

Citizen Budget

For the year 2015

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Preamble:

For three years, the Ministry of Economy and Finance regularly puts together and publishes the citizen Budget, thus establishing a new approach based on transparency and citizen participation in the debate about the content of the Finance Act. This approach falls within the framework of the implementation of the provisions of the 2011 Constitution which has given citizens the right to access to information. It is also a base for the implementation of the reform of the Organic Law pertaining to the Finance Act (LOF) and its new provisions, which made from the principles of transparency, accountability, performance and the quality of public services, a fundamental axis of public management.

The Finance Act 2015 is drawn up in accordance with the High Royal Orientations set forth in the speech of His Majesty on the occasion of the Feast of the throne, the 61st anniversary of the King and People's Revolution and the opening of the legislative year. It also has its foundations in the commitments of the government program and priorities and perspectives of its action under the second term.

The provisions of the Finance Act 2015 actually aims at the same time at the continuation of support to the competitiveness of the national economy, private investment and enterprise, the acceleration of the implementation of the Constitution and structural reforms, the conception and implementation of the necessary mechanisms for the integration of social policies by directing them more towards the integration of all social classes and all regions and areas of our country, in the development process, wealth generation and balanced distribution of its fruits. This is achieved through the establishment of the foundations of a social and solidarity economy, inspired by the spirit of the National Initiative for Human Development (INDH), and this in parallel with the support of the social cohesion and the strengthening of the employment mechanisms.

This Act particularly aims to establish the foundations of the coveted change of our development model for the achievement of the Moroccan ambitions in terms of development, justice and dignified life for the empowerment of our country to make a final and deserved entrance among the emerging countries.

The main axes of the Finance Act for the year 2015:

- Improving the competitiveness of the national economy, promoting private investment and enterprise support;
- Accelerating the application of the Constitution and key structural reforms and implementation of regionalization;
- Supporting social and spatial cohesion, promoting employment and continued support of social programs;
- Continuation of the effort of progressive reestablishment of macroeconomic equilibrium.

Social Aspects of the Finance Act 2015

Finance Act 2015: MAD 130 billion for the support of social programs

MAD 45, 9 billion for the upgrading of the educational system:

- **Planned measures :**

- Finalization of the new educational project through a participatory approach with all stakeholders and that in order to overcome the difficulties which oppose the emergency program, particularly with regard to the access to pre-school education and the equality of opportunities between the different levels of the educational system and the improvement of the quality of education;
- Improvement of governance in the educational system through the revision of the methods of work of the management boards of Regional Academies of Education and Training, and the mechanisms of contractualization and development of the capacity of players at all levels particularly in the institutions of education;
- Creation of 50 community schools, 60 middle schools and 30 high schools;
- Construction of a centre of preparatory classes of 1000 and replacement of 1000 pre-built classrooms;
- Upgrading 3,280 institutions and connection of 2,733 institutions to drinking water supply network , 3,648 establishments to the electricity grid and 3,440 establishments to the sewerage system and health equipment;
- Renewal of the equipments of 3,780 establishments and boarding schools;
- Acquisition of educational materials for preparatory classes and upgrading and expanding the offer in the field of technical education.
- **Continuation of support of integration programs of children** under 16 years old in the system of education or vocational training. The number of new enrolled children actually rose to 24,500 and 28,000 respectively during the school years 2013-2014 and 2014-2015 under those programs.
- **Continuation of the mobilization of the various** public and private partners and civil society to increase the annual number of the beneficiaries of the fight against illiteracy program to 800,000 people, as well as the stepping up of efforts for the diversification of teaching programs and means to meet the renewed needs of the beneficiaries and that in order to bring the illiteracy rate to 20% by 2016, after having achieved a rate of less than 28% at the end of 2012.

MAD 403 million for the improvement of the quality of vocational training:

- **Planned measures :**

- Pursuing the project of the reform of the governance of the system of special contracts of vocational training;
- Launching the implementation of the new integrated strategy for vocational training;
- Continuation of support for Morocco's global professions and logistics and renewable sectors, through the development of the Institute of Aeronautics Professions, the completion of the works of construction and equipment of the Training Institute for Renewable Energy Professions and Energy Efficiency in Ouarzazate, and the launch of construction of another Institute in Tangier and institute of port logistics professions in Tanger Med.

MAD 9.02 billion for the promotion of higher education:

Approximately 665,991 students are enrolled for the year 2014.

- **Measures planned for the year 2015:**

- Improvement of the offers and opportunities of training in higher education through the rehabilitation of the infrastructures of universities, continuation of the acceleration of the professionalization of the options for open access institutions, the compliance of the programs and courses with the labour market requirements, as well as the increase of the number of student benefitting from social grants and the expansion of access to social services for students;
- Continued support of scientific research and innovation through the completion of the implementation, in all the universities, of the information system on scientific research (SIMARECH), and the spread of the use of

Information and Communication Technology via the provision of wireless service "WIFI" to university institutions and campus at the national level, and this is achieved within the framework of NET-U program, and the increase of the number of the merit scholarship beneficiaries;

- Evaluation and quality assurance processes of higher education and scientific research through the creation of the National Agency for Evaluation and Quality Assurance of Higher Education and Scientific Research, and the realization of its structures;
- Finalization or contribution to the construction of new university institutions in Dakhla, Essmara, Agadir, Beni Mellal, Kalaa Seraghna, Fez and Tangier, as well as the acquisition of a plot of land reserved for the technology center in Oujda;
- Increasing the reception capacity with 24,831 new seats for the academic year 2014-2015;
- Institutionalization, during the academic year 2014-2015, of new adopted study options and the new system for the teaching of languages within the framework of the resource centres.

MAD 13.09 billion for facilitating citizens' access to quality health services:

• Planned measures :

- Extension of the basic medical coverage, through strengthening the activities of Basic Health Care Institutions and providing for the needs arising from the generalization of RAMED (Medical Assistance Scheme), consolidation of efforts to ensure better care of the people covered with RAMED, as well as the introduction of necessary measures to accompany the plan made for the compulsory health insurance scheme for the self-employed and liberal professions;
- Continuation of actions carried out within the framework of the plan to reduce maternal and child mortality, implementation of the reproductive health strategy and health promotion for people with special needs;
- Implementation of a national strategy of health watch and safety and prevention and fight against cancer to reduce the mortality caused by this disease, as well as the consolidation of actions of fight against communicable and non-communicable diseases;
- Continuation of actions necessary for the implementation of the national plan for the management of medical emergencies, and the upgrade of hospitals planned under the project "Santé Maroc III";
- Strengthening the procurement of drugs and medical equipments within the framework of health programs.

MAD 15.20 billion in contribution of the State as employer to pension schemes and medical coverage:

These expenses include in principle MAD 11.52 billion in favour of the Moroccan Pension Fund, MAD 1 billion for the reform of retirement and about MAD 2.39 billion as a contribution of the State to the social welfare funds.

MAD 3.2 billion for facilitating access to decent housing and diversification of the housing supply:

• Planned measures :

- Acceleration of the "Cities Without Slums" program through the declaration of 04 new cities without slums;
- Treatment of cases of buildings which are about to ruin by the approval of a bill regarding the matter;
- Restructuring of illegal housing districts and urban upgrading through the launch of new programs for the cities of Casablanca, Fez and Salé;
- Diversification of housing supply through the implementation of the program of new cities and the development of social housing, housing with low real property value and housing intended for the middle class;
- Acquisition of housing with low real property value and housing for the middle class by foreigners living in Morocco in a legal status;
- Encouraging the supply of social housing intended for rent through increasing the amount of the maximum rent and reducing the duration of exemption from 20 to 8 years;
- Application of the 10% rate of VAT to land banking and building loan related to social housing for loan contracts entered into as from January 1st, 2015.

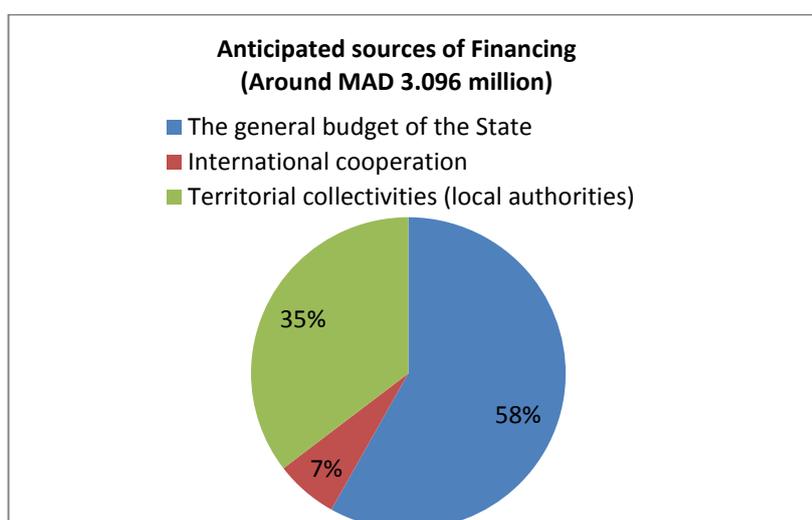
MAD 3 billion for the support of the second phase of the National Initiative for Human Development (INDH) :

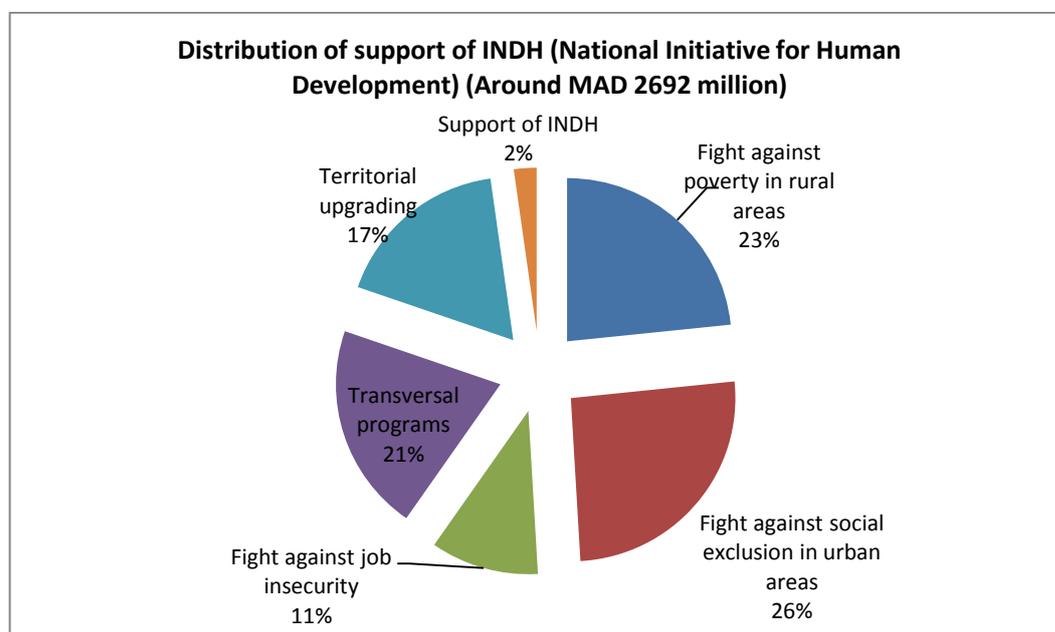
Assessment for the year 2014:

Programs	Number of projects	Total amount (en MDH)	Share of the INDH (en MDH)	Number of beneficiaries
Transversal	1 785	734,5	351,7	130 158
Fight against poverty in rural areas	1 340	653,2	408,5	200 249
Fight against social exclusion in urban areas	530	589	425,7	115 741
Fight against job insecurity	410	565,5	242,3	37 681
Total	4 065	2 542,2	1 428,2	483 829

Program of territorial upgrade	Achievements up to May 2014
Roads and equipment	• Construction of 680 km of roads and tracks and 19 bridges
National Education	• 870 administrative units built or under development for teachers of Education
Health	• Acquisition and distribution of 38 ambulances and building 72 homes for medical staff
rural electrification	• Electrification of 2,144 douars (villages)
Drinking water	• Creation of more than 190 water points and drinking water supply of 143 douars

Forecasts for the year 2015:





Prospects for the second phase of INDH

- Strengthening of the mechanisms of monitoring, control and evaluation of projects via:
 - The consolidation of the evaluation system in order to meet the needs of decision-making and information gathering;
 - The establishment of the culture of participatory monitoring and evaluation;
 - The implementation and monitoring of common indicators so as to measure the performance of programs and projects;
 - The simplification and generalization of the procedure manuals;
 - The monitoring of the recommendations of the missions of control and audit of the General Inspectorate of Finance, the General Inspectorate of Territorial Administration and missions of audit scheduled by donors;
 - Strengthening of the integration and coherence between sector based programs and collective development plans with the INDH projects;
- Intensifying the participation of women, youth and people with special needs in the bodies of governance created under the INDH.
- Upgrading of the associations and cooperatives;
- Establishment of the culture of transparency and accountability;
- Support of the proximity communication policy and training plans, and skills building.

Support for social cohesion:

Since its creation in 2012, the Support Fund for Social Cohesion has contributed in the strengthening of the social actions in favour of poor people, particularly regarding the financing of the expenditures pertaining to the generalization of "RAMEd", support of schooling and the fight against dropping out of school "Tayssir Program" and the Royal Initiative "1 million schoolbags" and the assistance to people with special needs and poor widows.

Achievements and forecasts for the year 2015:

Programs	Achievements	Forecasts
Supporting the implementation and generalization of RAMED	Registering 2,690,641 families until August 2014, that is, 7.280 million beneficiaries.	Reaching 8.5 million beneficiaries.
TAYSIR program for the fight against school dropout	The number of beneficiaries for the academic year 2013-2014 reached 784,000 students coming from 466,000 families.	Reaching 812,000 students for the academic year 2014-2015 coming from 494,000 families.
Royal initiative "one million schoolbag"	The number of beneficiaries for the school year 2013-2014 reached 3,906,948 students pursuing their education in 4,215 establishments in rural areas and 2,094 establishments in urban areas.	Recording 3,914,949 students for the 2014-2015 academic year.
assistance to persons with specific needs	In late August 2014, the number of beneficiaries reached 4508 with a budget estimated at around MAD 20.4 million.	Reaching the threshold of 4,600 beneficiaries for the year 2015 with a budget of about 24 million dirhams.

Continued implementation of the family support fund:

Since its creation in 2011 until the end of May 2014, the Fund has performed about 3,640 legal actions regarding the alimony and maintenance allowance, and that for the benefit of needy divorced mothers and their eligible children for a total amount of MAD 28, 51 million.

Therefore, in order to increase the number of beneficiaries of such alimony and maintenance, the year 2015 will be marked by improving the management of the Fund through the simplification of the documents constituting the application file and the strengthening of communication with the target populations.

Support to rural and mountainous areas:

The integrated development program pertaining to the rural and mountain areas aims to promote people's access to basic services, particularly through:

- The continuing acceleration of the implementation of the program of generalization of access to drinking water in rural areas in order to reach an access rate of 95% in 2015;
- The continued implementation of the National Program of Rural Roads 2 which consists in the execution of more than 15,500 km of rural roads by 2015;
- The electricity supply of about 12.2 million inhabitants with a total investment of MAD 21.4 billion at the end of May 2014.

The rural areas also benefit from annual budget appropriations exceeding MAD 20 billion and regarding integrated actions initiated by all relevant sectors, particularly health, education and housing. This, in addition to the fund interventions for the development of rural and mountain areas for which the appropriations have increased from MAD 500 million in 2011, to MAD 1.3 billion in 2015.

Furthermore, and as part of the implementation of the priority programs relating to the strategy of oasis zones and argan tree development, which seek the enhancement of economic, social and cultural resources in those areas, it should be noted that during the period 2012-2014, 172 partnership agreements have been adopted, including 83 agreements initiated in 2014 (70 on the argan and 13 related to the oasis zones), with a budget of about MAD 54 million.

A particular attention given to women, family, children and the elderly, through:

- The institutionalization by Decree No. 495-13-2 of the Ministerial Committee and the Inter-Ministerial Technical Committee, responsible for supporting and monitoring the implementation of the Government's equality plan "ICRAM" aiming at promoting the equality between men and women with a view to ensuring the parity;
- The creation of the National Observatory for fighting violence against women on October 13, 2014;
- The preparation, with the support of UNICEF, of a project of integrated public policy for child protection and the development of its action plan;
- The launch of the operation "Winter 2014" for the assistance of the homeless elderly and rehabilitation of shelters in their favour, as well as the promotion of intergenerational values of solidarity and support of the elderly. 1,162 people have benefitted from this operation.

Particular attention given to the training of the youth so as to ensure their adherence to the national development process, via:

- The strengthening of the cultural centre network through the establishment of 5 centres for young people and the upgrade of 200 young people's houses and 130 women's centres located throughout the Kingdom;
- The creation of five reception centres, 2 vacation and recreation centres in El-Haouzia and Tamaris and 70 summer resort located throughout the Kingdom, as well as the upgrade of 50 holiday camp centres;
- Continued upgrading of Moulay Rachid centre for youth and childhood in Bouznika and the equipment of the different socio-educational institutions (youth centres, women's centres, summer camps, ...);
- The development of sporting infrastructures through the continuation of the construction of 100 proximity sports centres and rehabilitation of training centres and halls.

Adoption of a cultural policy for social development, through the following actions:

- Launching of the implementation of the program "Patrimoine 2020" (Heritage 2020), which aims to make cultural heritage a pole of wealth generation and a lever for regional development and this is achieved through the execution of 140 projects regarding tangible and intangible heritage ;
- Launching of "Maroc culturel 2020" (Cultural Morocco 2020) which aims to develop the national cultural market through the institutional and financial support to artistic and cultural industries which create wealth and employment;
- Continuation of construction of two major theatres in Rabat and Casablanca and construction of the National Higher Institute of Music and Choreographic Arts (INSMAC);
- Continuation of restoration of historical monuments, walls and old medinas, and the development of museums and historic sites;
- Encouragement of book publishing distribution at the national level and organization of cultural events and arts festivals.

Economic Aspect of the 2015 Finance Act

The Finance Act 2015: MAD 189 billion allocated for the promotion of public investment

This year will be marked by the strengthening of the public investment effort to reach MAD 189 billion, that is, an increase of around MAD 2.4 billion compared to last year. It will be distributed between MAD 61 billion for the benefit of the general budget of the State, the Special Treasury Accounts and the State Services Managed in an Autonomous Way, MAD 115 billion for the benefit of the Public Institutions and Enterprises and MAD 13 billion for the benefit of the territorial collectivities.

It is foreseen that the investment effort will be directed towards the continued implementation of large infrastructure projects, in terms of roads, highways, dams, ports, airports and railways, as well as towards the execution of integrated

urban development projects in order to achieve a homogeneous and integrated city development. The main projects scheduled for the year 2015 are:

- The completion of the first national layout for the reinforcement of highways of 1,800 km;
- The effective starting of three large dams construction works which are: The Kaddoussa dam on the Guir river in Errachidia province with a budget of around MAD 900 million, the Targa Ou Madi dam on the Zobzit river in the province of Guercif with a budget of around MAD 1.3 billion and Tiddas dam on Bouregreg river with a budget of about MAD 1.25 billion;
- The continuation of the works of construction and expansion at the Mohammed V airport and Marrakech-Menara Airport and the starting of the new terminal of Fes-Sais airport allowing an additional capacity of 2 million passengers;
- The continuation of the works of execution of the first section of Tangier-Casablanca TGV and the works of partial doubling of tracks linking Settat to Marrakech, the removal of the level crossings and station modernization;
- The launch of consultations for the execution of the new Nador West Med port complex with a budget of about MAD 9.884 million;
- The continuation of the works of execution of the new port of Safi and the works of the expansion of the port of Tarfaya and Jabha, and the launch of the construction works of a new fishing port at Lamhiriz (300 km south of Dakhla) ;
- The implementation of a territorial policy aiming to the integrated urban development through the adoption of development programs, which allows revitalizing the socio-economic dynamics of the cities concerned. These cities are as follows:
 - **Casablanca**: Development Program of the metropolis of Casablanca (2015-2020) with a budget of MAD 33.6 billion;
 - **Rabat** : Integrated development program of the city of Rabat "Rabat Ville Lumière, Capitale Marocaine de la Culture" (Rabat Light City, Moroccan Capital of Culture) (2014-2018) with a budget of MAD 9.42 billion;
 - **Tanger** : Integrated and balanced development program of the Grand Tangier (2013-2017) with a budget of MAD 7.6 billion;
 - **Marrakech** : Program "Marrakech Cité du Renouveau Permanent" (Marrakech City of Permanent Renewal)(2014-2017) with a cost of MAD 5.92 billion;
 - **Tetouan** : Program of redevelopment of the urban and economic area of the city of Tetouan (2014-2018) with a budget of MAD 4.5 billion;
 - **Salé** : The integrated urban enhancement Program of the city of Salé (2014-2016) with an investment of MAD 1.04 billion.

Similarly, it is planned for the year 2015 the continuation of the implementation of sector strategies, acceleration of their pace of execution and the establishment of conditions for their integration and convergence. In this sense, there will be the consolidation of the achievements of the Green Morocco plans, Halieutis, Rawaj, Vision 2020 of tourism, energy strategy, Vision 2015 of crafts and Digital Morocco and the implementation of the National Strategy for Development of the Competitiveness of Logistics.

Regarding the industrial sector, the National Industrial Acceleration Plan 2014-2020 has outlined the consolidation of achievements in terms of industrial growth, and the establishment of a faster pace of development. It actually aims to create 500,000 jobs and increase the industrial share in GDP by 9 points to reach 23% in 2020. However, for the achievement of such objectives, three strategic axes are set up:

- The development of industrial ecosystems that consist in creating a dynamics and a new relationship between large groups and companies and SMEs, based on offset, complementarity and development of partnerships with mutual interest;
- The establishment of the tools of financial and technical support through the creation of the "Industrial Development and Investment Fund" with a budget of MAD 20 billion of which MAD 3 billion will be released under the Finance Act 2015. And the provision of a competitive financial offer and industrial land offer;

- Improving Morocco's positioning in the international market as a destination for foreign investment.

[The 2015 Finance Act: attaches particular importance to the support of private investment and enterprise particularly the SMEs](#)

This importance is embodied in the establishment of a set of measures seeking to encourage private investment and simplify procedures. These include in particular:

Measures for the improvement and modernization of the business environment:

- Revision of the investment charter;
- Reduction of investment ceiling relating to the agreements signed with the state at MAD 100 million;
- Reduction of the amount of investments benefitting from exemption from import duty, approved by the National Investment Commission, from 200 to 100 million dirhams;
- Raising the VAT exemption period on the acquisition of capital goods, both in the interior and importation, from 24 months to 36 months as from the date of the start of the activity ;
- Simplification of procedures relating to investment;
- Faster processing of application for investment projects submitted to investment committees at national and regional levels;
- Further reform of the judiciary and the administration.

Measures to support the financing:

- Facilitating access to financing for SMEs through the development of security mechanisms;
- Continued modernization of the financial sector through the implementation of the reform of the banking law, the diversification of financial instruments available to issuers and investors, improvement of the supervision system and the financial sector transparency, modernization of the legislative framework governing the stock exchange and the revision of the legal framework governing the financial centre of Casablanca.

Support measures for the liquid assets of SMEs:

- Accelerating the clearance of arrears accumulated against government services;
- Acceleration of the repayment of VAT;
- Continued treatment of the accumulation of the tax debt;
- Implementation of the measure to provide SMEs with 20% of public procurement;
- Continued support for the programs of "IMTIAZ" and "MOUSSANADA" intended for the support of the competitiveness of SMEs: MAD 400 million.

Measures for the simplification of the tax obligations for enterprises:

- Allowing companies to deduct automatically the excess tax paid for a financial year on estimated tax payments due for the following years, and eventually on the tax due in respect of the said years;
- Establishment of a procedure allowing the enterprises with dependency links with non-resident companies, to enter into prior agreements on transfer pricing and this, in response to complaints from economic players and to align with international best practices ;
- Adoption of a measure that offers the offices of representation of non-resident enterprises the same tax benefits currently accorded, in respect of corporation tax, for regional or international headquarters using the label "Casablanca Finance City" (CFCs), the financial hub of Casablanca;
- Granting the choice of imposition of the income tax on the companies' employees with the status of CFC, as from January 1, 2015, applicable to wages earned, whether at the scale rate or at the rate of 20%;
- Extension in SMEs of the e-filing and electronic payment according to the schedule below:
 - As from January 1, 2016, for SMEs with a turnover greater than or equal to MAD 10 million;

-As from January 1, 2017, for SMEs with a turnover greater than or equal to MAD 3 million.

- Repeal of record keeping obligation for taxpayers whose earned income is determined by the scheme of lump sum benefits following the complaints of taxpayers concerned;
- Institution of the obligation of submission of purchase receipts for the taxpayers whose earned income is determined by the scheme of lump sum benefits, in which the amount of the duties on the principal income exceeds MAD 5000 for the said income;
- Establishment of the e-filing and electronic payment in favour of self entrepreneur;
- Institution of the obligation to pay stamp duty on the basis of a return made for the enterprises having achieved a turnover, for the last closed financial year, greater than or equal to MAD 2.000.000;
- Applying an import duty of 10% on commercial vehicles with a gross vehicle weight exceeding 2.2 tonnes and less than or equal to 3.5 tonnes, even when the commercial vehicles are all-terrain, four-wheel-drive or with a partial bodywork.

The promotion of employment constitutes a priority for the 2015 Finance Act:

Outcome of main employment promotion programs for the year 2014:

Indicators	Achievements up to October 31, 2014
Integration of job seekers under the "IDMAJ Program"	56.410
Improvement of recruitment of job seekers under the "Program TAEHIL"	12.718
Support of project holders under "MOUKAWALATI Program"	1 266
Number of businesses created under the "MOUKAWALATI Program"	643
Number of protocols signed under the plan "Support of social coverage"	194

Key actions programmed for the year 2015:

- Implementation of 60,000 integration operations within the framework of the "IDMAJ" training of 18,000 beneficiaries under the program "TAEHIL" and support of 1,500 project holders under the "Self-Employment Program";
- Submission for approval of a bill amending and supplementing Law No. 16-93 organizing training courses for integration;
- Setting up an information system relating to private employment agencies;
- Expansion of activities undertaken within the framework of the statute of the auto-entrepreneur: integration of entrepreneurs operating in various works and in computer work;
- Activation of the scheme of compensation for loss of employment through the allocation of a budget of MAD 250 million;
- Support by the State (for a period of 24 months and a maximum of 5 employees) to the employer's share in contributions due to the National Fund for Social Security and the vocational training tax for the enterprises and associations created during the period as from January 1, 2015, to December 31, 2019, provided that the employee is recruited under an employment contract of indefinite duration, during the first two years starting from the date of creation of the business;
- Exemption, for a period of 24 months, of the monthly gross salary capped at MAD 10,000 paid by an enterprise created between January 1, 2015, and December 31, 2019, and this, to a maximum of 5 employees;
- Encouragement of the institutions organizing training courses for the integration of graduates, through:
 - The reduction of the period of exemption from income tax of the training allowance to 24 months instead of 36 months;
 - The institution of the obligation to undertake, on the part of the employer, a definitive recruitment
 - Commitment to a maximum of at least 60% of trainees who benefit from the internship.

The 2015 Finance Act continues the gradual efforts of reestablishment of macroeconomic equilibriums

Reduction of the budget deficit to 4.3% of GDP, particularly through:

Improvement of the State resources via:

- The Enhancement of the private domain of the State by improving revenues from the management of the private domain of the State, the collection of the rest to be collected and the valorisation of the property portfolio;
- The adoption of a new policy of distribution of public institutions' profit, by improving public portfolio returns regarding own revenues;
- The mobilization of tax revenues through broadening the tax base and the achievement of tax justice and that, subject to the following measures:
 - Applying the rate of 10% for VAT to loan transactions relating to social housing, to art works and objects, solar water heaters and marine gear and fishing nets, and the rate of 20% to rice semolina flour, the toll due for using motorways, and tea with dropping import duties from 40% to 32.5% for packaged tea and 32.5% and 25% to 2, 5% for bulk tea;
 - Increasing the amount of the deduction of contributions for retirement insurance policy relating to income or wages subject to tax from 10% to 50% and from 6% to 10% for other categories of income and wages;
 - Applying a standard deduction of 55% on the annual gross amount of pensions less than or equal to 168,000 DH, and 40% on the surplus;
 - Accounting for investment expenditures including costs of construction, catering and equipment executed before the donation contract, in addition to the purchase price of the last sale for the determination and assessment of the price of land acquired through the donation exempt from tax;
 - Applying special annual tax on motor vehicles to electric or hybrid cars;
 - Instituting a tax on produced locally or imported cement, whether intended for sale or for domestic consumption as intermediate materials;
 - Raising the rate with respect to the registration duties from 3 to 4% applicable to the operations of transfer of shares and stocks in companies.
 - The mobilization of customs revenues through broadening the scope of the Customs Administration to highways (toll stations and exit points), raising the penalties of certain acts of smuggling given their negative impact on the security, economy or the environment, especially in cases of recidivism, commercial fraud and manipulations designed to unduly benefit from the advantages of the temporary admission scheme.

The rationalization of public spending, in particular:

- Supervising the forecasts of staff expenditures with a view to removing their evaluative nature, limiting the creation of government jobs to the minimum necessary to maintain the quality of services provided to citizens and the prohibition of programming of staff expenditures in the budgets of SEGMA (State Services Managed in an Autonomous Way);
- Rationalization of expenditures of the Administration lifestyle by limiting them to a minimum level, and this is achieved via the compliance with principle of joint and mutual use between Departments of available resources, streamlining the operations of car rent and purchase, maintaining the Government's commitment to reduce expenditure related to constructions, administrative housing and locations as well as the continued rationalization of the expenses of the missions abroad by limiting them to the minimum threshold required for official representations;
- Improving the efficiency of investment expenditures giving priority to the clearance of deferred loans related to running projects, by ensuring the rationalization of study expenses, and linking the objectives to the results anticipated.

Control of external equilibriums and strengthening of external assets in foreign currency and this is achieved through:

- The implementation of the 2014-2016 trade exchange development plan with a view to increasing the added value of the national product at the local level and developing the export offer in order to better enjoy the benefits of cooperation and free trade agreements, and this is achieved through the development of measures aiming at the control of imports, the organization of international sectoral exhibitions and simplification of documents relating to foreign trade. It also relates to starting operational actions, particularly the establishment and development of 15 consortia of exporters and the launch of the 3rd edition of the "Contrat de Croissance à l'export" (Contract of Export Growth) to support 100 exporting enterprises.
- Improvement of the foreign exchange resources with the aim to increase foreign exchange reserves and alleviate the pressure on the liquidity of the domestic financial market, particularly through the mobilization of external financing in favour of structural and sectoral policies, within the framework of the agreements signed with Arab and international financial institutions, and through the strengthening of the efforts made to access international financial markets at favourable conditions.

The Finance Act 2015: an important step in the process of the implementation of the Constitution and key structural reforms and implementation of advanced regionalization

The Finance Act for the year 2015 is an opportunity to continue accelerating key structural reforms at the legal and institutional levels, including:

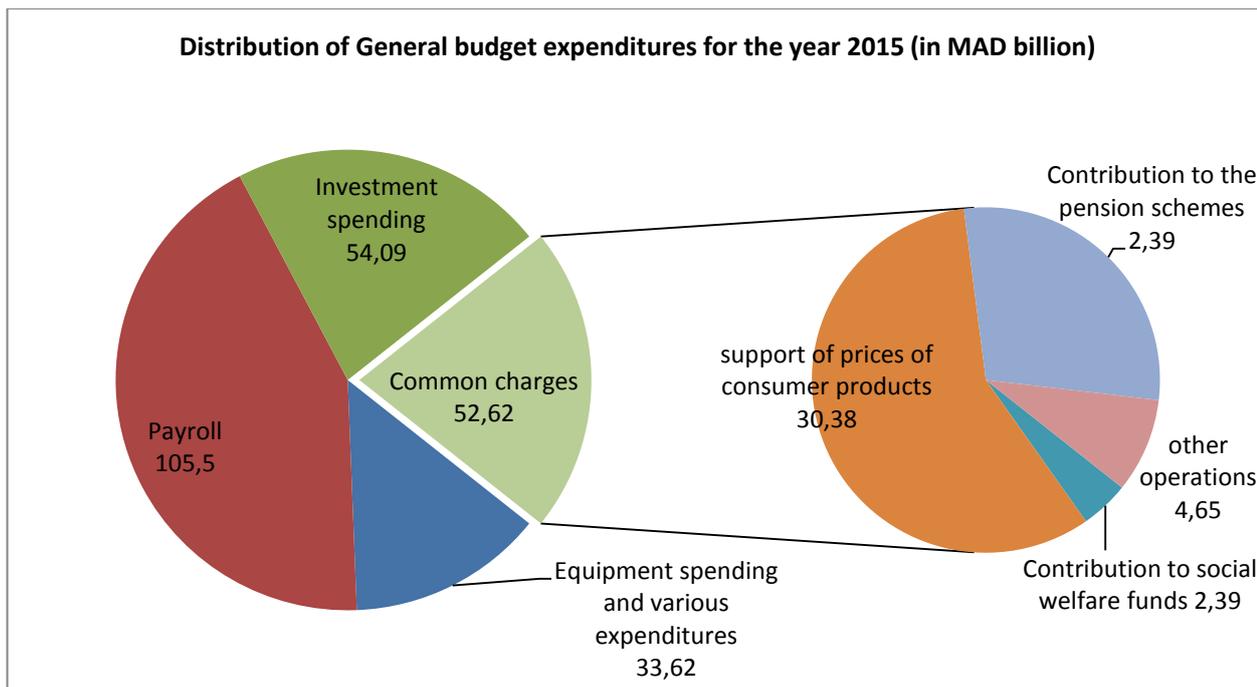
- The implementation of the Charter of the reform of the judiciary system;
- The approval of the Organic Law of the Region and other local authorities;
- The implementation of administrative decentralization;
- The continuation of the reform of the tax and the compensation system;
- The gradual implementation of the reform of pension scheme with the preservation of the acquired rights;
- The implementation of measures to improve governance and public portfolio performance;
- The continuation of the gradual implementation of the provisions of the reform of the organic law pertaining to the Finance Act.

Figures from the 2015 Finance Act

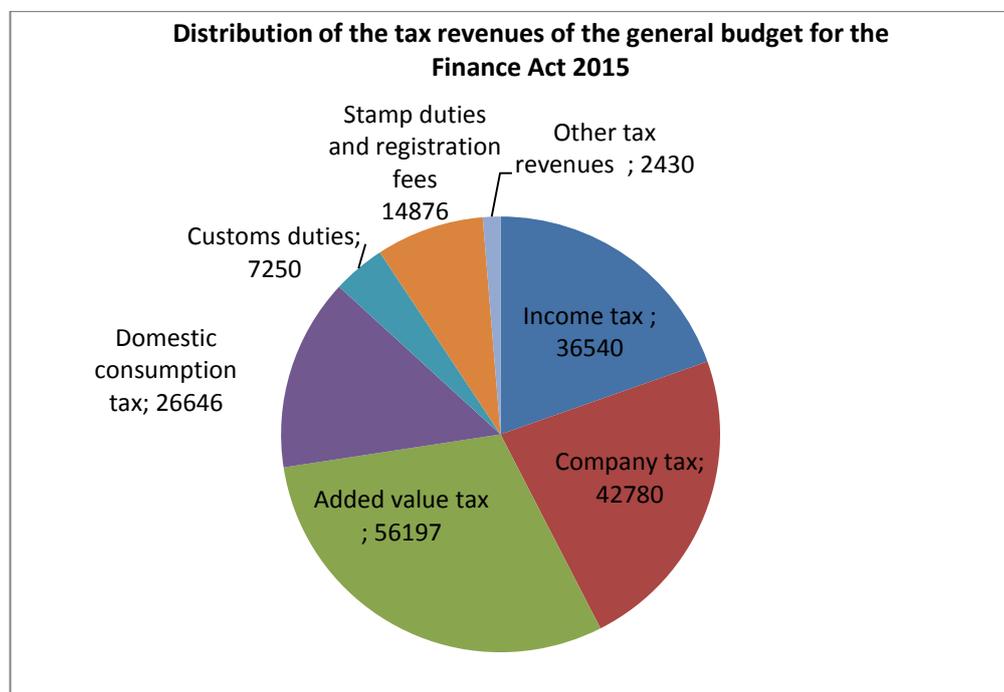
Hypotheses of the Finance Act

- Growth Rate : 4.4%;
- Budget deficit : 4.3% of GDP;
- Average price of oil : USD 103 / bbl.
- Average price of butane gas: USD 804 / tonne;
- Exchange rate : USD 1 = 8.6 DH.

General Budget expenditures



Tax revenues of the General Budget



Indirect taxes account for about 43.8% of tax revenues with an amount of MAD 80.843 billion, against MAD 80.63 billion in 2014, including:

- MAD 56.19 billion for VAT, that is, 30.4% of tax revenues;
- MAD 24.64 billion for the Domestic consumption tax, that is, 13.3% of tax revenues.
- Direct taxes represent approximately 44.3% of tax revenues with an amount of MAD 81.75 billion, against MAD 77.17 billion in 2014, in which:
 - MAD 42.78 billion for corporate tax, that is, 23.2% of tax revenues;
 - MAD 36.54 billion for the income tax, that is, 19.8% of tax revenues.