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Improving the Business Climate in Morocco

Regulatory Reform and Investment Promotion

RELIABLE, TIMELY INFORMATION ON MOVEABLE COLLATERAL:

ENOUGH TO INCREASE ACCESS TO CREDIT?

SEPTEMBER 2008

This publication was developed for the United States Agency for International Development (USAID). It was prepared by the Improving the Business Climate in Morocco Program implemented by DAI.

Improving the Business Climate in Morocco

Amélioration du Climat des Affaires au Maroc

IBCM Report

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Acknowledgements

The publication of this report was made possible through support provided by the US Agency for International Development (USAID) under the terms of Contract GEG-I-00-04-00001, Order No. GEG-I-02-04-0000. Jean-Michel Mas is the main author of this report.

FOREWORD

Modern collateral registry systems can help expand the circle of creditworthy borrowers in a country, by providing banks and other lenders with accurate, real-time information on claims. For banks and other lenders to make use of these systems, however, the legal framework must provide the right incentives.

This report was prepared in order to provide specific feedback to participants of the two roundtables organized in February 2008, in collaboration with the Financial Services Volunteer Corps and Bank Al-Maghreb, one in Casablanca and the other in Agadir. In addition to synthesizing the discussions held during the events, the document provides an overview of the findings of two diagnostic studies conducted by USAID's "Improving the Business Climate in Morocco" program. One study aims to assess the technological and operational feasibility of upgrading Morocco's commercial registries (*Registres de Commerce*). The other reviews the key ingredients of the legal framework for secured lending in Morocco, identifying areas where the current law is not compatible with the operation of a modern collateral registry system and outlines steps to be followed. All reports are available on the Programme's website (**WWW.CLIMATDESAFFAIRES.MA** / **WWW.BUSINESSCLIMATE.MA**).

As a result of the assessments and the roundtable consultations, a decision was taken by the Program *not* to proceed forward with the development of a software or other information technology system focused on collateral registry until (1) Morocco has developed a system for allocating a national business identifier that is common - meaning known - to all government actors; (2) additional work has been conducted on the harmonization of operating procedures for the Commercial Register, and (3) a champion has come forward to lead the efforts to reform the country's secured lending framework.

Since the roundtables, important progress has been made towards the implementation of a common business identifier. Preliminary work has begun as well to review and harmonize operating procedures for the commercial registries. As work progresses on these and other fronts, USAID/Morocco through its Programme "Improving the Business Climate" will welcome the opportunity to support Morocco in moving toward the implementation of a modernized collateral registry system.

We extend our appreciation to our institutional partners, as well as each of the individuals who shared their knowledge and insights with us during the preparation of this report. To offer comments, or request additional information, write to us at **CONTACT@CLIMATDESAFFAIRES.MA**.

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LIST OF ACCRONYMS

BMCE	Moroccan Bank of Foreign Trade *Banque Marocaine du Commerce Extérieur*
BMCI	Moroccan Bank of Domestic Trade *Banque Marocaine du Commerce Intérieur*
CIH	Real Estate and Hotel Industry Bank *Crédit Immobilier et Hôtelier*
CRI	Regional Investment Centre *Centre Régional d'Investissement*
FSVC	Financial Services Volunteer Corp
GPBM	Morocco's Banking Professional Organization *Groupement des Professionnels des Banques du Maroc*
ICE	National Business Identifier I*dentifiant Commun pour l'Entreprise*
OMPIC	Ministry of Justice to the Office of Industrial Property *Office Marocain de la Propriété Industrielle et Commerciale*
PME	Small and Medium-Sized Enterprises *Petite et Moyenne Entreprise*
RC	Commercial Register *Registre du commerce*
SGMB	*Société Générale Marocaine des Banques*
UCC	Uniform Commercial Code
USAID	United States Agency for International Development

INTRODUCTION

More than 90% of businesses in Morocco are small and medium-sized enterprises. According to a number of donor-funded studies, these firms experience difficulties in obtaining bank loans to grow. The popular saying, "Money is only lent to the rich" is perhaps even more appropriate in Morocco than elsewhere, because the guarantees required by banks to provide credit are out of reach of most small and medium-sized Moroccan enterprises. Well aware of this issue, the government asked USAID for technical assistance in facilitating access to credit for small and medium-sized enterprises.

In most cases a loan is granted in return for a guarantee enabling the creditor to recover its claim in the event of the debtor's failure to pay. The guarantee may take several forms, of which one is "collateralization", a principle implemented in many countries that falls within the broader framework of security arrangements. What is the status of collateralization in Morocco? Does the current collateral registry system have sufficient leverage to facilitate credit for companies?

The legacy of the French administration is still very apparent in the Moroccan legal system. In order to secure property so that ownership or claims hold up against third parties, data must be entered into the Commercial Register in the court nearest to the company headquarters. Modernizing the collateral registry system therefore entails modernizing the Commercial Register, which records all legal acts affecting a business' life cycle (registration, capital increase, change of address, filing for bankruptcy, etc.). This information is currently filed by hand by the court clerk. Because the data is not centrally consolidated, it may be possible for a company to secure the same property several times in several regions.

To check a company's securities listing, one must therefore physically go to the registrar's office in every court of the country. In practice, banks require the company to provide an abstract of each local Commercial Register, which is clearly impossible (being both costly and time consuming). Moreover, Moroccans are discouraged from taking legal action to collect on a debt (again, a lengthy and expensive proposition) as they have no guarantee that a decision will be made within a reasonable timeframe (see *Doing Business 2008*, under the "Enforcing Contracts" indicator).

Reform to the collateral registry system would facilitate access to information, particularly for banks, making the credit granting procedure more fluid and, as the reasoning goes, making it more likely that firms requesting a loan may obtain credit. In Anglo-Saxon countries where the very principle of the Commercial Register does not exist, pledges are used with greater flexibility and are a matter of private contractual relationships.

The issues at stake are complex and multifaceted. The purpose of this document is therefore to provide the reader with a review of the issue of pledges in Morocco, including:

- **A preliminary diagnosis** assessing the impact of a technological solution that would make information on pledges available in real time and in accordance with international best practices.

- **A compilation of practitioners' views** from two discussion panels of current users of information on pledges: one in Casablanca, held in conjunction with private partners

(most from the banking sector), the other organized in Agadir with regional bankers and representatives of the Ministry of Justice, as well as various regional administrations.

- Finally, highlights are provided from **a thorough study** authored by international expert Daniel Benay, on the **legal framework** governing pledges in Morocco and, more generally, on the legal framework that organizes the system of securities, comparing the Anglo-Saxon and the French heritage laws with the goal of achieving international best practices.

This report synthesizes the conclusions from the aforementioned studies. The aim is to use this information to promote the modernization of the Commercial Register and reforms to the legal framework for securities.

PRELIMINARY DIAGNOSIS[1]: THE TASK OF MODERNIZING THE COLLATERAL REGISTRY SYSTEM IS MORE SIGNIFICANT THAN IT SEEMS.

In countries with modern systems, the status and listing of an enterprise's collateral is available 24/7, in real time, and remotely.

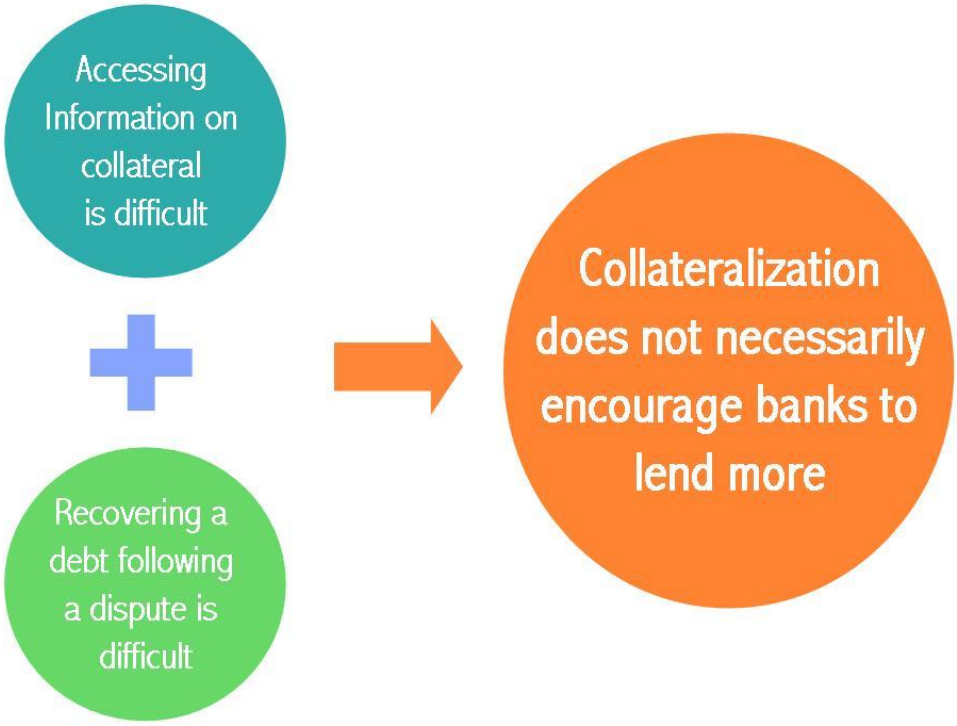
What should be done in Morocco to achieve the same results?

A preliminary diagnosis regarding information technology, conducted in late 2007, proposed four scenarios for building a centralized national database in real-time. It helped measure the magnitude of the task required to physically upgrade the collateral registry system. The conclusions were clear:

- It is necessary to consolidate the information on all pledges in one single database.
- Centralizing pledges involves identifying companies accurately and at the national level. **This requires the implementation of a national common identifier** for every company (i.e. one that is known by every agency). Because this "identifier issue" is at the core of a range of problems, the government, led by the Minister of Economic and General Affairs, has already started working on this Common Business Identifier (CBI). An inter-ministerial commission will soon present its findings.
- Resolving the issue of listing pledges as entries in the Commercial Register should not be undertaken in isolation. Rather a **comprehensive modernization of the Commercial Register** should be considered, taking into account the clerk's role as a key, indispensable player.
- In the courts of first instance, the registry holds all records relating to civil and criminal cases in addition to those relating to the Commercial Register. **Improvements to the Commercial Register will have to be integrated** with reforms to civil and criminal case processing.
- Given the state of local Commercial Registries (none are computerized, the majority of paper records are handwritten in Arabic and/or French), a real challenge to modernization lies with **management of human resources (staff training, redefinition of tasks, work organization)**.

[1] Read the complete report on www.businessclimate.ma.

ROUNDTABLE RESULTS: MODERNIZING THE COLLATERAL REGISTRY SYSTEM WILL NOT ITSELF BE SUFFICIENT TO FACILITATE ACCESS TO CREDIT.



How would professionals such as bankers and administrators react to a modernized collateral registry system? Would bankers grant loans more often?

Two roundtables were held to increase awareness of the issues related to modernization of the collateral registry system and to collect the views and comments of professionals. The first roundtable was held in Greater Casablanca, the other in the Souss-Massa-Drâa region. The roundtables were organized in cooperation with the Financial Services Volunteer Corps (FSVC, an American association that specializes in technical expertise in finance) which mobilized two highly experienced international experts.

The first roundtable was held in Casablanca on February 13th with representatives from the banking sector, including Bank Al Maghrib, GPBM, Attijari Wafabank, BMCE, BMCI, SGMB, *Banque Populaire*, *Union Marocaine des Banques*, CIH and *Credit Agricole*.

The IBCM Program presented a preliminary diagnosis of the issues and then three international experts introduced the following key principles of a collateral registry system based on their experience in Canada (in Alberta and in Quebec) and in the United States: easy access to information on the status of financial commitments of a company; a direct contractual relationship between the parties without government intervention; and an efficient judicial system.

In practical terms, securing property requires that the user fill out a *simple form* containing the contractors' names, the amount of the debt and the duration of the collateral. *Registration fees* are usually set and may vary according to a given scale. In the United States, the registration fees are symbolic and never exceed five dollars.

Regarding registration deadlines, in the US and Canada there are usually no time limits prescribed by the law, in contrast to the case under Moroccan law, and instead the ranking of the *creditors' privileges* is determined by the date that the collateral was recorded on the register and published. Otherwise privileges become unenforceable against third parties.

The collateral registry provides public information on privileges held on property and contributes to the analysis of companies' creditworthiness. However, these roles are only effectively met if the data listed on the register is reliable and updated in a timely fashion - ideally in real time - and centralized, as is done in North America.

International experts have also emphasized that the Moroccan system should not be completely overhauled, but that it could be improved step by step. To do this, they stressed that a transitional period, (during which paper records would have to be scanned) would be necessary to switch from the current paper-based system, to a modern, fully computerized one.

During the debate that followed the expert presentations, bank representatives expressed their interest and commitment to the Program's efforts and to establishing a common business identifier.

Bank representatives also reminded the audience that **information on pledges is not decisive regarding accepting lending risks**. In Morocco, most loans (including those for small and medium-sized enterprises) are granted in return for tangible and easily executable guarantees. Furthermore, since the judicial system fails to ensure the recovery of claims within a reasonable time, creditors remain reluctant to grant credit, fearing they might not be able to cover their debt in case of litigation.

The following table highlights the differences between various practices:

What can be pledged?	
Morocco	There are two scenarios depending on the level of detail in the deed of pledge. If a specific contractual stipulation exists in the deed of pledge to cover all components of the *fonds de commerce*[2], the collateral includes: - clientele; - customer traffic; - business name; - business sign; - right of lease; - office furniture; - goods; - equipment; - tools; - patents; - permits; - proprietary brands, trademarks and service brands; - industrial designs; - All industrial property, literary or artistic rights related to goodwill; - Any other asset **necessary to operate** the business, since the law uses the term "such as". The above list is simply illustrative. In cases where the deed of pledge does not detail the elements on which the pledge is made, it only takes into account the following: - clientele; - customer traffic; - business name; - business sign; - and right of lease; (Art 170)

[2] The concept of the *fonds de commerce* does not exist in the common law system and therefore there is no direct translation for this term. *Fonds de commerce* is often used to refer to a company's "working capital" or "current assets." However in a common law system, lenders consider items that go beyond current assets, to include intangibles such as goodwill, intellectual property rights, or "location" – i.e., the right to a rental lease for the space where the business operates.

What can be pledged?	
France	Only the following elements are likely to be included in the collateralization of the *fonds de commerce*: - clientele; - customer traffic; - business name; - business sign; - right of lease; - office furniture; - equipment necessary to run the business; - tools necessary to run the business; - patents; - permits; - brands; - industrial designs; - any other business-related proprietary brands, trademarks and service brands. In the absence of a specific and precise listing referred to in the deed, the collateral only includes: - business name; - business sign; - right of lease; - clientele - and customer traffic. (Art. L142-1 to L142-5)
United States	The *fonds de commerce* is not a concept used in the American legal system. Under Article 9 of the Uniform Commercial Code (UCC), adopted by all States (with some variations), a pledge can be granted by a corporate body or an entity on any property (personal property) including: - any goods and physical objects; - any property rights (*documents*); - any negotiable instruments; - any general intangibles; - any type of bonds, any passive or active debt (*chattel paper, accounts*).
Denmark	The company's inventory; Furniture and equipment necessary to run the business; Industrial property rights (patents, brands, designs, goodwill, etc.); The company's unsecured debt.

Where is the pledge registered?	
Morocco	Local Commercial Register
France	Commercial Register (*Registre du commerce*)
United States	Each state's Secretary of State
Denmark	The collateralization of a business is constituted by publicizing a "deed of pledge" registered **centrally in the Tribunal of Århus** where the central registry of persons and vehicles is located.

How much does it cost?	
Morocco	0.5% of the amount of the collateral.
France	It depends on the type of collateral and the amount of the loan. For example: **Registration of a non-possessory pledge, including write-offs** For a claim under € 7800 (excluding postage fees): € 12.44 For a claim under € 7800 (including postage fees): €13.49 For a claim contained between €7800 and €20,800 (excluding postage fees): €24.88 For a claim contained between €7800 and €20,800 (including postage fees): €25.93 For a claim over €20,800 (excluding postage fees): €71.52 For a claim over €20,800 (including postage fees): €72.57
United States	Lump sum, e.g. in California: between $0 and $20 per pledge.
Denmark	Mandatory charge to register a pledge in Århus. It costs Kr 1400 per registration (approx. €190 + 1.5% of the pledged capital).

Accessing information on the pledges of a company	
Morocco	In person, in the regional court where a company is headquartered.
France	Online, in real-time. Website of the commercial courts' registrars. For instance: https://www.greffe-tc-paris.fr for Paris
United States	Online, in real-time. For instance: https://uccconect.sos.ca.gov for California.
Denmark	By phone - Tribunal of Århus : 8612 9145 Online: http://www.domstol.dk/selvbetjening/tinglysningssystemetny/Pages/default.aspx

What happens in case of failure to pay?	
Morocco	Enforceable judgment
France	Enforceable judgment
United States	Collateral is seized with or without legal intervention
Denmark	Collateral is seized without legal intervention: "The pledging of a business does not prevent individual prosecutions, but the "seizing" creditor must, at least 3 working days after completion of the seizure, inform the creditor holding a pledge. The latter has 3 months to call for the company's liquidation. The seizure is not enforceable in accordance with the general laws on bankruptcy. To compensate for the benefits granted to the creditor holding the company's collateral and to protect the debtor against unfair procedures, the creditor holding the company's collateral has to secure the bankruptcy costs by depositing DKR 50,000 (about € 6700)."

The debate was quite lively and brought up specific issues closely related to pledges such as: access to information held by the Commercial Register, the difficulty of recovering a debt through enforceable judgment, the large variation in fees in Morocco vs. charging a fixed marginal cost (e.g. in the United States) and the implementation of the "debt covenant" principle in Morocco, i.e. the guarantee that a security will be granted only if there is no other security at stake.

The panel held in Agadir on February 14, 2008 under the chairmanship of the President of Agadir's Commercial Court, brought together regional players (CRI, tax authority, and justice representatives) and the main representatives of the regional private sector: banks, Chamber of Commerce, notaries, etc.

To complement the roundtable in Casablanca, the expert Daniel Benay presented the basic principles of a registration system on moveable property based on the Canadian model and experience. A modern system is based on a simple registration process requiring minimal information; the cost is fixed and does not depend on the amount of loans incurred. Note that any changes to the contract such as a change of address will be recorded on a central, computerized register that is accessible electronically, remotely and in real time.

Mr. Benay also stressed there is generally no delay prescribed by law to register a security interest. However, it is in every creditor's interest to publish its right of priority as soon as possible, since the ranking of creditors' privileges is determined by the security's date of registration. Without a confirmed date of registration a security becomes unenforceable against third parties. FSVC's international experts then shared their experiences in the United States and in Alberta, Canada in the field of security registration for moveable property. They emphasized the notion of priority on which every efficient registration system of securities on moveable property is based and reminded the audience that such a system also requires the implementation of a unique identifier allowing companies to track and match up all the transactions related to a single company listed in the securities register.

In addition, the Program's consultants shared a presentation on the state of the Moroccan Commercial Register, with an emphasis on its legal framework, its degree of computerization, the

limitations of the current system, the flow of information exchanged with various partners and the result of the assessment of the feasibility of computerizing the Commercial Register in the Souss-Massa-Drâa region. The current statutory framework requires local registries to send copies of their records to the Commercial Register. The technical operation has been legally delegated to the Moroccan Industrial Property Office (OMPIC). Because this provision is not observed for pledges, however, it is currently impossible to establish a central file for pledges in Morocco.

Several of the points made in the presentations were examined further during the question period and made the case for the establishment of a common identifier for Moroccan enterprises. The lack of a CBI causes difficulties in linking businesses with their branches and contributes to the inability to exchange quick, simple and reliable information between Moroccan agencies:

- The recurring problem of having the same Commercial Register number assigned to two different companies established in two different regions and linked to different courts,
- The missing and unreliable information in the Commercial Register due to the use of several languages and data entry mistakes.

In closing, the President of the *Banque Populaire* from Agadir's region said that despite the importance of the USAID-initiated pilot project to computerize the Commercial Register in that region, **business access to loans will not necessarily be improved**. Indeed, according to him, applicants' ability to provide guarantees of their security and their ability to convince the bank of their solvency are the only factors that influence the decision to grant a loan. This same sentiment was expressed earlier by the participants in Casablanca.

THE BENAY[3] REPORT: RETHINKING THE GENERAL SECURITIES FRAMEWORK WHILE ENSURING A SMOOTH TRANSITION TOWARDS A NEW SYSTEM.

Introduction and analysis

An effective secured transactions regime is a fundamental component in any financial system. Secured transactions are essential to the development of an economy. They provide a legal regime through which secured creditors can reduce several of the risks relating to the granting of loans or other forms of credit to enterprises (and consumers).

Most modern security systems recognize some form of non-possessory charges on debtors' movable property where the collateral, or movable property subject to the charge, remains in the possession and control of the debtor. These systems require secured creditors to register notices of their charges in a publicly accessible movable registry. This requirement protects third parties, including other secured creditors and potential creditors. In this manner, third parties can easily determine their respective rights (or priority) by simply examining the charge register by which the system publicizes the charges granted by debtors. To allow multiple parties to access up-to-date information, modern systems are computerized.

This report presents an assessment of the current state of registration of charge transactions (or secured transactions) over movable property under the *Code de commerce* (Commercial Code) and matters that must be addressed for the establishment of an efficient movable charge registration system in Morocco.

In Morocco, the Commercial Register provides information pertaining to business enterprises and merchants in Morocco, whether domestic or foreign. It also provides information concerning certain pledges of movable property made by enterprises and merchants. The Commercial Register consists of a national register and local registers.

One particularity of the Moroccan context is that operation of the national register has been delegated by the Ministry of Justice to the Office of Industrial Property (OMPIC), an agency under the Ministry of Industry and Commerce. OMPIC works with each jurisdiction to collect data from the Commercial Registers. Some data is collected in electronic form while other data is only available in hard copy. OMPIC processes all data received, and puts it into a consistent electronic format. It is important to note that the information concerning non-possessory pledges under the Commercial Code is not centralized. Therefore, this information must be obtained through searches in the local registers and in some cases in special registers, causing inefficiency and unreliability. This situation persists despite article 33 of the Commercial Code, which states that the purpose of the national register is to centralize for the Kingdom of Morocco "all of the information contained in the local registers".

Currently, the Commercial Register can only be examined in presence of a staff member of the register. As a result of this requirement, a fully modernized registry system will require modifications to the current legal framework. It would be extremely useful for creditors (including potential creditors and credit providers) and debtors to rely on a registry system organized as a single comprehensive system and operating through a central information base or

[3] Read the complete report on www.businessclimate.ma

through a network linked to a single common database. Secured creditors, debtors and third parties who rely on the register for information on claims to movable property subject to a charge, or to protect their own charges, must be confident that the register is accurate on a timely basis.

The Commercial Code recognizes various methods of creating a non-possessory charge on movable property. In addition, the *Code des obligations et des contrats* (Code of Obligations and Contracts) complements the rules concerning charge transactions under the Commercial Code. The rules applicable to non-possessory charges are not uniform and neither are the registration requirements. Moreover, certain types of non-possessory charge transactions are not subject to registration in order to be valid for enforcement against third parties, such as pledge on receivables.

Conclusions and recommendations

This report recommends a low cost notice-filing requirement within a comprehensive computerized registration system (or universal registration requirement), with minimal review by officials required only to determine that all information (as set out in the regulations) is provided in the charge notice filed by either debtors, secured creditors, or their representatives.

A comprehensive registration system of charges on movable property would lead to a transparent framework for publicizing charges; thereby eliminating uncertainty for third party creditors. However, modernizing the registration system is not in itself sufficient. In fact, the implementation of a modern secured transaction legal regime should also be considered and addressed by government authorities in Morocco.

In particular before investing in registry reform, the responsible governmental agency should consider a comprehensive reform to the secured transactions law. While registration of charges is an essential component of any non-possessory charge regime, it will not in itself resolve all the problems of the current legal regime (i.e., the limited role that movable property plays as collateral).

In summary, a legal problem requires a legal solution. Therefore, reforming the registration system as part of the secured transactions legal regime in Morocco will require first reforming the applicable legal framework (i.e., the rules governing creation, priority, publication and enforcement), and then reforming the institutional framework for publication and registration of secured transactions. This reform will require (i) the preparation of a comprehensive study with a proposal for reform, including proposed modifications to the current legal regime; (ii) the sequence for the implementation of the reform, based on the study and recommendation for its implementation; (iii) the preparation of a draft law on secured transactions; (iv) the enactment of the law on secured transactions reform; (v) the preparation of the regulations; (vi) the selection of a registry filing system; (vii) the preparation of administrative and technical regulations for the selected registry filing system; (viii) the establishment of the selected registry filing system; and (ix) public awareness of the new secured transactions legal regime, including the registry filing system. This Phase II could be implemented over a period of 2 to 3 years.

Policy makers in Morocco must address fundamental questions concerning the creation, priority, publication and enforcement of secured transactions as four integral components. They must also confront questions that transcend these four questions when deciding on a course of action regarding the selection of a registration system for secured transactions, within an economically effective, comprehensive legal regime. As such, the unified functionality for secured transactions should satisfy certain minimum economic requirements: creation that is inexpensive, simple and comprehensive; accessible and low cost publication; priority based on a simple and clear principle – the first-to-file rule; and enforcement that is inexpensive and efficient.

CONCLUSION: PROPOSITIONS FOR THE SHORT TERM

In addressing our initial question: "can pledges have sufficient leverage to facilitate access to credit?" The Program had to assess this issue in its entirety:

From the perspective of the repercussions on the Moroccan government: the preliminary technological diagnosis showed us that reform of the collateral registry system is directly linked to the need to create a business identifier, to modernize local Commercial Registers (which entails managing the organization of technical and human resources) and the need to integrate such a project with other projects tackling the modernization of records addressing civil, criminal and commercial cases.

From the perspective of international practitioners: the Benay report has shown that an overhaul of the securities framework is essential to establishing a modern and reliable collateral registry system. It has also shown that this complete overhaul could be done step by step and that "there are successful examples of such changes".

From the perspective of users of the system (and this may be the most important point): the roundtables helped us determine that even a collateral registry system complying with the article (providing information in real time, remotely, 24/7) would only have a marginal impact on facilitating access to credit. Pledges alone in the current framework do not have sufficient leverage to facilitate access to credit

A modern collateral registry system must primarily be a system that is widely used! Everyone (banks, agencies, users, experts) is calling for this much needed modernization, and to be able to benefit from an effective enterprise development tool. That is why, even though the magnitude of the task remains substantial in many aspects, the work has already begun:

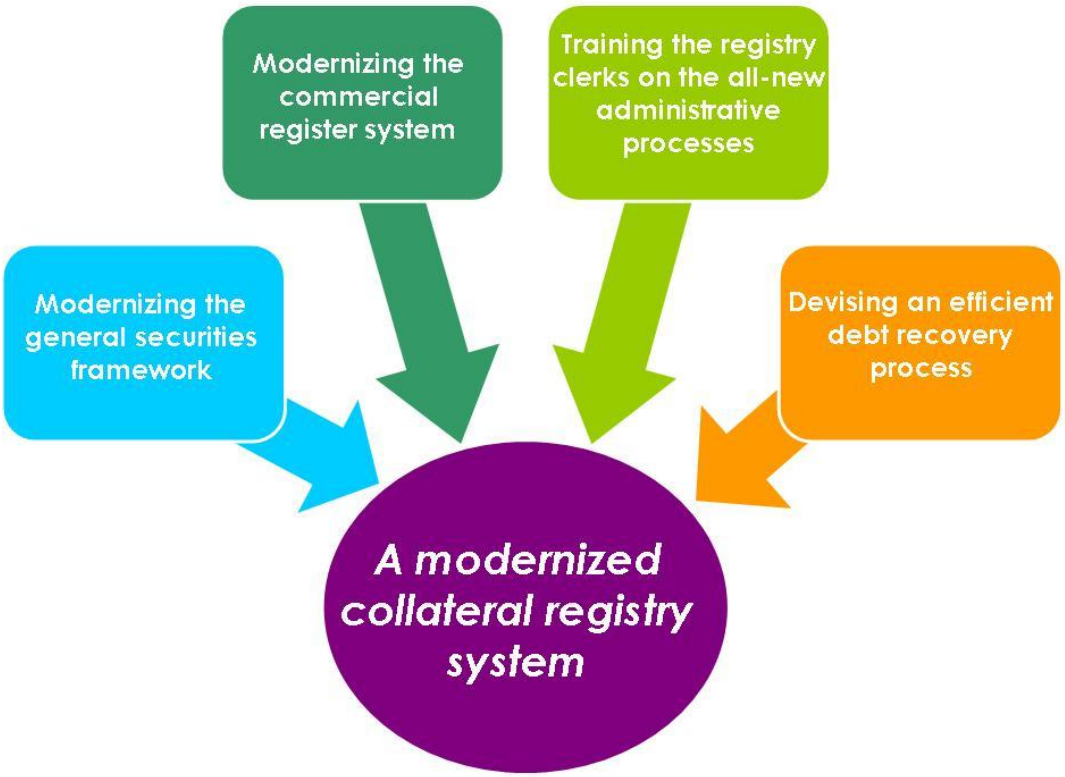
- Centralization of information: in the same way that we can't build a house by starting with the roof, it is not advisable to centralize company information without listing it in a national record and facilitating the exchange of information between authorities and banks. The preliminary work carried out to develop the common business identifier lays the foundation for this centralization. A decree ruled by the Prime Minister should come on stream in early 2009 to institute the CBI.

- The regulations governing the collateral registry system should be updated to conform to efficient and proven international standards. The Benay report presented the steps of this modernization for the general securities framework and described the importance of reviewing bankruptcy laws. Indeed, creditors are directly involved during the liquidation process.

- The difficulty of debt recovery, subsequent to the granting of credit, brings the operation of the judicial system into question. (It takes 120 days to enforce contracts in Singapore, 300 days in New York and 615 days in Casablanca![4]). Debt recovery is part of the *Doing Business* indicators and the work undertaken at the regional committee level should bring forth ideas for improvement.

[4] http://www.doingbusiness.org/ExploreTopics/EnforcingContracts/Default.aspx

- Modernizing the collateral registry system entails modernizing the Commercial Register and its key players, the registrars. In this sense, the Ministry of Justice has been thinking about the issue for some time. A guide on procedures will soon be published, and USAID, through the "Improving the Business Climate in Morocco" Program will participate in the training of these agents, who are fundamental to the daily operations of the courts.



This work's ultimate goal is to enables us, in the near future, to rethink the methodology and to find the means to implement the steps necessary for modernization.