

Transfer Pricing: New amendment in the financial law of 2021



Referring to the Moroccan tax code in its article 210; the companies having links of direct or indirect dependence with companies located outside Morocco, and with which they carry out transactions, must make available to the tax administration the documentation to justify their transfer pricing policy,

The documentation related to the transfer pricing must include:

- A main file containing information relating to all the activities of related companies, the overall transfer pricing policy applied and the distribution of profits and activities on a global scale;
- A local file containing information specific to the transactions that the audited company carries out with the companies having the aforementioned dependency links.

The 2021 finance law specifies that this documentation is produced by companies when:

- Their realized and declared turnover, excluding value added tax, is greater than or equal to fifty (50) million dirhams;
- Or their gross assets appearing on the balance sheet at the end of the financial year concerned is greater than or equal to fifty (50) million dirhams.

Any company that has not produced to the tax authorities the documentation to justify their transfer pricing policy, provided for in article 214-III-A, is liable to a fine equal to 0.5% of the amount of transactions affected by non-produced documents. The amount of the aforementioned fine may not be less than two hundred thousand (200,000) dirhams per financial year concerned. This fine is issued by roll.