

CSDs: [Maroclear \(Morocco\)](#)

Date: 19 Feb 2013

SMI Markets: [Morocco](#)CMIRR Markets: [Morocco](#)

Plan to Introduce SBL in Morocco - Update

In an update to our previous newsflash, the two chambers of the parliament of Morocco have approved the draft legislation for the implementation of Securities Borrowing and Lending (SBL). It was granted approval by royal decree and signed by the President of the Government on behalf of the King on 28 December 2012. The following features of SBL have been published in an announcement in the official gazette of Morocco.

- Eligible securities for SBL transactions are listed securities, commercial papers and government securities.
- Ownership of securities will be fully transferred in the event of securities lending.
- Borrowing of securities is only allowed for corporate investors that are subject to corporate tax, mutual funds and mutual venture capital entities.
- Interest is to be paid on late delivery by the lender/ late return by the borrower.
- The collateral can be in form of cash or securities and the securities lent cannot be subject to another loan.
- Securities are not allowed to be lent during a corporate action transaction.
- Securities lending transactions are subject to the code of obligations and contracts, to specific accounting standards and will be controlled by the market authority "Conseil Déontologique des Valeurs Mobilières (CDVM)". All securities lending transactions have to be reported to the CDVM.

The CDVM is now working on a draft circular which will be submitted for consultation and review. The official publication of the legislation is available here (in Arabic only): [Securities Lending and Borrowing in Morocco](#).

CSD Risk Impact

Maroclear (Morocco)

CSD Rating: A

CSD Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = A

Flash Impact = Positive

The implementation of securities borrowing and lending should help reduce the number of failed trades and therefore mitigate liquidity risk in the settlement of securities in Morocco. Hence the impact is Positive on Liquidity Risk.

Market Information Impact

Morocco

This information affects the data contained in the Stock Lending and Repos sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Morocco

Market Rating: A-

Market Flash Impact: Positive

Impacted Risk Type: Liquidity Risk
Current Rating = BBB
Flash Impact = Positive

The implementation of securities borrowing and lending should help reduce the number of failed trades and therefore mitigate liquidity risk in the settlement of securities in Morocco. Hence the impact is Positive on Liquidity Risk.

Related Flash: [Plan to Introduce SBL in Morocco, 03/11/2009 \(click to view\)](#)

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