

Morocco

Technical Assistance in Fiscal Year 2020

Banking Supervision (January 20-24, March 23-27)

METAC continued its assistance to Bank Al-Maghrib (BAM) on the Internal Capital Adequacy Assessment Process (ICAAP). The mission presented an analysis of the interactions between ICAAP and the supervisory review and evaluation process, illustrated how capital add-on could be considered, assessed the progress made by the authorities in implementing the ICAAP framework, including discussing the results of the first thematic review performed by BAM on the banks' 2018 ICAAPs, identified the main shortcomings of the ICAAPs and made recommendations to update current regulation (issued in 2007) to bring it in line with recent international developments, and initiated work on guidelines for banking supervisors to assess the ICAAPs in a detailed and comprehensive way (including the assessment of banks' governance). A follow-up activity is planned for March 2020.

METAC continued its assistance to the Bank Al Maghreb in improving its regulatory and supervisory frameworks related to the ICAAP. This second FY20 activity, which was delivered remotely, had the following results: (i) finalized regulation for its internal capital adequacy assessment process and brought them in line with recent international developments; (ii) finalized the draft manual to assist and guide banking supervisors to assess the ICAAPs; and (iii) developed a risk taxonomy to use for benchmarking the ICAAP provided by each bank.

Public Financial Management (January 28-February 6)

A workshop on strengthening cash management for the central government, provided practical recommendations to improve data collection and effectiveness of cash management arrangements.

Revenue Administration (November 12-25)

METAC's revenue administration advisor joined a tax administration mission to Morocco, conducted by the IMF's Fiscal Affairs Department. The mission discussed with the authorities the ongoing and planned tax administration reform objectives and activities after the National Tax Conference (*assises fiscales*) of May 2019, and provided advice on the enhancement of reform governance. In addition, the mission reviewed the progress related to the results and recommendations of the 2018 TADAT assessment; it found that the authorities had made significant progress in cleansing the taxpayer register and recently removed a large number of inactive taxpayers representing 1/3 of the total taxpayer register. The mission provided technical assistance in several other areas: (i) effective compliance and institutional risks management; (ii) enhancement of the integrity of the registered taxpayer base; and (iii) data mining theory and practices. The mission also reviewed the current organizational and HR structure of the tax administration, including headquarters roles and responsibilities and the field network, and made recommendations for improvement.

Statistics (June 10-11)

METAC conducted a scoping visit to the national accounts and price statistics teams at the *Haut Commissariat au Plan*. The purpose was to discuss collaboration opportunities with the authorities, including capacity development. Areas where METAC could support the authorities in national statistics include annual and quarterly sectoral balance sheets.