



# PUBLIC CASH MANAGEMENT IN MOROCCO

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# What is cash management?

Cash management means that the government can meet at any time its financial commitments, i.e. the single treasury account is always in the black.

# Government's financial commitments

- Ministries' and local governments' expenditure
- Debt service charges
- Withdrawals from the deposits made by institutions and private individuals

## Difficulties related to cash management

- Pressure because cash-out items (payments, withdrawals) often outmatch cash-in items (income, deposits...).
- Use of debt to cover temporary cash needs.

# Cash management objectives

- Lessen the strain caused by the non-match between income and expenditure
- Limit as much as possible the use of debt
- Invest surplus cash at best possible return

# Main players



## Central Bank:

- Cash management player because of its banking operations
- Offers financial services when bonds are issued by the state
- Relies on a network made up of 20 local branches

# Single Treasury Account

- Central account managed by the central bank.
- Several sub-accounts with zero balance.
- Levelling of income and expenditure of sub-accounts and balance for the STA at the end of the day.



# Single Treasury Account

- Public accountants working for the Kingdom's General Treasury are accountable for the sub-accounts
- Sub-accounts trace back debt operations
- Sub-accounts are used for centralized transfers

## Obligations of the Central Bank

- A notice per operation and a daily bank statement are sent to the accountant in charge.
- A daily bank statement of the main account is sent to the central services of the Kingdom's General Treasury.

## Obligations of the Central Bank

- A daily bank statement is sent by courier to cash managers (Kingdom's General Treasury and the Directorate for Treasury and External Finances)
- Mid-day notice on the balance of the account

## New management system for the Single Treasury Account

- Real-time consultations of operations and balance of the account
- Issuance of notices and bank statement

# Only public accountants are licensed to handle public funds

- 97 collection units of the tax administration
- 34 collection units of the customs administration
- 14 treasury services within ministers
- 3 accounting units
- 5 bank branches
- 171 tax collectors
- 53 employees of local treasury services

Only public accountants working for the Kingdom's General Treasury are licensed to debit from the single treasury account

- for operations handled by themselves
- for operations handled by accountants reporting to them

# Pressure factors for cash management

- New regulations of the central bank and restrictions on the Treasury
- Payment of salaries and timelines for debt settlement.
- Timelines for expenditure and interest payment
- Calendar of tax income

## Factors enabling cash management

- Auction market for Treasury bills
- Authorization for investment of the cash surplus
- Information systems implemented by the Kingdom's General Treasury making necessary information available to employees in charge with cash management



## Factors enabling cash management

- Implementation of an electronic system for the payment of corporate tax and of the VAT
- Online payment of taxes (Kingdom's General Treasury)
- Interbank system of electronic compensation
- New management system for the single treasury account
- Outsourcing of the CIT staff

## Improvement of cash management

- Debt and cash integrated management system
- Codification of operations having to do with the single treasury account
- Completion of the electronic payment system run by the customs' administration
- Expansion of the central bank network

**Thank you for your attention!**