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Reform for Reduced Taxation of Civil Society Organizations in Morocco



"The main goal of the state is to help CSOs implement their activities."
- Rachidi Mohsin
President, Union des Associations oeuvrant dans le domaine d'Handicap

Although civil society organizations (CSOs) have been actively participating in Morocco since the 1960s, most currently do not have a distinct tax classification and are subject to the same laws and regulations governing for-profit companies. Given that CSOs are mission-driven not-for-profit organizations, questions arise: Should a CSO be taxed the same as a for-profit company? Would CSOs be able to implement more activities if they were tax-exempt? These are some of the questions that Moroccan CSOs are seeking to address through an initiative to reform the laws impacting Moroccan CSOs.

Through the USAID-funded Civil Society Strengthening Program (CSSP) in Morocco, the International Center for Not-for-Profit Law (ICNL), in partnership with Counterpart International, works to strengthen the capacities of CSOs to advocate for CSO law reform in Morocco. Reform of the tax code is one important component since it can have a substantial impact on the financial sustainability of CSOs.

CSSP partner AMSED (Association Marocaine de Solidarité et Développement) and CSSP's four other main partners formed MIRLA (Mouvement des Initiatives pour la Réforme de la Loi des Associations), an informal network of over 1,000 associations, to advocate for reforming the tax code and other laws impacting CSOs. With support from CSSP, MIRLA produced a memorandum requesting concrete changes to the various tax laws that impact CSO financing. MIRLA also initiated discussions with relevant stakeholders and launched an advocacy campaign for tax reform.

This reform process started with two training-of-trainer workshops provided by ICNL in June 2017 and January 2018. ICNL then worked with the five partner organizations to implement trainings throughout the country between January 2018 and March 2018 and held a series of debates and consultations with CSOs and government officials from May through August 2018. In August, MIRLA finalized its memorandum, which includes a package of proposed amendments to the national budget and taxation law. These amendments have been shared with the relevant Ministries and Members of Parliament. MIRLA is requesting that these amendments be incorporated into the upcoming FY19 budget.



"We hope to continue our peaceful conversations with the different stakeholders, which was feasible due to the support received from ICNL and Counterpart."
- Mr. Mbark Moghli
President, AMSED

In September 19, 2018, MIRLA held a press conference at Sofitel Jardin des Roses in Rabat to present the memorandum to the Moroccan public. The objective of the press conference was to raise awareness about this initiative and improve the public's understanding of both the critical services provided by CSOs and the unique legal challenges they face. This press conference was attended by 103 people, including representatives from CSOs, USAID, and the Moroccan government, and more than 60 journalists and media professionals.

"This tax reform initiative is one of several law reform initiatives that ICNL is working on with the CSOs," said Kristen McGeeney, ICNL's Senior Legal Advisor. Through the CSSP program, ICNL will continue its work on strengthening the capacity of CSOs to advocate for CSO law reform.



"Counterpart and ICNL provided technical assistance and capacity building, helped develop AMSED's expertise on advocacy, and brought some international standards that helped us achieve this major milestone."
- Karima Benjelloun
Program Manager, Capacity Building and Advocacy, AMSED



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