

# Legal Framework For Company Formation in Morocco

Any company that is individual or corporation subject to registration in the Register of Companies or trade must have the right to use the premises in the local or locals in which it wishes to settle.

However, in order to promote the creation of new business, provisions have recently relaxed that requirement (Law No. 84-1149 of December 21 1984 and Decree No. 85-1280, December the 5th 1985) and the new enterprise without locals has the choice between two solutions:

one could be definitive: it is the collective address. Domiciled in the premises occupied by several business activities,

the other is tentative: in the case of business establishment, the merchant (or the legal representative of the company) may be temporarily domiciled company in its local housing.

This technical note is to help you define the legal framework within which the domicile of an individual enterprise or a company in the living quarters, whether owner or tenant. **WHAT THE LAW SAYS IN THE CASE OF COMPANY FORMATION IN THE PERSONAL HOUSING?**

The 1984 Act provides that any person seeking registration in the Register of Companies, on the occasion of the creation of individual enterprise or a company, is authorized to install the seat in his local of Housing or that of legal representative of the company.

This is true not only when the creator is the owner (or co-owner) from his house but also when the tenant is simple, "despite any legal disposition or contradictory stipulation, and therefore despite any prohibitions or lease housing Regulation of condominiums.

What are the premises affected by the domiciliation?

The trader or manager of the company may be:

- owner (or co-owner)

- tenant, then no matter the status of the location (1948 Act, Act QUILLLOT, MEHAIGNERIE law).

Company Formation may not involve a change of destination of the building, nor the implementation of status of commercial leases. What does installing its headquarters means?

The law gives no clear definition on what the concept of installing the seat recovers.

It is for the Court to rule on that concept.

The company can settle physically, which may include machinery, the secretariat, computers, telephone ...

What are the formalities?

No authorization is required. Just send to his owner a letter with acknowledgment of receipt to inform him of your intention to use this option.

For how long?

The duration of fixing the seat in the house can not exceed 2 years.

Before the expiry of this period, the entrepreneur must submit to the Register of the Tribunal of Commerce, justifying the title of the enjoyment of the premises permanently at the company.

In the absence of justification, the removal from the Register of commerce of Companies will take place automatically.

This obligation must lead the entrepreneur to transfer the headquarters of his company in a room assigned for this purpose before the deadline. What happens if despite all we remain on the scene?

• We do not benefit from the status of commercial leases.

• The company is liable to be removed from office in the Register of commerce and of Companies.

I would enjoy being domiciled in a big city or in another country?

The address enables entrepreneurs or existing entrepreneurs to benefit from a legal address and tax without having to install their own premises. Thus, the costs of starting a business or an outpost are greatly reduced, as well as operating costs, while the company conducts an activity where the possession of premises is not necessary.

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