development Bank (AfDB).

Speakers discussed the impact of climate change on financial systems and the role that financial regulators and supervisors can play. Panelists shared initiatives within their respective jurisdictions to support the promotion of sustainable finance and foster the resilience of the financial system to climate risk.



• Annual meeting of the Mediterranean Partnership of Securities Regulators in Cairo

As a permanent member of the Mediterranean Partnership of Securities Regulators (MPSR), the AMMC took part in the work of the annual meeting held on 22 and 23 January 2020 in Cairo.

Since its inception in 2009, the members of the MPSR have met at least once a year in plenary session at the level of Chairpersons or Directors-General to assess progress, set priorities and establish the work program for the coming year.

• First meeting of the year of the Technical Committee of West Africa Securities Regulators Association

As a member of the West Africa Securities Regulators Association (WASRA), the AMMC hosted, on 14 and 15 January, the first meeting of the year of the Association's Technical Committee.

The West Africa Securities Regulators Association (WASRA) is working to establish a basis for cooperation and mutual dialogue in order to foster regional market integration.

• Central African Financial Market Day in Brazzaville

The AMMC took part in the Central African Financial Market Day held on 3 March 2020 in Brazzaville under the theme “Stakes and Challenges of the Unified Central African Regional Market”. The AMMC was invited to moderate a panel on advancing the development of the CEMAC financial market.

REGULATOR NEWS

• J-CAP Conference in Abidjan under the theme “Capital Markets: Investing for Growth”

On February 10 and 11, 2020, the AMMC participated in the JCAP2020 conference held in Abidjan, Côte d'Ivoire. At this conference, the AMMC took part in the panel on “The Real Estate Industry: Financing through Financial Markets”. J-CAP is a program of the IFC - International Finance Corporation, an organization of the World Bank Group.



• Conference on “Compliance Challenges and the Fight against Financial Crime” organized by The World Union of Arab Bankers (WUAB) and The Union of Arab Banks in Doha

On 29 and 30 January, the AMMC participated in the conference on “Compliance Challenges and the Fight against Financial Crime” organized by the World Union of Arab Bankers (WUAB) and The Union of Arab Banks in Doha, under the auspices of Qatar Central Bank.

The AMMC’s participation translates its desire to join forces with international financial regulators in the fight against financial crime.

The AMMC participates in the 24th edition of the “Forum Horizons Maroc” organized by AMGE - Caravan in Paris”.



The AMMC participated in the 24th edition of the “Forum Horizons Maroc”, the job fair for the recruitment

of Moroccans abroad, organized in Paris on 2 February.

This fair was an opportunity to present the HR strategy and career opportunities within the AMMC to Moroccan graduates or future graduates of top French schools.

The Forum Horizons Maroc (FHM) aims to be a meeting place between Moroccan companies and students or professionals wishing to seize the professional opportunities offered by the Moroccan job market.

The AMMC and the Toronto Centre published a white paper on “Implementing green capital markets in Africa”

Building on the Marrakech Pledge initiative, the AMMC and the Toronto Centre published, on 20 January 2020, the white paper arising from the “Workshop on the Implementation of Green Capital Markets in Africa”, held in Rabat in November 2019.

This white paper compiles the best practices identified at the workshop and presents a set of recommendations for countries in the region wishing to implement green capital markets.

This White Paper also aims to provide a medium-term action plan for strengthening regional partnerships in the field of sustainable finance. [white paper](#)



I **Legislative texts specific to the period of a state of health emergency**

- Decree-law No. 2.20.292 relating to the establishment of specific rules for the state of health emergency and the procedures for declaring it, published in Official Bulletin no. 6867 bis of 24 March 2020

The legislative decree introduces the framework for the application of the state of emergency and the taking of exceptional measures to counter the spread of Covid-19. In this context, the provisions of article 6 of the said decree have the effect of suspending all the legislative and regulatory deadlines provided for by all the legislative and regulatory texts in force throughout the period of the state of health emergency.

- Law No. 27.20 enacting special measures relating to the operation of the administrative bodies of public limited companies and the manner in which their general meetings are held during the period of the state of health emergency, published in Arabic in Official Bulletin No. 6887 dated 1 June 2020

The law enacts special measures relating to the operation of the administrative bodies of public limited companies and the manner in which their general meetings are to be held during the state of health emergency. It introduces two main measures:

- Article 3 of the said Law No. 27.20 authorizes all public limited companies to hold their general meetings by videoconference or equivalent means and to use the voting forms referred to in Article 131 a during the period of the state of health emergency.
- During the entire period of the state of health emergency, companies making public offerings may issue bonds with the authorization of the Board of Directors or the Management Board, without having to resort to an ordinary general meeting of shareholders.

The law was voted unanimously by the House of Representatives on 30 April 2020 and by the House of Councilors on 5 May 2020, and published in the Official Bulletin on 1 June 2020.

I **Other legislation**

- Crowdfunding

The draft Law No. 15-18 relating to crowdfunding was voted unanimously by the House of Representatives on 11 February 2020 and is still to be voted on by the House of Councilors. This draft law establishes a legal framework governing crowdfunding activities operating through internet platforms and allowing direct and transparent contact between project leaders and contributors. These activities can take three forms of financing, namely loans, capital investments and grants.

The AMMC and Bank Al-Maghrib are the regulatory authorities invested with the powers to authorize the management companies of crowdfunding platforms, according to their respective fields.

REGULATOR NEWS

- Covered bonds

The draft Law No. 12-20 on covered bonds was submitted to public consultation from 12 to 26 March 2020.

The said draft law introduces a new category of bonds with a guarantee consisting of a portfolio of cover and privileges, the issue of which is reserved exclusively for banks.

- Anti-money laundering

The draft Law No. 12-18 amending and supplementing Law No. 45-03 on anti-money laundering was submitted to the House of Representatives on 13 March 2020.

The said draft law aims to align the national legislative framework with the standards and norms adopted at the international level by the Financial Action Task Force “FATF”, following their recent developments.

I Regulatory texts

- List of Journals of legal notices

Order No. 4195-19 of the Minister of Economy, Finance and Administrative Reform, setting the list of Journals of legal notices, was published in the Official Bulletin No. 6854, on 6 February 2020.

This text sets out the list provided for in Article 30 of Law No. 44-12 on public offerings.

- Code of Professional Duties of the Order of Chartered Accountants

The Decree No. 2-18-454 implementing the code of professional duties of the Order of Chartered Accountants was published in the Official Bulletin No. 6844 dated 2 January 2020.

This code refers to laws No. 43-12 and 44-12 regarding the determination of certain documents that fall within the scope of statutory auditors’ duties. In particular, for companies making public offerings, it provides for the intervention of the AMMC in the event of the dismissal and replacement of the statutory auditor.

THE AMMC ANSWERS YOUR QUESTIONS

“The AMMC answers your questions” is a section featuring the Authority’s responses to the incoming questions. The AMMC receives requests on a variety of topics, mainly related to rules and regulations.

Market professionals and the public submit most questions. The Authority ensures that all questions received are answered in accordance with the internal procedure established for this purpose.

Are regulatory reporting obligations to the AMMC suspended during the state of health emergency?

The AMMC recommends that stakeholders subject to reporting obligations comply with the current regulatory requirements for deadlines and formats. The transmission channels, in particular the SESAM platform, remain operational under the same conditions of use.

Most of the relevant teams are working remotely, yet they are fully operational and invite market participants to reach out to their usual contacts in the event of difficulties.

The AMMC shall inform the stakeholders directly or through their association if any flexibility were to be granted.

What are the arrangements for holding general meetings in times of health crisis?

The state of health emergency, which prevented any gatherings, coincided with the period for the closing of accounts and annual meetings to approve the accounts of public limited companies.

In order to mitigate this issue, Law No. 27-20 implementing special provisions relating to the conduct of the work of the administrative bodies of public limited companies and the procedures for holding their general meetings during the state of health emergency was introduced to loosen Law No. 17-95 on public limited companies.

The law provides particularly that, notwithstanding the last paragraphs of Articles 110 and 111 of Law No. 17-95, public limited companies may hold their ordinary or extraordinary general meetings during the state of health emergency by means of audiovisual communication (videoconferencing), even where the articles of association of the said companies do not provide so.



الهيئة المغربية لسوق الرساميل
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AUTORITÉ MAROCAINE DU MARCHÉ DES CAPITAUX

Avenue Annakhil, Hay Riad - Rabat, Morocco
Tel. : +212(05)37 68 89 00
Fax : +212(05)37 68 89 46
Email : contacts@ammc.ma

www.ammc.ma | [in](https://www.linkedin.com/company/ammc) /ammc | [t](https://twitter.com/ammc_news) @ammc_news