



NEWSLETTER **ONE BDO**

JUIN 2024

Revelation of the **BDO Digital CFO Trophy** : Celebration of Excellence and Financial Innovation!



Zakaria FAHIM

Managing Partner BDO au Maroc

We are pleased to share with you this new edition of our ONE BDO newsletter, which highlights recent developments and key initiatives shaping the future of our industry.

We recently had the honor of participating in GITEK Africa in Marrakech, a leading event for technology and innovation on our continent. In partnership with HumanOne Cyber Security and Naoris, we have introduced cutting-edge cybersecurity solutions. This initiative highlights our continued commitment to redefining the cybersecurity landscape, providing advanced protection strategies essential to securing businesses on their digital transformation journey.

We also successfully celebrated the first edition of the

BDO Digital Trophy for CFOs at the Casablanca Stock Exchange. This event marked our commitment to recognizing and promoting innovation and digital transformation among financial leaders, cementing our guiding role in this ever-evolving digital era.

In this edition of the newsletter, we have taken care to select crucial information concerning the national social dialogue and the recent VAT reform to offer you content that is not only useful but also enlightening.

to equip you with the necessary knowledge to

navigate with confidence the important developments of our times, and thus make well-informed strategic decisions.

At BDO, we are determined to constantly enrich our dialogue with you, to support your objectives and contribute to a professional environment that stimulates growth and innovation.

We thank you for your continued commitment and invite you to follow BDO on our social networks, particularly on LinkedIn, and to stay connected for the next editions of our bimonthly newsletter.

Gitex Africa

BDO Morocco collaboration with Naoris and HumanOne at GITEX AFRICA 2024: Strengthening cybersecurity on the continent



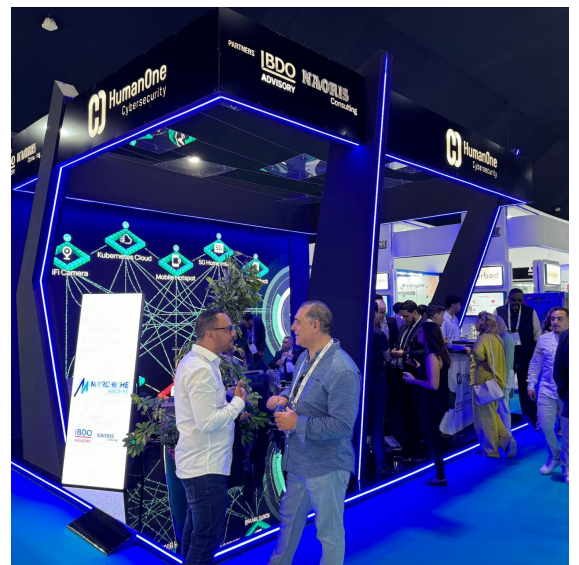
GITEX AFRICA has established itself as the essential event for technology and innovation professionals on the African continent.

In this context, BDO Digital marked its presence with a notable collaboration with Naoris and HumanOne, two recognized leaders in the field of cybersecurity.

This association was not fortuitous but the result of a thoughtful strategy aimed at combining the strengths and expertise of each person to respond to Africa's specific security challenges.


Our participation in GITEX AFRICA was an opportunity to highlight our common commitment to the development of robust cybersecurity solutions adapted to African technological infrastructures.

This commitment reflects a shared desire to contribute to a more secure digital ecosystem in Africa, where cyberattacks are constantly increasing.





Proud Golf partner US of Finance

Organisé par : 



Innovation

At the Heart of Finance

End clap for the BDO Digital CFO Trophy.



The first edition of the BDO Digital CFO Trophy, a landmark moment for digital finance, ended on June 13, 2024 at the Casablanca Stock Exchange. Organized by BDO Morocco, this first edition highlighted the crucial importance of innovation in the financial field.

In collaboration with the Eco-Médias group as media partner, Sage, Naoris Consulting and humanOne Cybersecurity as technological partners, and our community partners such as ISCAE ALUMNI (Ex ALISCA), HUBAFRICA, Club des Femmes Administrators, CFA Maroc, and the Bourse de Casablanca.

This initiative aims to highlight administrative and financial directors (CFOs) who excel in the adoption of new technologies.

The BDO Digital CFO Trophy will now be held every year.

This decision reflects our deep commitment at BDO Morocco to drive innovation and celebrate excellence in the financial sector.

We look forward to seeing how this initiative will encourage professionals to push boundaries and adopt digital best practices.

A big thank you to everyone who participated, including the jury

members and our partners, whose contribution was essential to the success of this event. We extend our warmest congratulations to this year's winners, who demonstrated remarkable excellence and innovation:

Tarik CHAKI, CFO of Lydec, crowned Digital CFO of the Year – 2024 with his project which integrates artificial intelligence into financial processes. The project, which encourages collaboration between the Administrative and Financial and Information Systems Departments, aims to improve the accuracy of financial forecasts.

Innovation

At the Heart of Finance

Clap de fin pour le Trophée BDO Digital des CFOs.

Hicham TAHIRI ALAOUI, DAF at Rocamora - Michelin, received the Coup de Cœur prize for his digital transformation project which focused on the human aspect, improving operational efficiency and the customer experience. This project also strengthened the company's competitiveness and plans to integrate artificial intelligence to improve decision-making.

Abdallah Amdah, CFO of Cardio Plus: Abdallah Amdah's project for Cardio Plus, awarded as "Digital CFO of the Year in the SME category - 2024", for having transformed the management of the company with an integrated management system. This system automated operations, improved customer relations, and optimized decision-making, thereby increasing Cardio Plus' efficiency and regulatory compliance.

Lamine Atif SOW, DAF of International Business Solution Group, awarded in the Large Business category by transforming the IBS Group Guinea with its subsidiary in Morocco, presented his hyperautomation project.

These financial leaders were recognized for their ability to integrate digital technologies in innovative ways, helping to redefine traditional financial practices.

We excitedly anticipate the opportunity to discover new breakthroughs and celebrate more innovations in future editions.

The BDO Digital CFO Trophy will continue to be a springboard for visionary financial leaders, shaping the future of digital finance. We look forward to seeing you again next year, for a new edition even richer in discoveries and sharing, where we will continue our mission of encouraging and promoting excellence and innovation in the financial field in Morocco.

Stay tuned for future updates and prepare to be inspired once again by the best and brightest in our industry.

To find out more about the event, visit our website: <https://financeleadtransform.com/trophye/>



Social dialogue

Moroccan Social Reform 2024

Negotiating agreement and impact on national prosperity



The April 2024 negotiation agreement and its beneficial effects on Moroccan society.

This agreement marks a significant step in improving living conditions and strengthening social protection in Morocco.

Governments, businesses and unions have made joint commitments to ensure the stability of employees and businesses, positively influencing the economic and social climate, as well as the competitiveness of the national economy.

This commitment to regular and serious social dialogue made it possible to effectively deal with pending claims and files, and all stakeholders involved worked to find solutions to improve working conditions while supporting the competitiveness of companies.

The Social Dialogue Charter, which institutionalizes these efforts, explicitly aims to improve incomes in both the public and private sectors.

The introduced reform defines new rules for the right to strike, reforms pension systems and establishes new promotion levels. It also modifies certain requirements of the Labor Code to better respect trade union freedoms and social rights.

Details of planned income increases: in the public sector, salaries will increase by 1,000 dirhams in two tranches, and in the private sector, the SMIG and SMAG will see an increase of 10% also in two tranches.

In addition, tax adjustments will promote a significant reduction in the tax burden for the middle class, with a tax reduction of around 50% and a reduction in the marginal income tax rate from 38% to 37%.

The reform of the retirement system envisages a two-pole structure (public and private), while preserving acquired rights and improving governance.

This reform will be discussed during the next cycle of social dialogue in September 2024 and submitted for legislative approval in October 2024.

The new law also regulates the exercise of the right to strike to maintain a balance between this constitutional right and freedom of work, clarifying the associated concepts and strengthening dialogue mechanisms.

Labor legislation will be gradually revised to balance the productivity and competitiveness of businesses, combat job insecurity and improve continuing professional training.

VAT reform in Morocco

New Era of Withholding Tax Significant innovation in our VAT system: the introduction of new withholding tax mechanisms.

These changes, made by the Finance Act of 2024, are designed to improve tax compliance and simplify VAT collection.

Here are the details of this new regime: Firstly, a withholding tax of 100% of VAT on Operations carried out with Suppliers of Equipment and Works. This mechanism targets operations carried out by suppliers of capital goods and works which are subject to VAT.

Indeed, customers, who are themselves subject to VAT, will be responsible for withholding 100% of the VAT due on taxable transactions carried out with their suppliers.

This withholding only applies if suppliers do not present a certificate justifying their recent tax regularity, that is to say issued less than six months ago.

In other words, companies subject to VAT must request, every 6 months, a tax compliance certificate from all their suppliers.

This regime aims to secure tax revenues and ensure that all economic players contribute equitably to the financing of public services.

It also helps prevent tax fraud and encourage businesses to maintain tax compliance.

This reform represents a step forward towards a more efficient and transparent tax system, aligned with international standards and adapted to the economic realities of Morocco.

We continue our exploration of the new VAT withholding tax regime with a focus on the second mechanism introduced by the 2024 finance law. This mechanism specifically concerns the service provision operations listed in article 89-I of the CGI, involving withholding tax rates adjusted according to the tax situation of the service provider.

Here are the details of this measure:

This withholding concerns service provision operations specified by regulation, carried out for the benefit of the State, communities, public companies, and by certain legal entities governed by private law as well as natural persons subject to specific regimes.



VAT reform in Morocco



UN - By the State, communities and public companies: These entities apply a 75% withholding when they pay remuneration for specified services.

Two - By legal entities governed by private law and individuals under RNR or RNS regimes: These entities apply a 75% withholding tax. However, if the service provider (natural person) does not present a tax regularity certificate dated less than six months ago, the withholding tax is increased to 100%.

These changes are intended to strengthen tax control and the efficient collection of VAT, ensuring that all players, particularly in the services sector, contribute equitably to the financing of public infrastructure and services. This withholding tax regime helps maintain a balance in our tax system and prevent tax evasion practices.

It is also essential to highlight the operations that are excluded from this measure, as well as the provisions relating to the restitution of VAT credits. Here are the details : Sales of electrical energy and water intended for public distribution networks are excluded from withholding tax, reflecting the importance of these essential services.

Sanitation services and meter rental: These services are also excluded to simplify the tax management of these vital operations.

Sales and services carried out by telecommunications operators are excluded, recognizing their central role in connectivity and communication.

Services provided by insurance sales agents or brokers: These specific services are excluded due to their nature and their distinct regulatory framework.

Finally, transactions whose value is less than or equal to 5,000 dirhams, within the limit of 50,000 dirhams per month and per supplier, are also excluded, which helps reduce the administrative burden for small transactions.

It should be noted that if a taxpayer finds himself with a VAT credit following these withholding rules, he has the right to request the restitution of this credit, which is an important measure to ensure fairness and financial fluidity of the companies concerned.

These provisions will be applied to all operations carried out from July 1, 2024.

The strategic impact

Internal audit on ethical corporate culture

The Global Internal Auditing Standards state that internal auditors should encourage and promote an ethical culture within the organization.

CEOs, academics, and investors are obsessed with discovering why certain companies stand out from others.

Of course, you might consider things like a superior product or service, an effective marketing strategy, or an aggressive sales team.

That said, an organization's internal culture can be the "flagship application" that sets it apart from the competition. An ethical corporate culture is the embodiment of the company's core values and ethical standards in the actions of its employees and management. It shapes decision-making, risk management and overall corporate governance.

A strong ethical culture promotes higher employee morale, better financial performance and a better reputation.

The Global Internal Auditing Standards state that internal auditors should encourage and promote an ethical culture within the organization.

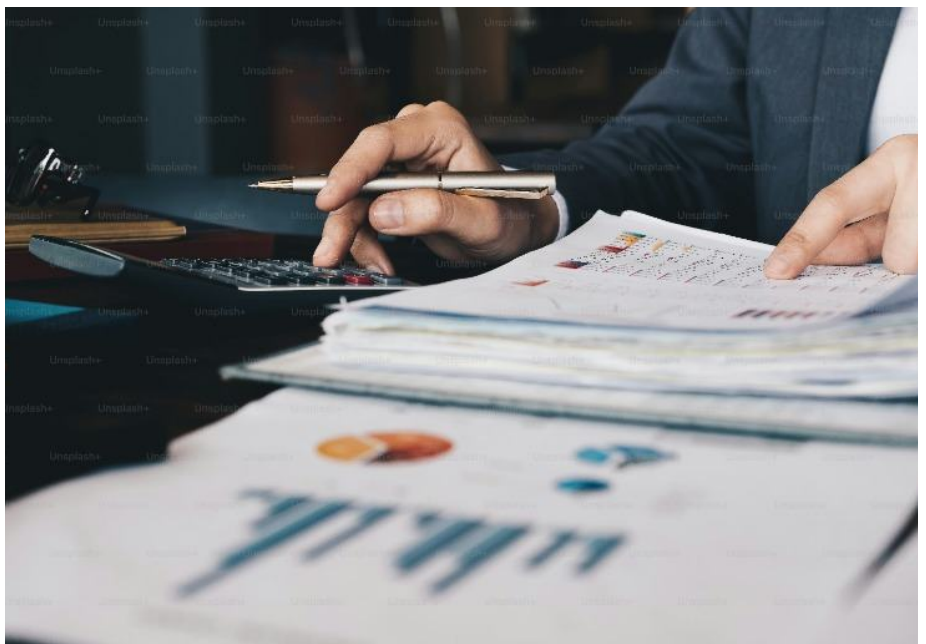
While company leadership sets the tone for ethical culture at the top, an internal audit function can help assess and promote an ethical business culture within the organization. It can be a secret weapon in shaping your ethical company culture and achieving your goals.

Internal audit: how to promote an ethical corporate culture

The Internal Audit function can use several levers to promote an ethical corporate culture. Even if one of these levers is effective on its own, the combination of two (or more) can go a long way in creating the most ethical internal culture possible. The best organizations find a way to integrate all of these levers in a coherent manner.

The first lever is to assess the ethical culture by assessing the tone at the top, middle and bottom of the organization.

This involves examining the ethical values promoted by senior management, the ethical climate among middle managers as well as the behaviors and attitudes of employees.



The strategic impact

Internal audit on ethical corporate culture

As an independent function, the internal audit function may also investigate violations when unethical behavior is suspected or reported.

This involves gathering and analyzing evidence, interviewing affected parties, and working closely with other departments to determine the extent of the violation and recommend corrective action.

The Internal Audit function can also play an advisory role, promoting ethical culture by organizing ethics training and awareness programs.

Although ethical guidelines are an essential starting point, education is essential to creating an ethical business culture.

The internal audit function can help develop workshops, seminars, or any other type of educational product to better articulate the organization's ethical guidelines.

The internal audit function not only promotes transparency, but also leads by example.

He sets positive examples for the entire organization to follow, demonstrating objectivity, high integrity and professionalism in all of his work.

Furthermore, the Internal Audit function sets an example by maintaining a dialogue with senior management.

This dialogue fosters trust and ensures that senior management is held accountable for their actions.

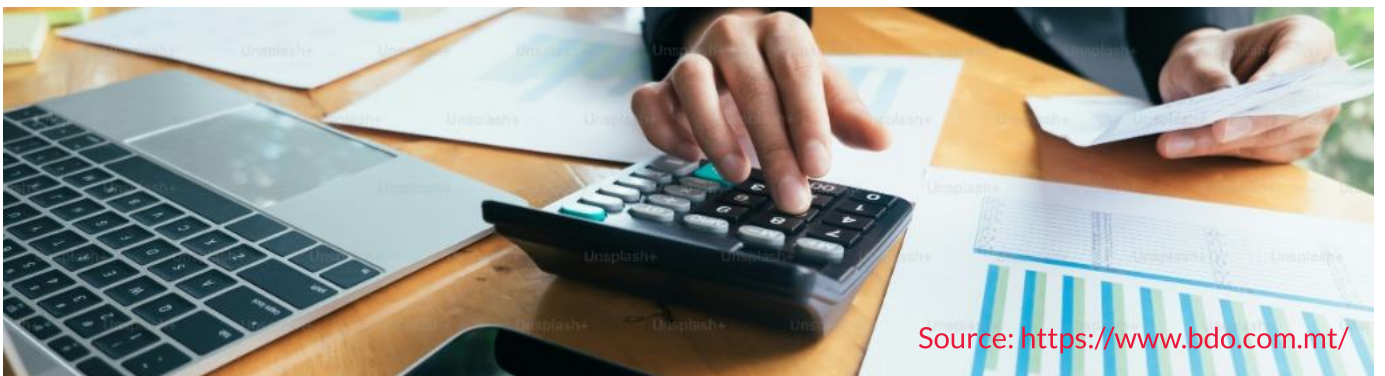
Respect the highest ethical standards

When effectively integrated, internal audit can significantly improve an organization's ethical culture.

It provides an independent and objective perspective on the state of ethics within the organization, helping to identify gaps and areas for improvement.

By promoting transparency and accountability, the internal audit function maintains an environment in which ethical conduct is valued and unethical behavior is promptly addressed.

Despite the challenges, the impact of internal audit on ethical culture is profound, contributing to the overall prosperity and sustainability of the organization. As businesses continue to navigate complex ethical landscapes, internal audit's role in fostering an ethical culture will remain essential.



Source: <https://www.bdo.com.mt/>



TROPHÉE BDO
DIGITAL CFOs



bdo@bdo.ma



+212 5 22 22 55 00



www.bdo.ma



Casablanca - Rabat - Laâyoune

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