

- **Introduction**

In April 2020, the Moroccan Ministry of Health has received large batches of medical and sanitary equipment from China and South Korea, in order to strengthen the strategy to fight against the coronavirus.

Based on its seven million protective masks daily production, Morocco is self-sufficient and even has a surplus. Currently, thirty-four companies have started to manufacture non-subsidized washable cloth masks, part of which is intended for export. Such operation allows the Kingdom to position itself in the global mask race.

According to the Moroccan Ministry of Industry, five of aforementioned companies are already exporting half of their production to Europe, while others will be authorized to do so in the few upcoming weeks given the number of requests from foreign countries.

For the management of cases affected by the pandemic, the government has set up around 1,640 resuscitation beds. According to the Minister of Health, this capacity is sufficient, in addition to hotels, summer centers in 38 cities to assist people affected by Covid-19 in a stable state. Additionally, there are spaces equipped to accommodate affected people, such as the two military hospitals located in the cities of Benslimane and Nouaceur, in addition to a temporary structure at the Casablanca Fair. Furthermore, private clinics have made their structures available to the Ministry of Health to receive patients.

The Moroccan Ministry of Health has also strengthened its communication and information tool on the coronavirus by launching a number dedicated to urgent medical aid "Allo, SAMU 141".

This tool is in addition to the "Allo Yakada 080 100 47 47" service, which is already operational via the National Center for Emergency Operations in Public Health (CNOUSP).

As a reminder, Morocco is on lockdown since the declaration of the health emergency state on March 24, 2020. The lock down has been extended to June 10, 2020 by decree n°2-20-330 on April 18, 2020.

● **The Economic Watch Committee (EWC)**

During the EWC's eighth meeting held on May 21, 2020, the Minister for the Economy, Finance and the Reform of the Administration conducted an assessment of the implementation of the main measures decided by the Committee which can be summarized as follows:

- i- With respect to companies, the rate of processing of credit files guaranteed by the state "Damane oxygen" has accelerated. On May 21, 2020, 17,600 companies have benefited for 9.5 billion DH;
- ii- With respect to the formal sector, 134,000 companies declared 950,000 employees on temporary work stoppage last April. The indemnities concerning them were validated and paid on May 13, 2020;
- iii- With respect to informal sector households, the first aid administration campaign (*Tadamon*) reached 4.1 million households. There are still close to 150,000 households to serve; which will be completed in the next two days, according to the

Minister. To this end, the number of mobile agencies has been increased (225 currently) to serve the most isolated areas in the country;

- iv- With respect to the second operation (*Tadamon*), three million households have already been served up to May 21, 2020. As for remote areas with no payment agencies, the operation will continue until the end of the month in particular, through mobile agencies.

The EWC also discussed and finalized the government's guarantee scheme for financing the recovery phase of post-crisis businesses. It covers the entire spectrum of companies, public and private, negatively impacted by the pandemic. Such system makes it possible to finance the working capital requirement of companies with a maximum interest rate of 4%, which represents the key Bank Al-Maghrib rate + 200 points. The repayment of such loan can be spread over a period of seven years with two years grace period.

The purpose of the above-mentioned guarantee products is to mobilize, during the second half of 2020, the financing necessary to boost the national economy which would have a positive effect on employment. The two new guarantee products launched by the EWC are as follows:

- i- "*Re-launching very small businesses*": 95% government guarantee for loans to boost the business, granted to very small businesses, businesses and craftsmen whose turnover is less than 10 MMAD. The loans can represent 10% of annual turnover;
- ii- "*Damane Relance*": Government guarantee varying between 80% and 90% depending on the size of the company. Such guarantee covers loans granted for the revival of the companies' activities whose turnover exceeds 10 MMAD. The loans can reach 1.5 months of turnover for industrial companies and a one month turnover for others. In order to help reduce payment times, 50% of the loan must be used to pay suppliers. The present product also covers large companies whose turnover exceeds 500 MMAD.

With regard to the resumption of economic activities in Morocco, the members of the EWC recalled the following:

- i- The state of health emergency does not mean the cessation of economic activity;
- ii- All economic players must ensure strict compliance with the barrier measures and the security conditions set out in the guides of the CGEM (please see the third edition of our newsletter for more information) as well as the sectorial federations;
- iii- All economic activities can restart except those explicitly prohibited by the administrative authorities;
- iv- The ministerial departments responsible for the various sectors will ensure, in coordination with the concerned federations, the formalization of the rules to be observed by operators and ensure wide communication for this purpose.

- **Entry in force of law n°27-20 and AMMC recommendations**

The law n°27-20 allowing the management bodies of joint stock companies to hold general meetings by videoconference during the state of health emergency has been published in the Official Gazette on June 1st, 2020.

A number of measures introduced by the law n°27-20 can be summarized as follows:

i- Board of Directors and accounts closure

As a reminder, law n°27-20 provides for the possibility to hold a board of directors in order to approve the accounts and convene the shareholders' meeting during the period of the state of health emergency by means of videoconference or equivalent and this, by derogation to the provisions of article 50 of the law 17-95 governing joint stock companies.

In the event of material impossibility to hold the board of directors by means of videoconference or equivalent, the law n°27-20 provides for the establishment of accounts and "provisional" summary statements by the company's General Director, the Chairman and Chief Executive Officer or the Chairman of the Board of Directors, as the case may be.

In this case, the provisional accounts and statements thus established may be validly used in relations with third parties and made available to the statutory auditors to undertake their mission.

The accounts and summary statements must be presented to the Board of Directors within a maximum period of fifteen days following the end of the state of health emergency.

With respect to companies with a Management Board and Supervisory Board, the accounts for the financial year ended December 31, 2019 are drawn up by the Management Board and can be validly used in the relations with third parties.

The Management Board shall submit the abovementioned annual accounts as well as the shareholders' information documents to the Supervisory Board within a maximum period of fifteen days from the end of the health emergency state.

ii- Shareholders' meetings

Companies are authorized to (i) hold their General Shareholders' Meetings during the period of state of health emergency by videoconference or equivalent means and (ii) use the voting forms mentioned in article 131 *bis* of the law 17-95 governing joint stock companies.

As a reminder, the main methods to be respected for the use of these remote participation methods are:

- Videoconference or equivalent means must meet the following conditions:
 - ✓ Satisfy technical characteristics guaranteeing effective participation in the meeting, the deliberations of which are **continuously broadcasted**;
 - ✓ Allow to identify beforehand the persons participating by this means in the meeting;

- ✓ Allow a reliable recording of discussions and deliberations, for proof purposes.
- The postal voting forms must be delivered or sent to any shareholder who requests it by any means provided for by the articles of association or the notice of meeting, from the date of the meeting until a period of 10 days before the meeting is held. Postal voting forms must be sent to the company no later than 3 days before the meeting.

iii- Issuance of bond loans

By way of derogation from the provisions of article 294 of the law 17-95 governing joint stock companies, the aforementioned law 27-20 provides the Boards of Directors and the Management Boards of companies the possibility to **make** public offerings in order to issue, without holding an Ordinary General Meeting of shareholders, obligations during the state of health emergency. In this case, a General Meeting of Shareholders must be convened, within a maximum of fifteen days after the end of the state of health emergency, to present to it a report on the issuance carried out while specifying its characteristics.

The above being said, the Moroccan Capital Market Authority (AMMC) recommends preparing, prior to the General Assembly meeting, the technical means necessary to allow the widest possible participation of shareholders or bondholders convened to meet in general meetings. Such means must be adapted to the number of participants in the general meeting and relate in particular to the implementation, if possible, at the level of the issuer's website, of processes making enabling the identification of the persons entitled to participate in the General Meeting and the respective voting rights which they may have. The issuer's website may offer a platform for the prior registration of meeting participants, after proof of their qualifications.

The AMMC insists on the electronic sharing of documents to be made available to participants in the General Meeting and the simultaneous sharing of the deliberations, at least for the benefit of those registered to participate in such Meeting.

Also, the system put in place must allow the exercise of the right to vote in meetings through nominative and secure electronic voting forms as well as the recording, archiving and subsequent playback of the proceedings of the assembly.

- **Entry in force of the law n° 20-30 enacting special provisions relating to travel contracts, tourist accommodation and passenger air transport in the context of Covid-19**

Published in the official Gazette n°6887 dated June 1, 2020, the law n°20-30 enacting specific provisions relating to travel contracts, tourist accommodations and passenger air transport, aims at limiting any form of cessation of activities due to the pandemic and its impact on jobs by easing the cash flow of service providers. Indeed, Law n°20-30 seeks to establish a legal framework allowing providers who offer travel, tourism, tourist transport and passenger air transport services to reimburse their customers via a debt acknowledgment offering a similar or equivalent service without any increase in rate.

Law 20-30 is applicable to contracts whose completion is scheduled from March 1, 2020 to September 30, 2020.

- **The National Commission for the Control of the Protection of Personal Data (CNDP)**

The employer is responsible for the individual and collective health of his employees in the workplace.

Health-related data is considered, under Law 09-08 on the protection of individuals with regard to the processing of personal data, as being sensitive data which must be collected, if necessary, in accordance with high protection and security measures.

In addition, in its deliberation n°D-106-EUS/2020 dated April 23, 2020 relating to the taking of temperature in the workplace during the state of health emergency, the CNDP has allowed employers to:

- (i) use the temperature measurement tools of employees, subcontractors and visitors, person by person, based on the principle of legitimate interest for employers and subcontracting employers. The data controller (as defined in the law n°09-08) is required to inform the concerned data subjects (by means of a poster or a pictogram placed at the entrance to the workplace) of the use of temperature measurement for access control and characteristics of the processing implemented.
- (ii) refuse access of any person refusing the implemented temperature measurements to its premises without any discrimination;
- (iii) possibly use, under the control of **occupational medicine** and according to the recommendations of the health authorities, adequate technological means allowing the collection of body temperature on an individual basis;
- (iv) possibly establish, under the supervision of **occupational medicine** and for the period recommended by the health authorities, temperature **history curves 3** with the sole purpose of detecting situations requiring preventive intervention for the benefit the health of individuals as well as the community.

The collection of data relating to the temperature measurement of the concerned persons must comply with the following elements:

- ✓ The employer must not take any measures which may affect the privacy of the concerned persons;
- ✓ Only the representative established in Morocco is authorized to process the temperature related data with regards to companies that depend on a structure outside of the national territory;
- ✓ Respect the principles of minimum collection of personal data, proportionality and rightful use of data collection purpose;
- ✓ The notification of the processing by the data controller to the CNDP;
- ✓ The destruction of the personal data as soon as the declared or authorized purpose is reached.

- **The Ministry of Labor and Professional Integration**

The Moroccan Labor Ministry intends to put in place clear regulations in order to adopt “work from home” system in the public service.

All administrations are concerned, including public establishments and local authorities. The draft decree n°2-20-343 issued on May 28, 2020 and finalized by the Reform Department, does not set the list of professions concerned by teleworking. According to recent press releases, a period of experimentation is planned before evaluating and generalizing such working system.