

MOROCCO

MOROCCO REVERSE CHARGE

JANUARY 2014 CONTENT UPDATE #2

Tax Research

INTRODUCTION

Effective 1 January 2014 Morocco requires a reverse charge on the import of services performed by a supplier that is not established in Morocco. The January 2014 Content Update includes changes to authority option settings to allow the reverse charge on imported services. This change will only be supported in versions of ONESOURCE Indirect Tax Determination versions 5.0.0.0 and above.

Note: After the January Update, domestic sales and purchases of services will require the establishment of the seller in the supply location. Figures 6 and 8 below show the tax results when the seller establishment is set to "Yes" for the supply location.

CONTENT UPDATES

The following authority option updates are included in this update.

AUTHORITY OPTIONS

Turning on the PP – Physical Performance Reverse Charge authority option allows for physical performance transactions to return results for sales from non-resident suppliers to resident purchasers. The authority option of PP- Physical Performance Reverse Charge has been updated as shown in Figures 1 and 2 below.

PP - Physical Performance Reverse Charge	Not Applicable	Not Applicable
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Figure 1 – Previous PP – Physical Performance Reverse Charge Settings were "Not applicable".

Name	Condition	Value
PP - Physical Performance Reverse Charge	Both	Both

Figure 2 – January 2014 – PP – Physical Performance Reverse Charge Settings are now available, defaulting to "Both" in the Condition and Value fields.

Tax Results: Services

Example 1

Prior to the January 2014 Update, a transaction with the following parameters would return a Severity 2 Error:
Seller Primary: Bolivia

Buyer Primary: Morocco

Supply: Morocco

Note: The supply parameter is critical for tax determination.

Date of issue: 23 December 2013

Tax Calculation Results**Scenario Morocco RC 2:**

View Results: 1		Gross Amount: 100.00		Eff%: 0%																			
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT	0 USD													
<input type="checkbox"/> Authority Messages:																							
<input type="checkbox"/> System Messages:																							
<table border="1"> <thead> <tr> <th>Code</th><th>Message</th></tr> </thead> <tbody> <tr> <td>USING_COMPANY_ACTIVE_MAPPING_GROUP</td><td>Using company's active product mapping group.</td></tr> <tr> <td>TAX_RESULT_IS_ROUNDED</td><td>Output XML tax results are rounded. Rule [Round] Precision [2] MAU [0.01]</td></tr> <tr> <td>WORKBENCH_GETS_ALL_XML</td><td>No action is required.</td></tr> <tr> <td>NO_VALID_REGISTRATION</td><td>No valid registration numbers were found for the authority. No valid SELLER registration found for Authority Morocco and Zone MOROCCO with mask ^\d{2}\s?\d{4}\s?\d{1,2}\\$</td></tr> <tr> <td>GCSPP4</td><td>Seller must register to collect VAT in Service location. Authority: Morocco</td></tr> </tbody> </table>												Code	Message	USING_COMPANY_ACTIVE_MAPPING_GROUP	Using company's active product mapping group.	TAX_RESULT_IS_ROUNDED	Output XML tax results are rounded. Rule [Round] Precision [2] MAU [0.01]	WORKBENCH_GETS_ALL_XML	No action is required.	NO_VALID_REGISTRATION	No valid registration numbers were found for the authority. No valid SELLER registration found for Authority Morocco and Zone MOROCCO with mask ^\d{2}\s?\d{4}\s?\d{1,2}\\$	GCSPP4	Seller must register to collect VAT in Service location. Authority: Morocco
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GCSPP4	Seller must register to collect VAT in Service location. Authority: Morocco																						

Figure 3 – Prior to January 2014 Update - Sale Result

Tax Calculation Results**Scenario Morocco RC 2:**

View Results: 1		Gross Amount: 100.00		Eff%: 0%							
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT	0.00 USD	
Country: MOROCCO											
Morocco											
<input type="checkbox"/> Authority Messages:											
<input type="checkbox"/> System Messages:											
Morocco 5001 GCBPP10: Seller cannot invoice VAT since seller is not registered in Service location.											

Figure 4 – Prior to January 2014 Update - Purchase Result

Example 2

After the January 2014 Update, Physical Performance transactions will return a reverse charge as a result of setting the condition and value of PP – Physical Performance Reverse Charge to “Both”.

The following figure shows the tax result, when the following parameters are passed:

Company Role: Seller

Supply: Morocco

Seller Primary: Bolivia

Buyer Primary: Morocco

Buyer Registration: 12 1234 5

Tax Calculation Results**Scenario Morocco RC 2:**

View Results: 1		Gross Amount: 100.00		Eff%: 0%							
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT	0.00 USD	
Country: MOROCCO											
Country: BOLIVIA											
Morocco 5001 GCSPP1: No VAT liability in Service location.											
Bolivia 5001 GCSPP5: No VAT liability in Seller country.											
<input type="checkbox"/> Authority Messages:											
<input type="checkbox"/> System Messages:											

Figure 5 – January 2013 Update – International Transaction Seller Result

The following figure shows the tax result, when the following parameters are passed:

Date of issue: 23 December 2013

Company Role: Seller**Supply:** Morocco**Seller Primary:** Morocco**Buyer Primary:** Morocco**Seller Registration:** 12 1231 5**Seller Establishment:** Supply**Tax Calculation Results****Scenario Morocco RC 2:**

View Results: 1 ▾		Gross Amount: 100.00		Eff%: 20%				
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT IT
Country: MOROCCO	Morocco	TVA	S	O		20%	20.00	20.00 USD

[-] Authority Messages:

Authority	RuleOrder	Message
Morocco	10000	GCSPP2: Output VAT in Service location.

Figure 6 – January 2013 Update – Domestic Transaction Seller Result

The following figure shows the tax result, when the following parameters are passed:

Company Role: Buyer**Supply:** Morocco**Seller Primary:** Bolivia**Buyer Primary:** Morocco**Buyer Registration:** 12 1234 5**Tax Calculation Results****Scenario Morocco RC 2:**

View Results: 1 ▾		Gross Amount: 100.00		Eff%: 0%				
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT IT
Country: MOROCCO	Morocco	TVA	RC	O		20%	20.00	
Country: MOROCCO	Morocco	TVA	RC	I		20%	20.00	0.00 USD

[-] Authority Messages:

Authority	RuleOrder	Message
Morocco	10000	GCBPP1: Reverse charge in Service location.
Morocco	10000	GCBPP2: Recovery of reverse charge in Service location.

Figure 7 – January 2013 Update - Purchase Result for Import of Services

The following figure shows the tax result, when the following parameters are passed:

Company Role: Buyer**Supply:** Morocco**Seller Primary:** Morocco**Buyer Primary:** Morocco**Seller Registration:** 12 1213 52**Seller Establishment:** Supply - Yes

Scenario Morocco RC 2:

View Results: 1 ▾		Gross Amount: 100.00		Eff%: 20%					
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: MOROCCO	Morocco	TVA	S	I		20%	20.00	20.00 USD	

Figure 8 – January 2013 Update - Domestic Transaction Purchase Result

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Date of issue: 23 December 2013

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