VAT and corporate tax withholding: banks, insurers and large companies from July 2026

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The Finance Act (Loi de Finances) 2026 extended two withholding taxes that, for corporate service providers, previously applied only to public-sector customers. Since **1 July 2026**, they also apply to payments made by **credit institutions and similar bodies**, **insurance and reinsurance companies** and, on a phased timetable, **large companies**.

1. VAT withholding on services (article 117-V-c)

Since July 2024, the General Tax Code (CGI) has already required the State and public bodies to withhold 75% of VAT (TVA) on certain services, and private businesses to withhold VAT on services supplied by **individuals**. The Finance Act 2026 adds a third case.

Banks, insurers and businesses with turnover excluding VAT of at least 200 million dirhams (MAD) (on the timetable below) withhold VAT on the services on the official list when they are supplied by VAT-registered **legal entities**:

- **75%** of the VAT where the supplier provides a **tax compliance certificate**;
- **100%** otherwise.

The usual exclusions still apply, in particular for services of 5,000 dirhams including VAT or less, up to 50,000 dirhams including VAT per month per supplier.

2. 5% withholding on fees paid to third parties (article 15 bis)

The same customers withhold **corporate income tax (IS)** at **5%** on fees excluding VAT paid to companies for the services covered by the CGI. The supplier credits this withholding against its IS.

3. The timetable

From	Customers concerned
1 July 2026	Banks and similar bodies, insurers and reinsurers, businesses with turnover ≥ MAD 500m
1 January 2027	Businesses with turnover ≥ MAD 350m
1 January 2028	Businesses with turnover ≥ MAD 200m

Turnover is measured excluding VAT, for the **last closed financial year**.

Example

A consultancy invoices a bank MAD 120,000 including VAT for an assignment (MAD 100,000 excluding VAT, plus MAD 20,000 VAT). It provides a valid tax compliance certificate.

- VAT withheld by the bank: 20,000 × 75% = MAD 15,000.
- IS withheld: 100,000 × 5% = MAD 5,000.
- **Amount paid to the supplier: 120,000 − 15,000 − 5,000 = MAD 100,000.**

Without a certificate, all the VAT would be withheld and the supplier would receive only MAD 95,000.

What it means for service providers

- **Cash flow**: nearly 17% of an invoice including VAT can be withheld (75% of the VAT plus 5% of the amount excluding VAT). For a services company whose main customer is a bank or a large group, the impact is immediate.
- **VAT credit**: the VAT withheld will not always be absorbed by the VAT you collect. The CGI allows the resulting credit to be refunded, up to the amounts withheld. You still have to claim it.
- **Crediting IS**: the 5% withholdings are credited against IS. Keep the withholding certificates your customers issue.
- **Tax compliance certificate**: it is valid for six months. Renew it in good time to avoid 100% withholding.

What it means for customers

- Build the withholdings into your supplier payment processes.

- Check that certificates are genuine on the Directorate General of Taxes (DGI) website.
- Pay over the amounts withheld within the month after payment and file the required statements and returns.
- Tell your suppliers, to avoid disputes over the amounts paid.

What about rents?

Since 1 July, the same customers also withhold 5% on rents paid to companies. We explain how this works in our article 5% withholding tax on rents from 1 July 2026.

Our accounting team helps service providers manage withholdings and recover their VAT credits. To discuss your situation, get in touch.

Sources

- Loi de finances n° 50-25 pour l'année budgétaire 2026 (in French), article 7, paragraphes I et IV (5 et 13) (sgg.gov.ma).
- Code général des impôts, articles 15 bis, 19-IV-A, 103-6°, 117 (IV et V), 157-I et 247-XXXXVI (in French) (tax.gov.ma).
- Direction générale des impôts, note circulaire n° 737 (in French) (tax.gov.ma).

A question on this topic?

The Adyel & Associés teams in Casablanca support businesses and their directors with all their tax, accounting and payroll obligations. Let's talk about your situation.

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