

# The Controle of the Levy

## The Control of the levy

Right of control of the administration and obligation  
Of Conservation of accounting doc  
Section I - General Provisions

### First Article -the Right of control

The tax administration monitors the statements and actions used for the preparation of levies, duties and taxes.

To this end, the taxpayers, individuals or legal entities are required to provide all necessary evidence and submit all documents to sworn officers of the tax administration with at least the rank of deputy inspector and who are commissioned to carry out tax inspection.

### Article 2. - Conservation of accounting documents

Taxpayers and the individual or legal persons responsible for operating the deduction of tax at source are required to keep for ten (10) years at the place where they are taxed, double sales invoices or receipts ,documents that justify the expenses and the investments, and accounting documents necessary to fiscal control, particularly books on which the transactions were recorded, the ledger, the inventory book, detailed inventories are not copied entirely from this book, journal and book records of customers and suppliers, and any other document provided by law or regulation vigueur.En loss of records for whatever reason, taxpayers must inform the tax inspector, as applicable, of their place of habitual residence of their headquarters or principal place by letter with acknowledgment of receipt, within fifteen (15) days following the date on which they found that loss.

### Article 3. - Verification of accounts

I.- When checking accounts by the administration as a determined tax or fee, it is notified to the taxpayer a notice of verification, in the manner provided in Article 10 below, at least (15 ) Fifteen days before the date set for the check. The documents of accounts are presented in the habitual premises, depends on the case of habitual residence, of headquarters or principal establishment of taxpayers natural or legal persons concerned, the officials of the tax administration that verifies the sincerity of the accounting records and statements signed by the taxpayers and ensure on-site, the material existence of properties as assets. If the accounts are kept by computer or if the documents are preserved in microfiche form, the check is to be on all information, data and processing involved directly or indirectly to the information of accounting result or tax results and preparation of tax returns, as well as documentation relating to Analysis, programming and implementation of treatments. At any case, verification above may not last: - More than six (6) months for companies with the amount of turnover stated in the account of revenues and expenses for the years subject to audit, is less than or equal to fifty (50) million dirhams with exclusion of the value added tax;

- More than twelve (12) months for companies with the amount of turnover stated in the account of revenues and expenses under one of the exercises submitted to verification, is more than fifty (50) million dirhams with exclusion of value added tax.

Are not counted in the verification period, suspensions [1] due to the procedure laid down in Article 20 below for lack of counting documents. The inspector shall inform the taxpayer, in the manner provided for in Article 10 below; of the closing date of the vérification.Le taxpayer has the right to be assisted in conducting the audit of accounts by a counsel of his choice.

II. - At the end of fiscal control on site, the administration must: -in case of correct tax bases, initiate the procedure under

Articles 11 or 12 below - in the opposite case, notify the taxpayer in the manner provided in Article 10 below. It may proceed later to a new examination of the records already verified without that new review, even when on other taxes, could cause a change in tax bases used in the first term of verification.

#### Article 4.- Discretion of the administration

I. - When the records of an accounting period or a tax period have serious irregularities to call into question the probative value of the accounts, the administration may determine the tax base from the elements which it arrange. They are considered serious irregularities:

1 - The flaw in the presentation of accounts held in accordance with Article 148 of the book plate and recovery established by Article 6 of the Finance Act No 35-05 ° for the fiscal year 2006;

2 - The absence of the inventories provided by the same articles.

3 - Concealment of purchases or sales in which the proof is set by the administration;

4 - Errors, omissions or serious and repeated inaccuracies, recorded in the accounting of transactions;

5 - The absence of supporting documents denying the accounts of any probative value;

6 - The non accounting of transactions carried out by the taxpayer;

7 - The accounting of fictitious operations. If the submitted accounts contains no serious irregularities above, the administration can not call into question the Accounting and reconstruct the turnover if it demonstrates the inadequacy of declared numbers .

II. - When Moroccan enterprise has directly or indirectly dependent relationships with companies located in Morocco or outside Morocco, profits indirectly transferred, either by way of increase or decrease in prices of purchase or sale or by any other means, are brought back in taxable income or reported turnover. With a view to this adjustment, the purchase or sale of the company is determined by comparison with those of similar companies or through direct assessment on the basis of information available to the administration. III. - When the importance of certain expenses incurred or supported abroad by foreign companies with an ongoing in Morocco is not justified, the administration may limit the amount or determine the tax base of the company by comparison with similar companies or through direct assessment on the basis of information which it arrange. IV. - adjustments arising from the provisions of this article is made, as appropriate, as provided in article 11 or 12 below.

#### Article 5.-Right of Communication and exchange of information

I. - To help meet any information that concerns the plate and control of taxes, owing duties and taxes from third parties, tax administration may request: 1 - the original or issuance of a Reproduction on magnetic support or on paper: a) documents or accounting service held by government departments, local authorities, public institutions and any entity subject to state supervision, although the opposite may the professional secret be b) books and documents, including the holding is made compulsory by law or regulations, as well as all acts, writings, books and records held by individuals or legal entities who exercise business taxes, duties and taxes. However, everything that concerns the liberal professions whose exercise involves services of legal nature, tax or accounting nature, the right of communication may not be carried

on global communication of dossier.2-records transcription required by Kadi taoutiq.Le right of communication is practiced on the premises of the headquarters or principal place of individuals and legal persons concerned, unless that the concerned provide information, in writing, or hand over the documents to the agents of tax administration, against a receipt. The information and documents referred to above are presented to sworn officers of the tax administration; at least the rank of deputy inspector. The demands for communication above shall be made in writing.

II .- The tax administration may request information from the fiscal administration of the States having concluded with Morocco agreements on the avoidance of double taxation with respect to taxes on income.

## Section II.- Provisions relating to certain taxes

### I.-Special provisions for income tax

#### Article 6.- Control of the consistency of property in terms of farm incomes

I.-The tax inspector may visit farms to check the consistency of agricultural goods. in this case, he must be accompanied by members of the local community according to the article inform them and the taxpayer concerned by letter with acknowledgment of receipt, thirty days before the visite.

II .- The taxpayer is required to permit access, in legal hours, on his farms, the tax inspector and members of the commission. He is required to assist the control or to assign reprehensive.

III. - After verification, and if the taxpayer or his representative shows his agreement on the finding of the farm property of his exploitation, a minutes is prepared and signed by the inspector, the members of the local communal commission and the taxpayer or his representative. In this case the tax is based on deduced elements. if the taxpayer or his representative has commented on all or some of the findings, these are reflected in the minutes and the inspector urged the procedure of adjustment related to Articles 11 or 12 above.IV. - When the taxpayer opposes the visit of his holding&ndash; a minutes is prepared and signed by the inspector and members of the local community. In this case, the inspector is required to furnish a copy of the minutes to members and draw up charges that can not be challenged under the conditions laid down in Article 26 below.

#### Article 7. - Review of the overall situation of tax payers

The administration shall examine the tax situation of the taxpayer habitually resident in Morocco, concedering all of his declared and taxed incomes from the office or receiving a waiver statement and falling within the scope of Application of income tax. At this end, he can assess his overall annual income for all or part of the period not prescribed when, for the considered period, the income is not commensurate with his expenses, such as defined in Article 31 of the book of plate and recovery above. The Administration calls the procedure prescribed for the case, in Article 11 or 12 below and notify the taxpayer in the form provided at the Article 10 below, the elements comparables to be used for the rectification of the annual tax. However, the taxpayer can justify, under the procedure referred to above, his resources by any evidence means and state including: - income from movable capital subject to withholding tax - income exempt from income tax - of proceeds from disposals of movable or immovable; - loans from banks or with third parties for purposes rather than professional -of the collection of loans previously granted to third parties. II. - provisions to the registration fees

#### Article 8. - Right of control

The estimated prices or statements expressed in the acts and agreements are subject to correction by the tax inspector in charge of registration, when it is proved that estimated price or statements do not appear at the date of the act or

agreement, in accordance with the market value of goods covered by it. This correction is carried out following the procedure laid down in Article 11 below.

#### Article 9. - The right of preemption in favour of the State

I. - The right of first refusal provided for in section 146 of the book collection plate above is put in practice during a delay of six (6) months from the date of registration, the delay was not however deducted, in case of transfer under condition till the date of registration of the fulfilment of the condition. II. - The decision of preemption notified in the manner provided in Article 10 below: a) to each of the parties listed in the act or declaration of change when no writing has been established; b) to competent *cadi* charge of *taoutiq* when the act of mutation has been prepared by *adoul* and related to buildings that are not registered c) the Curator of land ownership of the property where the registered buildings or pending registration. When the goods are pre-empted in the jurisdictions of several *cadi* responsible for *taoutiq* or *preservatives*, notification of the decision of refusal is made to each of the judges or officials concerned. Upon receipt of the notification, the rights of the state are listed on the register kept by the transcription on behalf of *cadi* charge of *taoutiq* and, in the case of registered buildings or pending registration, registered on the Land or mentioned in the register of the land conservation provided for this case. III. - The ousted transferee receives in the months following the notification of the decision of preemption, the price declared or the market recognized added value: 1. registration fees paid and any perceived rights to conserve land ownership; 2. of a calculated sum at a rate of five percent (5%) the declared price or recognized market value, representative flat rate the other loyal costs of the contract and the unthinkable. Failing payment within the prescribed period, interests at the legal rate in civil matters run *ipso* to the assignee ousted from the expiry of that period. IV. - The decision of preemption notified within the period provided for in paragraph I above, carries substitution of the State to the ousted assignee in earnings and expenses of the contract, the day of the transfer. All rights on preempted property, granted by the ousted transferee prior to the exercise of preemption are supposed to have never arisen. Those who have been inscribed on the land books are written off. V. - Expenses related to the right of preemption are charged in special treasury entitled "Fund of domanial reuse." VI. - The buildings that are the subject of preemption can not be resold, notwithstanding any contrary provisions that by awarding to public auction.