GETTING THE DEAL THROUGH

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Casey Cogut
Simpson Thacher & Bartlett LLP

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Marketing manager (subscriptions)
Rachel Nurse
Subscriptions@GettingTheDealThrough.com

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Harry Phillips
Tim Beaver

Editor-in-chief
Callum Campbell

Publisher
Richard Davey

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Morocco

Nadia Kettani

Kettani Law Firm

1 Types of transaction

How may businesses combine?

There are numerous ways for businesses to combine, but the following are typical:

- a private purchase of shares of the target company;
- a private purchase of the target's assets;
- the entering into a joint venture including the incorporation of a new company;
- a public offer for shares in the target company; and
- a merger of two entities.

A business may also combine under an insolvency proceeding. The court adopts a plan for the assignment of the company when the latter can no longer pay its creditors.

Moreover, certain types of businesses, such as banks or insurance companies, etc, have special procedures for combining. These entities are subject to prior authorisation from the relevant authorities.

In all these cases, the consideration may consist in cash, kind, securities or a combination of them.

2 Statutes and regulations

What are the main laws and regulations governing business combinations?

Dahir No. 1-96-124 dated 30 August 1996 promulgating Law No. 17-95 relating to joint-stock companies as modified by Law No. 20–05 regulates the transformation of this form of company. In particular, articles 216 et seq of the law regulate mergers, demergers and spin-offs.

These provisions also apply to the other forms of companies. Indeed, Law No. 05-96 on partnerships, limited partnerships, partnerships limited by shares and limited liability companies states that the joint-stock company law provisions relating to mergers apply to these forms of companies.

Moreover, Dahir No. 1-04-21 dated 21 April 2004 promulgating Law No. 26-03 relating to public offerings on the stock market, as modified by Law No. 46-06, aims at defining specific conditions under which a public offer for securities listed on the stock exchange must be carried out.

In addition, Dahir No. 1-93-211 dated 21 September 1993 relating to the stock exchange, as modified by Law No. 43-09, regulates all operations and transactions in securities listed on the stock exchange. Also, Dahir No. 1-93-212 dated 21 September 1993 relates to the Securities Exchange Council (Conseil Déontologique des Valeurs Mobilières, CDVM) and governs disclosures required from corporations making a public offering. The CDVM is responsible for overseeing savings invested in securities.

Furthermore, Dahir No. 1-00-225 of 5 June 2000 promulgating Law No. 06-99 on free pricing and competition establishes a review process relating to economic concentration concerns.

Other legal and regulatory provisions may apply in certain specific areas of industry.

3 Governing law

What law typically governs the transaction agreements?

Transactions between two or more Moroccan entities are governed by Moroccan law. Agreements between a Moroccan entity and at least one foreign entity may be governed by the law chosen by the parties. Nonetheless, certain aspects of the transactions must be governed by Moroccan law, such as insolvency rules relating to a Moroccan entity. Also, any business combination involving a Moroccan company is inevitably subject to the review process relating to economic concentration concerns.

In case of a merger or a demerger or spin-off, the transaction is documented in a merger or demerger or spin-off agreement. All companies involved in the operation establish a draft of the merger or demerger or spin-off agreement. This draft is filed with the court where the head office of each company is located, and is the subject of a notice in a newspaper by each company involved in the transaction. If at least one of these companies is making a public call for savings, a notice must also be placed in the Official Bulletin of the Kingdom.

The draft of the agreement is determined by the board of directors and the manager of each company participates in the intended transaction. This draft should contain at least the following:

- the legal form, name or trade name and registered offices of all the participating companies;
- the purpose, goals and conditions of the merger or demerger or spin-off;
- the identification and evaluation of assets and liabilities to be transferred to the acquiring or new company;
- the terms of share allocation and the date from which such units or shares give rise to benefits and any special conditions affecting that right, and the date from which the transactions of the acquired company, from an accounting perspective, will be considered as completed by the company or companies receiving contributions;
- the dates at which the accounts used to establish the conditions of the transaction of the interested companies were determined;
- the exchange ratio of capital rights and, as the case may be, the amount of compensation;
- the amount of the merger or demerger premium; and
- the rights conferred to members enjoying special rights and to holders of securities other than shares and, as the case may be, any special benefits.

A business combination under an insolvency proceeding is decided by the court. The court adopts a plan for the assignment of the company when the latter can no longer pay its creditors. The court determines and approves all of the conditions of the assignment.

The filing of a proposed public offering is completed by the offeror with the CDVM. This filing should include the following proposals and information:

- the objectives and intentions of the offeror;
- the number and type of securities of the offeree company that the offeror already holds, or it may have on its own initiative, and the date and terms on which their purchase has been or may be made;
- the price or exchange ratio, by which the offeror offers to acquire or dispose of securities, the terms selected for determining payment, delivery or exchange conditions;
- the number of securities included in the public offer;
- possibly, the percentage, expressed as voting rights, below which the offeror reserves the right to waive its offer.

Regarding the incorporation of a joint venture, it is carried out in accordance with the company by-laws and may take different legal forms such as a limited liability company, joint-stock company, simplified joint-stock company or economic interest group, as examples.

4 Filings and fees

Which government or stock exchange filings are necessary in connection with a business combination? Are there stamp taxes or other government fees in connection with completing a business combination?

Regarding the review process relating to economic concentration, companies are required to notify the prime minister of any proposed merger. The notification may be accompanied by certain commitments.

This notification is mandatory when companies that are parties to the operation, or which have economic connections, have achieved together during the previous calendar year over 40 per cent of sales, purchases or other transactions in a national market of goods, products or services similar or substitutable, or a substantial part of it.

As for fees, in the case of a merger, tax in the amount of 0.25 per cent of the amount of capital is paid, with a minimum payment of 100 dirhams.

A share transfer is subject to a duty of 2.5 per cent of the trade value, net of payments remaining to be made on securities that are subscribed but not fully paid.

5 Information to be disclosed

What information needs to be made public in a business combination? Does this depend on what type of structure is used?

In the case of a merger or a demerger, the draft of the agreement is filed with the court where the head office of the company is located. Furthermore, the agreement is subject to notification through a newspaper by each company involved in the transaction. If at least one of these companies makes a public offer, a notice must also be placed in the Official Bulletin of the Kingdom.

The filing with the court of the merger draft must be performed at least 30 days before the date of the first extraordinary general meeting (EGM) called to approve the transaction.

At least 30 days before the date of the EGM, any stock company involved in a merger or demerger shall make the following documents available to shareholders at the headquarters:

- the draft merger or demerger agreement;
- the board of directors' report containing the transaction details; and
- the approved financial statements and management reports for the preceding three years of the companies involved in the transaction;
- an accounting statement (established using the same process and format as the prior year's statement) established less than three months prior to the project date, if the last financial statements relate to a fiscal year the end date of which is more than six months prior to the merger or demerger or spin off project.

Any shareholder may obtain, upon request and without charge, a total or partial copy of the above documents for each company participating in the merger or demerger.

Likewise, companies initiating a public offer must establish a notice which must be:

- published in a legal notice newspaper;
- delivered or sent to any person whose subscription is required; and
- made available to the public at the offices of the issuing entity and in all institutions responsible for collecting subscriptions and at the stock exchange.

Upon the filing of the proposed offer, the CDVM publishes notice of the filing in a newspaper describing the main legal provisions of the draft. The publication of the notice marks the beginning of the offer period.

During the period of the public offer, the offeree and the offeror must show special vigilance in their statements relating to the offering. They must strictly limit the information they share with the public to the terms and elements contained in the published notice. They must not state anything that might mislead the public.

In addition, any information relating to the offer, issued by the target company or the offeror shall be forwarded to CDVM before publication or broadcast.

The CDVM may request any documents or any explanation or evidence regarding the substance of the information notice. The CDVM indicates to the issuers to change the particulars or information to be included in the notice in order to conform to current legislation. If the issuer does not meet the demands of CDVM, the approval can be refused.

The granting or refusal of an approval must be notified to the issuer within two months from receipt of completed application by the CDVM. Any such refusal must be justified.

6 Disclosure of substantial shareholdings

What are the disclosure requirements for owners of large shareholdings in a company? Are the requirements affected if the company is a party to a business combination?

Any natural or legal person who comes to own more than 5, 10, 20, 33, 50 or 66 per cent of the capital or voting rights in a company with registered offices in Morocco and whose shares are listed on the stock exchange must inform the concerned company and the CDVM and the stock market, within five working days from the date of crossing these thresholds, about the total number of shares it owns, and the number of securities giving future access to capital and voting rights attached.

At the same time, the concerned person informs the CDVM of the objectives it intends to pursue over the 12 months following such disclosure threshold.

The information required for the CDVM must include whether the buyer intends to:

- to stop its purchases of the security or pursue them;
- to acquire control of the concerned company; or
- to apply for appointment as member of the board of the company concerned.

7 Duties of directors and controlling shareholders

What duties do the directors or managers of a company owe to the company's shareholders, creditors and other stakeholders in connection with a business combination? Do controlling shareholders have similar duties?

The board of directors or the management of each company prepares a written report that is made available to shareholders.

This report explains and justifies the transaction in detail with respect to legal and economic views, especially as regards the exchange ratio of shares and the valuation methods used, which must be the same for the concerned companies and, as the case may be, the particular difficulties of valuation. It also makes specific mention of the existence and details, if any, of any relationships existing between one or more members of the board of directors, and or other companies involved in the merger.

In case of a demerger or spin-off, for companies benefiting from the transfer of assets, the management report also mentions the auditors' report on the valuation of contributions in kind and specific benefits and indicates that it will be filed at the trade office of the court where the companies' registered offices are located.

In general, the board of directors determines the activity of the company and oversees their implementation. The board appoints officers and general managers as well as deputy general managers. With respect to the powers expressly granted to the general meeting and within the corporate purpose, it considers any matter affecting the proper functioning of the company and through its proceedings, the matters concerning it.

8 Approval and appraisal rights

What approval rights do shareholders have over business combinations? Do shareholders have appraisal or similar rights in business combinations?

Transformation into a partnership requires the agreement of all the shareholders.

Transformation into a limited partnership or partnership limited by shares is determined in the manner provided for the amendment of the company by-laws and with the agreement of all shareholders who agree to be active partners in the new company.

The transformation into a limited liability company is determined in the same way the company by-laws are modified.

Shareholders opposed to the transformation have the right to withdraw from the company.

In this case, they will receive compensation equivalent to their share of the company's assets, which is determined, failing agreement, by an expert designated by the president of the court.

The withdrawal statement must be sent by registered letter with acknowledgment of receipt within 38 days of publication of the transformation decision.

Any provision tending to exclude the right to withdraw shall be void.

9 Hostile transactions

What are the special considerations for unsolicited transactions?

The initiators of unsolicited transactions must take into account a certain number of provisions that are inevitable to make the public offer available.

Public offers are intended to ensure market transparency by allowing adherence to principles of equality of shareholders, market integrity and fairness in transactions and competition. They cannot be designed to prevent, restrict or distort competition or affect national strategic economic interests.

The CDVM ensure the orderly conduct of these public offers in the best interests of investors and the market.

A public offer must offer the same conditions of price and performance to all holders of securities of the class to which they relate.

Any agreement that has the effect of creating a disparity among the holders of securities is void and makes the public offer null.

Approval clauses relating to a target company's securities are not enforceable by shareholders of the company against the initiator of a public offer.

Such agreements are void if they do not preserve the right to benefit from a competing public offer.

10 Break-up fees – frustration of additional bidders

Which types of break-up and reverse break-up fees are allowed? What are the limitations on a company's ability to protect deals from third-party bidders?

Between the beginning of these negotiations and the signing, there is often several months during which the target company might be tempted either to investigate competing offers or to simply abandon the combination originally proposed.

Given the time needed to negotiate and finalise an agreement that generally extends over several months, such an agreement must be negotiated as early as possible in the process. The drafting of the letter of intent lends itself perfectly to the insertion of a clause of this type.

The different circumstances that may cause the requirement for sellers to compensate investors must be precisely defined in the clause. These circumstances may include:

- the unilateral termination of the negotiations by the sellers without just cause;
- the choice of another partner or other investors that have signed the letter of intent; and
- the listing of the company to focus on and target raising capital from the public rather than through private investors.

The agreement may also include a guarantee for liabilities that is called *garantie de passif*. This clause is very typical as it protects the acquirer from of a liability Incurred by the target company which was not disclosed by the target company at the letter of intent stage.

11 Government influence

Other than through relevant competition regulations, or in specific industries in which business combinations are regulated, may government agencies influence or restrict the completion of business combinations, including for reasons of national security?

There is no provision that allows government agencies, other than through relevant competition regulations, or in specific industries in which business combinations are regulated, to restrict the completion of a business combination. The authorities that are entitled to restrict this kind of operation are defined by the law (such as the prime minister, the competition authority, etc).

12 Conditional offers

What conditions to a tender offer, exchange offer or other form of business combination are allowed? In a cash acquisition, may the financing be conditional?

The initiation of a public offer is subject to several conditions. These conditions are related to the information to be disclosed to the public and to the documents to be filed with the Moroccan authorities.

See also questions 3 and 5 relating to information to be disclosed and documents to be filed.

13 Financing

If a buyer needs to obtain financing for a transaction, how is this dealt with in the transaction documents? What are the typical obligations of the seller to assist in the buyer's financing?

The transaction documents shall state whether the transaction shall consist of cash, kind or securities as consideration or a mix of them. This will have an impact on the guarantees obtained by the acquirer. Specifically, the guarantees do not cover the entire amount of the financing and, in particular, the portion that will be paid in cash.

Generally, a creditors' agreement or a priority agreement is concluded between the creditors or the acquirers, but this does not affect transaction documents.

14 Minority squeeze-out

May minority stockholders be squeezed out? If so, what steps must be taken and what is the time frame for the process?

The filing of a public offer is mandatory if one or more natural or legal persons, shareholders of a company whose securities are listed on the stock exchange, hold, alone or in concert, directly or indirectly, a specified percentage of the voting rights of that company.

The percentage referred to above is determined by the board, on recommendation of the CDVM, but may not be less than 90 per cent.

A proposed buyout offer must be filed with the CDVM within three working days of exceeding the voting rights threshold. Otherwise, the voting rights, financial and other rights attached to them as shareholders will be lost.

Decision No. 1875-1804 dated 25 October 2004 of the minister of finance and privatisation, determining the percentage of voting rights which requires the holder to make a public offer of withdrawal, states that the holding by one or more natural or legal persons acting alone or in concert of the percentage of voting rights requiring the filing of a public offer for withdrawal is 95 per cent of the voting rights of a company whose equity securities are listed on the stock exchange.

Decision No. 1874-1804 of the 25 October 2004 of the minister of finance and privatisation, setting forth the percentage of voting rights which requires the holder to make a public offer for purchase, states that the percentage of voting rights whose possession by one or more natural or legal persons, acting alone or jointly, requires the filing of a takeover for purchase is set at 40 per cent of the voting rights of a company whose equity securities are listed on the stock exchange.

Decision No. 1873-1804 dated 25 October 2004 of the minister of finance and privatisation, setting forth the percentage of voting rights to be held by majority shareholders such that a minority group can ask the CDVM imposing the filing of a public offer for withdrawal, states that the percentage of voting rights whose ownership by one or more natural or legal persons, acting alone or jointly, allows a minority group to ask the CDVM to impose securities to the majority group filing a public offer for withdrawal is fixed at 66 per cent of the voting rights of a company whose shares are registered capital on the stock exchange.

15 Cross-border transactions

How are cross-border transactions structured? Do specific laws and regulations apply to cross-border transactions?

From a legal point of view, cross-border transactions are structured in the same manner as with national operations. There is no legal or regulatory provision that limits cross-border transactions.

However, relating to competition compliance, the Moroccan provisions relating to the control procedure applies even in cross-border transactions. The parties must thus take into account the competition laws and regulations of all the countries involved in the operations.

Furthermore, companies, whether or not they have headquarters in Morocco, are taxed in respect of all of the products, profits and income:

- relating to property they own, the activities they perform and the profit they make and operations they realise in Morocco, even occasionally; and
- on which the right to tax is given in Morocco under the conventions for the avoidance of double taxation with respect to income tax.

The tax administration may request disclosure of information from the tax authorities of countries which have concluded conventions with Morocco for the avoidance of double taxation with respect to income tax.

16 Waiting or notification periods

Other than as set forth in the competition laws, what are the relevant waiting or notification periods for completing business combinations?

The board of directors or the management of each company participating in the merger must inform the auditors at least 45 days before the date of the general meeting called to decide on the treaty draft.

At least 30 days before the date of the EGM called to decide on the project, any stock company involved in a merger or demerger shall make available to shareholders at the headquarters the following documents:

- the draft merger or demerger agreement;
- the board of directors' report containing the details of the transaction;
- the approved financial statements and management reports for the last three years of the companies involved in the transaction; and
- an accounting statement (established using the same process and format as the prior year's statement) established less than three months prior to the project date, if the last financial statements relate to a fiscal year the end date of which is more than six months prior to the merger or demerger or spin-off project.

The merger is subject to meetings of debenture companies being acquired, unless the repayment of the securities upon their request will be offered to bondholders.

The refund offer is published in the official bulletin and twice in two newspapers for legal notices. The time between the two insertions must be at least 10 days.

Any creditor non-bondholder of any of the companies involved in the merger may, if his claim is issued prior to the publicity given to the draft merger agreement, file any objection within 30 days after the last insertion in the newspaper.

17 Sector-specific rules

Are companies in specific industries subject to additional regulations and statutes?

There are specific provisions for companies active in certain sectors.

Relating to the banking sector, the decisions on the merger of two or more credit institutions and the absorption of one or more credit institutions by another one are subject to review by the Committee of Credit Institutions.

In addition, insurance and reinsurance companies can make mergers, divisions or absorption only after prior agreement of the administration. All requests that remain unanswered after a period of 60 days from the current referral to the administration are deemed to be accepted by the administration. The refusal of the administration must always be expressly stated.

Concerning the telecoms sector, ANRT (the telecoms sector regulatory authority) evaluates whether the proposed merger is contributing sufficiently to the economic progress of the sector to offset

Update and trends

Two laws were passed on 28 December 2012 indirectly affecting the mergers and acquisitions sector. The first one pertains to public offering and information to be disclosed by entities issuing securities and shares. This law will abrogate the Dahir No. 1-93-212 dated 21 September 1993 relating to the Securities Exchange Council (Conseil Déontologique des Valeurs Mobilières, CDVM) upon publication of the decrees required by the application of the new law. The second law relates more specifically to securities lending; it provides for a legal definition of securities lending and sets out the legal framework and conditions of such transactions.

However, a legal reform that will affect the financial industry is currently being implemented and may come into force in 2013. It intends to replace the current financial regulator (today called the CDVM) by a new government body to be called the AMMC (Moroccan Capital Markets Authority). According to the Ministry of Finance, the main reforms under the new law will be the following: defining the concepts of advertising, financial solicitation and financial intermediaries; giving the AMMC the possibility to request the public offer initiators to pay for a private independent expertise in order to assess the accuracy of the financial prospectus; and granting the AMMC the power to cancel its approval of the prospectus at any time before the settlement of the transaction if the information contained in the prospectus is false or misleading.

Also, and most importantly, a law was passed on 30 December 2010, creating the Casablanca Finance City (CFC) status. The CFC status is granted by a commission (presided over by the minister of finance) to financial companies (broadly speaking) who comply with the legislation applicable to them, carry out activities with foreign legal entities, and comply with the laws applicable to foreign commerce and trade. Also the CFC status is only granted to companies who establish their headquarters in the Casablanca Finance City geographical area. The general spirit of the law is to attract foreign financial companies and foreign investment. Indeed, the company applying for CFC status must undertake that during the first financial year, 20 per cent of its turnover results from transactions with foreign entities (then 40 per cent for the second year and 60 per cent for the third year). A draft law is currently under discussion in order to amend the CFC's status and the eligibility conditions to that status. The purpose of this draft law is to broaden the activities eligible to the CFC status, impose the payment of a commission on companies with CFC status and subject these companies to rules of professional ethics.

Finally a draft law on stock companies is in progress; it notably aims at improving governance, reinforcing shareholders' rights and ensuring transparency in case of mergers.

the adverse effects on competition. It reflects the competitiveness of companies concerned in respect of international competition.

ANRT may, for good cause, order the companies within a specified period:

- either not to proceed with the proposed merger or restore the previous legal situation; or
- to modify or complete the transaction or take any measure to ensure or establish adequate competition.

The completion of the transaction may also be subject to compliance with requirements such as making the economic advantages and social contribution sufficient to offset any adverse effects on competition.

18 Tax issues

What are the basic tax issues involved in business combinations?

The taxes involved in a business combination depend on the type of companies and the value of the transaction.

The Moroccan tax code provides for reductions in the case of a merger or transformation of a company's legal form. In the case of a merger, demerger or transformation of legal form, the value-added tax paid under operating assets is transferred to the new company, provided that the value is listed in the deed of assignment in its original amount.

Where a company is subject to corporate tax mergers through absorption, the merger premium realised by the acquiring company corresponding to the added value of the contribution in the acquired company is included in the taxable income of the company concerned.

In the event of a merger, demerger or transformation of legal form resulting in exclusion from the corporate tax regime or creating a new legal person, the acquiring company or companies created from the merger, demerger or transformation are required to pay all the duties owed by them under corporate income tax and penalties and surcharges thereon, as is the case with dissolved companies.

19 Labour and employee benefits

What is the basic regulatory framework governing labour and employee benefits in a business combination?

In the event of changes in the legal situation of the employer or the legal form of business, including by way of inheritance, sale, merger or privatisation, all current contracts on the day of the change remain between employees and the new employer. The new employer takes on the previous employer's obligations in relation to employees, particularly regarding the amount of wages, severance pay and paid leave.

A person employed under a contract of unlimited duration within part of a group of companies retains the same rights and benefits from the employment contract regardless of the service, subsidiary or establishment in which he or she works, unless the parties have agreed on terms and conditions more favourable for the employee.

20 Restructuring, bankruptcy or receivership

What are the special considerations for business combinations involving a target company that is in bankruptcy or receivership or engaged in a similar restructuring?

The transfer is intended to ensure the maintenance of activities of the company that is in bankruptcy and all or part of the jobs attached to them and to reduce liabilities.

The transfer can be total or partial. In the latter case, it should not diminish the value of unsold goods, but must cover all production elements that form one or several complete and independent branches of activity.

In the absence of a plan to continue the business, assets not included in the sale plan are sold and the rights and actions of the company are exercised by the receiver in the manner provided for in the liquidation.

Any offer must be communicated to the receiver within the time fixed by him and which he has brought to the attention of supervisors (creditors). Unless otherwise agreed between the head of the company, the receiver and the creditors, 15 days must elapse between the receipt of a bid by the receiver and the hearing at which the court considers the offer.

Any offer must include the following information:

- forecasts of activity and funding;
- sale price and method of payment;
- date of completion of the sale;
- level and prospects of employment for the activity in question;
- guarantees obtained in order to ensure completion of the offer;
- forecast sales of assets during the two years following the transfer; and
- documents relating to the preceding three years when the person making the offer is required to supply them.

The receiver shall inform the creditors and staff representatives of the content of the offer. The receiver shall give the court any evidence to verify the seriousness of the offer. The judge may ask for further explanation.

In implementing the plan adopted by the court, the receiver takes all steps necessary for the completion of the sale. Pending the completion of these steps, the receiver may, under its responsibility, entrust the management to the assignee of the divested business.

The receiver's involvement continues until close of proceedings. The court declares the closure of the proceedings upon payment of the purchase price and its distribution among creditors. If all the corporation's assets are sold, it is dissolved.

The court secures the offer containing the best conditions for ensuring sustainable use of all assigned goods and the payment of creditors.

As the transfer price is not fully paid, the assignee may not, with the exception of inventories, dispose of, pledge or lease the tangible or intangible goods that were acquired. Their total or partial alienation, assignment as security and their leasing may be authorised by the court after the receiver's report. The court must take into account the guarantees offered by the assignee.

The court may include in the sale plan a clause making inalienable for a determined term all or part of the assets transferred.

The transferee shall report to the receiver on the execution of the provisions of the transfer plan at the end of each financial year following the transfer. If the assignee fails to perform its obligations, the court may, ex officio, at the request of the receiver or a creditor, declare the termination of the plan. In this case, the goods are liquidated and prices applied in payment of creditors.

21 Anti-corruption and sanctions

What are the anti-corruption, anti-bribery and economic sanctions considerations in connection with business combinations?

The Penal Code states that the penalties for corruption are imprisonment of one to three years and a fine of 5,000 to 50,000 dirhams. It states that anyone employed or remunerated in any form may be guilty of corruption, if, directly or by proxy, they have, without the knowledge and consent of their superior, solicited or accepted offers or promises, solicited or received any donations, gifts, commissions, discounts or premiums to do or refrain from doing any act of their employment, or any act which, though outside of their personal responsibilities is or could be facilitated by its use.

In addition, if anyone has used violence or threats, promises, offers, gifts or presents, or other benefits, or solicited for purposes of corruption, for either the performance or failure to act, or favours or benefits, even if that person is not the initiator, the same penalties shall apply as those provided against the corrupt person, even if the coercion or corruption does not have any effect.

Also subject to penalties of imprisonment of two to five years and a fine of 5,000 to 100,000 dirhams is anyone guilty of influence-peddling, who solicits or accepts offers or promises, solicits or receives donations, gifts or other benefits, in order to obtain or attempt to obtain decorations, medals, honours and awards, places, positions or jobs or favours granted by any public authority, market, business or other profits arising from agreement with the public authority or an administration under public control or in general a favourable decision of such authority or administration, or abuses any real or supposed influence. If the guilty party is a magistrate, public official or appointed by election, the penalties are doubled.

Nadia Kettani **nadia@kettlaw.com**

8 rue Lahcen El Basri
Casablanca
Morocco

Tel: +212 5 22 43 89 00
Fax: +212 522 20 59 25

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