



# GLOBAL EXPANSION GUIDEBOOK EMPLOYMENT

*Morocco*



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## INTRODUCTION

Welcome to the 2024 edition of DLA Piper's *Global Expansion Guidebook – Employment*.

### GLOBAL EXPANSION GUIDEBOOK SERIES

Many companies today aim to scale their businesses globally and into multiple countries simultaneously. In order to help clients meet this challenge, we have created a handy set of global guides that cover the basics that companies need to know. The *Global Expansion Guidebook* series reviews business-relevant corporate, employment, equity compensation, intellectual property and technology, and tax laws in key jurisdictions around the world.

### EMPLOYMENT

As business grows more global, the challenge for in-house counsel and HR professionals responsible for workforce issues and employment law compliance is intensifying. This guide is designed to meet that challenge head on and has been produced in response to feedback from clients in both established and emerging international businesses. We hope it will become an invaluable resource for you.

This 2024 edition of our popular guide covers all of the employment and labor law basics in 63 key jurisdictions across the Americas, Asia Pacific, Europe, the Middle East and Africa. From corporate presence and payroll set-up requirements, language rules, minimum employment rights, business transfer rules, through to termination and post-termination restraints, we cover the whole employment life span.

We have used our global experience and local knowledge to bring you this newest edition of our guide. With over 300 lawyers, DLA Piper's global Employment group is one of the largest in the world, with one of the widest geographical footprints of any global law firm. We partner with our clients, wherever they do business, to find solutions and manage risk in relation to their legal challenges and objectives.

While this guide provides high-level guidance, it is not a substitute for legal advice, and we encourage you to take advice in relation to specific matters. If you wish to speak to any of our contributors, their contact details are set out towards the back.

We hope that you find this guide valuable and we welcome your feedback.

To learn more about DLA Piper's global Employment practice, visit [www.dlapiper.com](http://www.dlapiper.com) or contact:

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## MOROCCO



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### LEGAL SYSTEM, CURRENCY, LANGUAGE

Civil law, inspired by French law. The official currency is the Moroccan Dirham (MAD). The official language is Arabic, but French is common for business purposes.

### CORPORATE PRESENCE REQUIREMENTS & PAYROLL SET-UP

A foreign entity cannot hire employees in Morocco unless it has a branch or a subsidiary registered in Morocco. Withholding for pay-as-you-earn (eg, for a social security fund – up to approximately 25-percent employer contribution and up to approximately 7-percent employee contribution) and income tax (up to 38 percent) must be done through payroll.

### PRE-HIRE CHECKS

#### Required

Identity and personal information checks. Immigration compliance. For certain limited occupations (eg, solicitors and chartered accountants), a criminal records check is required. Medical examination to confirm the employee is fit for the job.

#### Permissible

Education checks. Prior employment checks.

### IMMIGRATION

There is a national preference scheme. Work permits are required for all foreigners.

The process for obtaining a work permit may now be completed within a maximum of 10 days (previously 3 to 6 months).

Although the procedure has been simplified, a certificate issued by the National Agency for Promotion of Employment and Competence (ANAPEC) is required to establish that the position of the foreign employee cannot be occupied by a national employee.

Applications for foreigners' employment contract visas must be introduced via the TAECHIR platform. The employer must demonstrate that there is no skill locally available for the position by publishing job announcements in local newspapers.

Some foreign workers are not required to obtain the ANAPEC certificate either because of their particular immigration status (e.g., spouse of Moroccan nationality) or position (e.g., legal representative), or because of the status of their employer (Casablanca Finance City).

A foreign employee's contract can be either fixed-term or indefinite-term. A foreign employee who is hired under an indefinite-term contract benefits from all protections granted to national employees, notably in terms of compensation if the contract is wrongfully terminated by the employer. A fixed-term employment agreement becomes an indefinite-term agreement once the agreement is renewed beyond the thresholds that apply to nationals.

## HIRING OPTIONS

### Employee

Indefinite, fixed-term, full-time or part-time (rarely used).

### Independent contractor

Independent contractors may be hired directly by the company. The hiring of an independent contractor may be subject to requalification as an employee. Contract drafting must be accurate. Self-employed independent contractors are paid gross and are responsible for their own taxation.

### Agency worker

Engagement of agency workers is strictly regulated. Recourse to agency workers should be exceptional. Recourse to agency workers is permitted:

- To replace an employee with another in the event of absence or in the event of suspension of the employment contract, provided that such suspension is not caused by a strike
- In case of a temporary increase in the activity of the company

- For the performance of seasonal work or
- For the performance of work for which it is customary not to conclude an indefinite-term employment contract due to the nature of the work.

Agency workers remain employees of the agency.

## EMPLOYMENT CONTRACTS & POLICIES

### Employment contracts

Written contracts are not mandatory, except in certain situations (eg. agency workers).

### Probationary periods

Depending on the position of the employee and the type of contract (indefinite or fixed), the probationary period ranges from 1 day to 3 months.

### Policies

Internal regulations that provide general mandatory provisions applicable within the company are mandatory for all companies with more than 10 employees.

### Third-party approval

A labor inspector's approval of internal regulations is required.

## LANGUAGE REQUIREMENTS

No statutory language requirement in Morocco, but the official language is Arabic. French is also acceptable as a language for an employment agreement, provided that the employee speaks French. English is rarely used but may be tolerated in certain circumstances.

## WORKING TIME, TIME OFF WORK & MINIMUM WAGE

### Employees entitled to minimum employment rights

All.

### Working hours

There is a 44-hour limit on working time per week. There are additional rules regarding rest breaks, night work and rest periods between shifts.

### Overtime

Mandatorily paid at the rate of 25 percent if the work is performed between 6am and 9pm, and 50 percent if the work is performed between 9pm and 6am.

Payment of double wage if the employee works on a public holiday.

## Wages

Minimum wage: MAD2,828.71 (approximately EUR250) per month; MAD14.81 per hour.

## Vacation

After 6 months of service in the company, 1.5 days' vacation per month of service. An employee who has worked 12 months in the company is entitled to 18 days' vacation.

## Sick leave & pay

Sick leave is not paid; social security pays 2/3 of the salary starting from the 4th day of absence up to 185 days in each 365-day period.

## Maternity/parental leave & pay

Maternity leave of 14 weeks. Social security pays 100 percent of the employee's salary. Paternity leave of 3 days. The employer pays 100 percent of salary.

## Other leave/time off work

Employees may also be entitled to leave for other purposes, such as bereavement, marriage, surgery of a spouse or a child, etc.

## DISCRIMINATION & HARASSMENT

Discrimination based on race, skin color, gender, religion, political opinions, social origin or union freedom is forbidden by article 9 of the Labor Code.

Discrimination between men and women regarding wages is specifically prohibited by article 346 of the Labor Code.

## WHISTLEBLOWING

Whistleblowers in Morocco are granted the confidentiality of their identity during the entirety of the whistleblowing process, their identity may only be shared with limited authorized staff.

## BENEFITS & PENSIONS



It is mandatory for employees to enroll in the social security fund *Caisse Nationale de Sécurité Sociale*, which provides health insurance and pensions. The employee's contribution is approximately 7 percent, and the employer's contribution is approximately 25 percent.

## DATA PRIVACY

Employees must be notified of data processing in accordance with law No 09-08 on data protection. Employees' consent to the processing of their data is required. Employees should be given the right to have access to and modify/amend their personal data.

Employers must declare data processing to the National Control Commission for the Protection of Personal Data (*Commission Nationale de protection des Données Personnelles*).

## RULES IN TRANSACTIONS/BUSINESS TRANSFERS

Automatic transfer pursuant to article 19 of the Labor Code in a business transfer.

Information must be sent to the employee's representatives, if any exist in the company, but no authorization or consent is required.

## EMPLOYEE REPRESENTATION

Trade unions are active in sectors like the automotive, steel and manufacturing industries.

Companies with at least 10 permanent employees must elect employees' delegates. Non-compliance with the provision of the Moroccan Labor Code regarding election of employees' delegates may lead to a fine of up to MAD30,000.

Companies with more than 50 permanent employees must set up a work committee and health and safety committee.

Non-compliance with this provision of the Moroccan Labor Code may lead to a fine of up to MAD25,000. Collective bargaining agreements are uncommon.

## TERMINATION

### Grounds

Termination is permitted for serious misconduct, 4 non-serious misconducts in a single year or economic reasons. Termination due to poor performance is rare in Morocco and is subject to the following strict conditions:

- Performance objectives must be agreed upon between the employer and the employee in writing



- Objectives must not be excessive and
- The employer must prove that the employee was given all the means to achieve the objectives.

Employers must summon employees for a preliminary hearing before terminating the employee for the purpose of allowing the employees to defend themselves.

Economic termination involves a different, long and cumbersome process.

At least 1 month before starting an economic dismissal process, the employer must inform the employees' representatives, or the work council, and the union's representatives, if any. The employer must also conduct discussions and negotiations with them in order to minimize the impacts of the contemplated dismissals. Meeting minutes must be drafted and signed by the employer and the employees participating in the negotiations, and a copy of these minutes must be sent to the labor inspector.

A request for authorization must be sent by the employer to the governor. The governor must inform the company of their decision to grant or not grant the authorization no later than 2 months after the receipt of the request.

The request for authorization must explain the financial difficulties faced by the employer or the technological or structural reasons and be documented by evidence of said difficulties or technological or structural reasons.

## Employees subject to termination laws

All employees are protected against unfair dismissal except during the probation period.

## Restricted or prohibited terminations

Termination of employment is prohibited during maternity leave.

Termination for discriminatory reasons is forbidden.

## Third-party approval for termination/termination documents

Not required.

## Mass layoff rules

Consultation with employees' representatives is required in a mass layoff if such representatives exist in the company. The law is not specific about what constitutes a mass layoff; in theory, a mass layoff consists of more than 1 employee, but in practice, more than 10.

Subject to an authorization from the governor of the region, which is rarely granted in practice.

## Notice

Varies between 8 days and 3 months, depending on the seniority and the position of the employee; notice is not required in cases of serious misconduct.

## Statutory right to pay in lieu of notice or garden leave

Statutory right to pay in lieu of notice. It is permissible to put employees on garden leave during the notice period if their salary is paid.

## Severance

In case of termination of a fixed-term employment agreement without misconduct of the employee, the severance pay equals the wages the employees would have received if the employee had stayed in the company until the end of the employment contract.

In case of termination of an indefinite-term employment agreement without serious misconduct of the employee, the severance pay depends on the seniority of the employee; the amount may vary between 2 and 36 months of salary. In some case, the severance pay may be even higher.

## POST-TERMINATION RESTRAINTS

### Non-competes

Permitted if limited in time and space. Usually 1 year maximum and 200 km maximum surrounding the place of work.

### Customer non-solicits

Permitted if limited in time. Usually 1 year maximum.

### Employee non-solicits

Permitted if limited in time. Usually 1 year maximum.

## WAIVERS

Not admitted for all mandatory statutory provisions contained in the Labor Code and related decrees. When terminating an employee's employment, is it not common to enter into a settlement agreement or waiver. However, when the employment contract is terminated by mutual agreement between the employer and the employee, such termination is usually finalized in front of a labor inspector who drafts an agreement between the parties.

Once this agreement is signed, the employee automatically waives their rights to claim compensation.

## REMEDIES

### Discrimination

Damages based on the claimant's financial losses and moral damage.

### Unfair dismissal

Indemnification for dismissal is calculated on the basis of the employee's seniority:

- 96 hours per year of work for the first 5 years of seniority
- 144 hours per year of work for each year between 6 and 10 years of seniority
- 196 hours per year of work for each year between 11 and 15 years of seniority
- 240 hours per year of work for each year after 20 years of seniority

Damages equal to 1.5 months per year of seniority.

Pay in lieu of notice, equal to the remuneration the employee would have received if they had remained at their position during the notice period, if notice was not given.

Note: (1), (2) and (3) are cumulative.

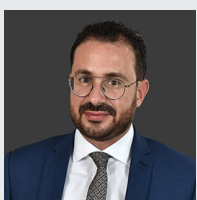
## Failure to inform & consult

In case of automatic transfer of employees in the context of an acquisition, if the employees' representatives are not informed, employees may refuse to be transferred and may be considered as having been unfairly dismissed. See consequences of unfair dismissal.

## CRIMINAL SANCTIONS

Ranges from fines (up to EUR30,000) to the closure of the company.

### KEY CONTACTS



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