Law No. 17-95 on public limited companies (sociétés anonymes)

Reference: Law No. 17-95 (Dahir No. 1-96-124 of 30 August 1996)

Practice areas: Business and company law

> This is an unofficial explanatory note; only the Arabic text published in the Bulletin officiel is authoritative. Law No. 17-95 governs the société anonyme (SA), the company form preferred for large projects, groups and listed companies. It sets out incorporation requirements, minimum capital, management and supervisory bodies, shareholders' rights and directors' liability.

Who this law applies to

The law concerns founders and shareholders of SAs, directors, chairs, chief executives, members of the management or supervisory board, and statutory auditors. It is also relevant to Moroccan and foreign investors taking a stake in a Moroccan company, and to partners contracting with it.

Key rules

- Two governance models are available: a board of directors with a chair (and, where applicable, a chief executive), or a management board overseen by a supervisory board.
- Shareholders' liability is limited to their contributions, but directors may incur civil and criminal liability for mismanagement and for offences set out in the law.
- Appointing a statutory auditor is mandatory: the auditor certifies the accounts and raises an alert on facts likely to threaten the company's continuity.
- Agreements between the company and its directors or certain shareholders are regulated: prior authorisation by the competent body, a special auditor's report and approval by the general meeting.
- Decisions are taken by the ordinary general meeting (accounts, allocation of profit, appointment of directors) or the extraordinary general meeting (amendments to the articles, capital transactions), each with its own quorum and majority rules.

Key deadlines and figures

- Minimum capital: MAD 300,000, raised to MAD 3,000,000 for companies making a public offering.

- At least five shareholders.
- Shares issued for cash must be paid up by at least one quarter of their nominal value on subscription, with the balance within a maximum of three years.
- The ordinary general meeting approving the accounts must be held within six months of the financial year end.

What this means in practice

The SA offers a robust framework for raising funds, bringing in investors and organising structured governance. In return, it involves more formalities than the SARL: regular meetings of the corporate bodies, minutes, reports, audit by a statutory auditor and filings with the trade register.

For a minority shareholder, the law provides information rights and oversight mechanisms. For a director, following the procedures (regulated agreements, notices, deadlines) protects both the company and the director's own liability. Shareholders' agreements usefully complement the articles, within the limits of mandatory rules.

Reforms and recent developments

Law No. 17-95 has been amended several times, notably by Laws No. 20-05 and No. 78-12, to strengthen transparency, protect minority shareholders and modernise how corporate bodies operate. More recent amendments aim at a more balanced representation of women and men on boards. The version in force should always be checked before any transaction.

When to consult a lawyer

Advice is useful at incorporation, when drafting the articles and shareholders' agreements, before a capital increase, a share transfer or a conversion, and in the event of a dispute between shareholders or a claim against a director. The lawyer analyses the situation, checks that decisions comply with the law, and assists or represents the company or shareholder if litigation arises.

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