

NOTE

Finance Law 2026

Promulgated in December 2025

EXECUTIVE SUMMARY

Strategic overview for decision-makers, CEOs, CFOs, and investors.

5 major reforms

- 5% withholding tax on rental income, effective from July 2026.
- Increase in the deductible allowance for family expenses.
- Full tax exemption of pensions paid by the Moroccan Interprofessional Pension Fund.
- Extension of the Social Solidarity Contribution (SSC) for the period 2026–2028.
- Application of the VAT reverse charge mechanism in the recycling sector

5 Business impacts

- Updating accounting and ERP systems.
- Cash-flow impact related to new deductions.
- Review of rental and service contracts.
- Strengthening tax compliance.
- New opportunities arising from tax exemptions

3 compliance priorities for 2026

- Q1: Adapt personal income tax and corporate income tax procedures.
- Q2: Prepare rental income deductions and withholding mechanisms.
- July 2026: Team training, audits, and contract reviews.

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CONTINUITY AND BREAKTHROUGHS

Relation to the 2025 finance law

Breaks (New Orientations)

- 5% withholding tax on rental income: introduction of enhanced payment traceability.
- VAT reverse charge mechanism extended to the recycling sector.
- Additional 2% registration duty applicable to transactions without proof of payment.
- Reduced Corporate Income Tax payment deadline: payment within 30 days instead of annual settlement.
- Green hydrogen: launch of a new national energy strategy.
- Reinforced customs controls through advanced monitoring technologies.

Continuities (policies maintained)

- Expansion of social protection with continued rollout of Mandatory Health Insurance.
- Extension of the Social Solidarity Contribution for an additional three years.
- Extension of pension tax exemption to pensions paid by the Moroccan Interprofessional Pension Fund
- Continuation of national water infrastructure and dam development programs.
- Strengthening of SME support mechanisms.
- Progressive tax reform aimed at fairness, simplification, and equity

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TIMELINE ENTRANCE IN VIGOR

Measure	Date application	Importance
Increase in family allowance	1st January 2026	Immediate
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Pension exemption (Moroccan Interprofessional Pension Fund)	1st January 2026	Immediate
5% withholding tax on rental income	1st July 2026	Deadline preparation
VAT reverse charge – recycling sector	Fluent 2026	Immediate
Social Solidarity Contribution (1.5%–5%)	2026-2027-2028	Multi-year
Preferential livestock tax regime	Until 31 December 2026	Temporary
VAT exemption for sports companies	2026-2030	Extended

Progressive timetable for the application of the Withholding tax ((corporate income tax and VAT)

Date d'entrée en vigueur	Seuil de chiffre d'affaires (CA)	Entreprises concernées
July 1, 2026	≥ 500 million DH excl. VAT	Large companies, banks, credit institutions, insurance and reinsurance
January 1, 2027	≥ 350 million DH excl. VAT	Medium-sized companies
January 1, 2028	≥ 200 million DH excl. VAT	Smaller enterprises (but within the progressive scope of the SAR)

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1. Corporate Income Tax (CIT)

NEW

International shipping

Exemption from WHT (Withholding Tax) on lease payments, charter fees, and maintenance fees related to vessels used for international maritime transport.

Impact : Strengthening the competitiveness of the Moroccan maritime sector.

AMENDED

Microfinance Institutions

Application of an adapted CIT rate to microfinance institutions converted into joint-stock companies.
Exclusion from the 40% CIT rate during the first five financial years of operation.

Change 2025→2026 : Encourages the transformation of microcredit associations into banks while preserving their social mission.

AMENDED

Non – resident companies

Revision of the procedures for declaration and payment of CIT on capital gains arising from the disposal of real estate located in Morocco. Obligation to also declare real estate rental income.

NEW

Sports Companies

Companies may deduct, for CIT purposes, cash or in-kind donations granted to sports companies established in accordance with Law No. 30-09.

Extension of CIT exemption to asset contributions made by sports associations to sports companies, including contributions made at fair market value.

2. Personal Income Tax (PIT)

AMENDED

Income from Movable Capital

Revision of the PIT payment schedule on capital gains arising from the disposal of securities not registered with approved intermediaries.

Before 2026: Payment due before 1 April of the following year

From 2026 onward: Payment due within 30 days following each disposal transaction

A mandatory annual summary return must be filed before 1 April, serving as a refund claim in case of excess tax paid..

AMENDED

Family Allowance Tax Reduction

Before 2026: MAD 500 per dependent

From 2026: MAD 600 per dependent

The cap is increased to MAD 3,600 for six dependents.
Applicable as from January 2026.

Impact: Improvement in household purchasing power.

NEW

Supplementary Pension Schemes

Exemption total of the pensions complementary paid to retirees of sector private by there Box Interprofessional Moroccan of Retirement

Change : Complete the exemption of the pensions of base adopted in 2025.

NEW

Unified Professional Contribution

Application of a tax allowance in the event of the disposal of business goodwill by professionals subject to the Unified Professional Contribution (CPU) regime.

NEW

Senior Tax Allowance

A tax allowance granted to taxpayers aged 65 or over who permanently cease their professional activity, subject to a maximum cap of MAD 1 million

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3. Common Measures Applicable to CIT / PIT

NEW

Withholding Tax on Rental Income

Introduction of a 5% Withholding Tax (WHT) on real estate rental income (developed or undeveloped property) paid by certain taxpayers.

Effective date: From 1 July 2026.

The amount withheld is creditable against the final tax liability, with the possibility of a refund in the event of excess withholding.

Objective: To strengthen the monitoring of rental income flows and limit the concealment of taxable income.

AMENDED

Extension of Withholding Tax

Expansion of the scope of application of WHT to include remuneration for service provision paid by credit institutions and similar entities.

4. Value Added Tax

NEW

Income from Movable Capital

Introduction of a VAT self-assessment (reverse charge) obligation for industrial processing companies in respect of new industrial waste, metals, and recyclable materials.

Procedure:

- Declaration of the amount exclusive of VAT (VAT-exclusive amount)
- Calculation of the VAT due
- Simultaneous deduction of the VAT

EXTENDED

VAT Exemption on Agricultural Inputs

Extension of the VAT exemption (both on imports and domestic supplies) to fertilizers and growing media intended exclusively for agricultural use, in accordance with Law No. 53-18

Impact: Reduction in the cost of agricultural inputs.

EXTENDED

Sports Companies

Extension of the VAT exemption without the right to deduction granted to sports companies.

New period: From 1 January 2026 to 31 December 2030.

NEW

Importation of Live Animals

Temporary exemption from VAT on the import of domestic live animals (cattle and camels).

Quotas 2026: 300,000 heads of cattle and 10,000 heads of camels.

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5. Rights registration

NEW

Withholding Tax on Rental Income

Introduction of an additional registration duty of 2% on deeds relating to the transfer of real estate, real property rights, or business goodwill, when the methods of payment cannot be duly justified.

Objective: Combating money laundering and the informal economy..

HARMONIZED

Credit Transactions

Harmonization and clarification of the tax treatment of credit transactions carried out by credit institutions and similar entities.

AMENDED

Public Procurement

Application of registration duties at a rate of 0.1% to public procurement contracts.

Impact: Reduction of administrative costs.

6. Contribution social of solidarity

EXTENDED

Social Solidarity Contribution (SSC) 2026–2028

Extension of the Social Solidarity Contribution levied on profits and income for fiscal years 2026, 2027, and 2028.

Eligible taxpayers:

- Companies subject to Corporate Income Tax (CIT)
- Individuals subject to Personal Income Tax (PIT)
- Annual taxable profit \geq MAD 1,000,000

Progressive rates: 1.5%, 2.5%, 3.5%, or 5%, depending on the level of taxable profit.

7. Customs Measures

STRENGTHENED

Customs Control

Significant reinforcement of the customs control framework, including:

- Expansion of the scope and definition of customs offences
- Harsher penalties
- Deployment of advanced monitoring and surveillance technologies

Objective: Combating customs fraud and smuggling.

ADJUSTED

Customs Tariffs

Multiple adjustments to customs duties applicable to industrial, pharmaceutical, chemical, and household appliance products.

Tariff rates:

- 2.5% (imported goods)
- 10%–17.5% (mixed production)
- 40% (exclusively domestic production)

8. Strategic Priorities – 2026

Water Resource Management

Allocation of MAD 44.2 billion for:

- National Drinking Water Supply Program
- Irrigation Program 2020–2027
- Construction of dams
- Seawater desalination projects

Health and Education

An exceptional budget allocation of MAD 140 billion, covering:

- Creation of 27,000 budgeted public-sector positions
- Commissioning of the Agadir and Laâyoune CHUs
- Rehabilitation and upgrading of 90 hospitals
- Nationwide rollout of preschool education

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POINTS OF VIGILANCE AND RISKS MAJOR

Analysis advice for anticipate and secure your compliance

Risk of penalties deadline CIT reduced (30 days)

Issue: Passage of a statement annual (Before 1st april) has A payment In THE 30 days following each transfer of values furniture.

Consequence: Penalties And surcharges of delay if oversight Or delay of statement.

Solution: Put in place alerts automatic, form managers heritage, to expect treasury.

Risk tax increased revenues rentals no declared

Issue: Establishment retained has there source 5% on rents of the July 2026 = traceability reinforced by the administration.

Consequence: Landlords Who born declared not their revenues rentals will be detected more easily. Adjustments possible.

Solution: Regularize situation Before July 2026, anticipate dialogue with administration tax.

Attention supporting documents payment acts real estate

Issue: Right registration additional of 2% if impossibility of justify terms of payment.

Consequence: Additional cost tax important (2% on value transaction) + signal negative For administration.

Solution: Require payments plots (payment, check), preserve evidence avoid species without supporting documents.

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Analysis advice for anticipate and secure your compliance

Compliance documentary For exemptions

Issue: Numerous exemptions (VAT inputs agricultural, companies sportswomen, transportation maritime) require compliance strict.

Consequence: Loss exemption if documentation incomplete during of a control tax.

Solution: Constitution case complete (certificates, conventions, evidence activity), audit preventive.

Control customs officer reinforced (technologies (advances)

Issue: Enlargement offences sanctions weighed down, means monitoring increased.

Consequence: Risk rectifications import-export, fines high, slow-down operations.

Solution: Audit compliance customs officer, training teams logistics, advice specialized

Social Solidarity Contribution extended: impact treasury multi-year

Issue: Contribution Social Solidarity maintained 2026-2028, rate progressives 1.5% has 5% according to benefit.

Consequence: Charge tax additional No negligible For companies profitable ($\geq 1M$ MAD).

Solution: Integrate Social Solidarity Contribution In business plans, provision quarterly, to optimise structure benefits if possible.