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## **The legal basis for the right to compensation for eviction in Moroccan commercial leases**

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### **Abstract**

Eviction compensation, at the heart of the Moroccan commercial lease legal system, is one of the most emblematic mechanisms for reconciling property rights and economic stability. Established by Law 49-16, it enshrines a genuine subjective right for tenants, based on respect for contractual good faith and the legitimacy of the grounds for eviction.

The study highlights the dual nature of this institution: legal and economic. From a legal standpoint, eviction compensation is based on law and case law, which have made it an autonomous property right, detached from the simple contractual relationship. From an economic standpoint, it fulfils a regulatory and corrective function, aimed at preventing property speculation, protecting the value of business assets and promoting fairness in rental relationships.

Through an analysis of recent decisions by Moroccan commercial courts, this article demonstrates that eviction compensation goes beyond the logic of compensation to become an instrument of contractual justice and moralization of the rental market. Today, it embodies a form of economic

justice, where civil law is open to considerations of stability, fairness and mutual trust between commercial actors.

**Keywords:** Commercial lease – Eviction compensation – Good faith – Contractual justice – Business assets – Economic regulation – Moroccan case law.

### **Introduction**

In the Moroccan legal system, commercial leases are one of the cornerstones of business law, in that they ensure the stability of commercial activity and the preservation of business assets, a true instrument for wealth creation and entrepreneurial dynamism. This institution provides the commercial lessee with specific legal protection against the risks of unjustified eviction. This normative choice illustrates the legislator's approach of reconciling the exercise of contractual autonomy with the need to guarantee the stability and predictability of economic relations.

Moreover, Moroccan law recognizes that the loss of commercial premises is, in many cases, equivalent to the disappearance of the business itself, which embodies the trader's investment, know-how and ongoing efforts.

Historically, tenant protection was introduced by the Dahir of 24 May 1955 on leases of buildings for commercial, industrial or craft use, a text inspired by the French decree- of 30 September 1953<sup>1</sup>. Although this Dahir laid the foundations for rental stability, it remained incomplete in several respects, notably the definition of legitimate grounds for eviction and the methods for calculating compensation. Case law then played a decisive role, filling in the gaps in the text by developing a set of principles based on fairness and contractual good faith<sup>2</sup>.

This case law dynamic led to a major legislative overhaul with the enactment of Law No. 49-16 on leases of buildings or premises for commercial, industrial or craft use, which came into force in 2017<sup>3</sup>. This reform introduced notable innovations: the determination of legitimate grounds for refusing to renew a lease (Articles 7 and 8), the express recognition of the automatic right to compensation for eviction in the event of unjustified expulsion (Article 9), and the formalization of the use of judicial expertise to assess the value of the business and the amount of the loss (Article 7, paragraph 4)<sup>4</sup>.

However, practical experience shows that these provisions, while representing considerable progress, have not been sufficient to eliminate differences in interpretation. Indeed, commercial courts, notably the Fez Court of Appeal, have had to intervene on numerous occasions to clarify the scope of these texts and establish guiding principles governing the right to compensation<sup>5</sup>. Recent case law thus highlights a trend towards rationalizing eviction litigation through increased judicial scrutiny of the legitimacy of the grounds invoked and the methodology of the expert assessment<sup>6</sup>.

It should be noted that this study has a dual scientific and operational purpose. On a theoretical level, it seeks to identify the criteria for eligibility for compensation, with a particular focus on the legal validity of the grounds given for terminating the lease and the landlord's compliance with the prescribed procedural formalities. On a practical level, the analysis focuses on the economic and reparative function of eviction compensation, which is an essential mechanism for

commutative justice and restoring the financial balance between the contracting parties<sup>7</sup>.

This study therefore has three objectives:

- To identify the legal basis for the right to eviction compensation as it emerges from the text and case law;
- To analyze how judges exercise control over the landlord's good faith and the validity of the grounds for eviction;
- To highlight the economic dimension of compensation as a mechanism for correcting contractual imbalances<sup>8</sup>.

The methodological approach is based on a cross-analysis of Moroccan legislation and case law. These judgments were selected for their thematic relevance and the substantial insight they provide into the understanding and clarification of the legal regime governing eviction<sup>9</sup>.

Given the legal provisions in force and the contemporary orientation of case law, eviction compensation is now an essential mechanism for regulating contractual relations between landlords and tenants. This instrument actively contributes to strengthening confidence in the economic environment and guarantees the protection of commercial investments.

Beyond the logic of compensation, this mechanism reflects a genuine legal philosophy of economic justice, which will be explored in this study. These developments raise a fundamental question:

On what legal and jurisprudential grounds is the right to eviction compensation in Moroccan commercial leases currently based? And how do the courts ensure its fair implementation?

Analysis of the legal regime governing compensation for eviction in Moroccan commercial leases raises several additional questions that structure the discussion:

<sup>1</sup> Dahir of 24 May 1955 relating to leases of buildings for commercial, industrial or craft use, Official Bulletin No. 2263, 1955.

<sup>2</sup> Supreme Court, Judgment No. 443 of 14 March 1985.

<sup>3</sup> Dahir No. 1-16-99 of 13 Chaoual 1437 (18 July 2016) promulgating Law No. 49-16 on leases of buildings or premises rented for commercial, industrial or craft use, as published in Official Bulletin No. 6578 of 20 Ramadan 1438 (15 June 2017).

<sup>4</sup> A. Moutamid, "Analytical study of Law 49-16 in the light of comparative law", Legal Advice Review No. 4-5, 2018. p. 67.

<sup>5</sup> Fez Commercial Court of Appeal, judgment No. 620/2020 of 17 November 2020 (unpublished judgment); judgment No. 256/8206/2020 of 18 June 2020 (unpublished judgment).

<sup>6</sup> Casablanca Commercial Court of Appeal, judgment no. 535/2017 of 15 June 2017 (unpublished judgment).

<sup>7</sup> A. Khalloufi, "Le congé en matière de bail commercial" (Termination of commercial leases), Journal d'Economie, de Management, d'Environnement et de droit (JEMED), Vol. 2, No. 3, November 2019, p. 10.

<sup>8</sup> H. Chafik, *Moroccan commercial lease law between reform and judicial practice*, Doctoral thesis, Mohammed V University-Rabat, 2020, p. 211.

<sup>9</sup> Corpus based on ten decisions handed down by the Fez Commercial Court of Appeal between 2018 and 2021, analysed in this article.

- What is the legal and jurisprudential basis for the right to compensation of the evicted tenant?
- How does the judicial assessment of legitimate and serious grounds determine access to eviction compensation?
- To what extent does compliance with procedural formalities guarantee the regularity of the eviction and the admissibility of the claim for compensation?
- How does eviction compensation fulfil an economic and reparative function beyond its strictly compensatory dimension?

In order to address the issues raised, the analysis will be structured around two main complementary themes:

- The first chapter will examine the conditions for entitlement to eviction compensation, addressing in turn the review of the grounds for eviction and the procedural safeguards imposed on landlords.
- The second chapter will focus on the economic and compensatory scope of this compensation, through an analysis of its material and immaterial composition and the judicial review of its assessment.

### **I – Conditions for entitlement to eviction compensation: between legitimacy of grounds and tenant protection**

The right to eviction compensation cannot be conceived outside the legal and factual conditions that determine its eligibility. Indeed, compensation is not an automatic benefit, but a direct consequence of the landlord's failure to comply with the legal conditions governing the termination of the lease<sup>10</sup>. An examination of recent rulings by Moroccan commercial courts, in particular the Fez Court of Appeal, reveals a tendency towards rigour in assessing the grounds for eviction invoked by landlords<sup>11</sup>. This rigour aims to guarantee the economic stability of commercial tenants and to prevent abuse of property rights as a means of speculation.

It should be noted that access to the right to compensation is subject to two cumulative conditions: the legitimacy of the grounds for eviction and compliance with the procedural guarantees provided for in Law No. 49-16. The first set of conditions, which are substantive in nature, relate to the judicial review of the grounds for eviction, which constitutes the first stage of judicial reasoning. The second, which is

formal in nature, concerns the legal obligations of the landlord and the procedural rights of the tenant.

This chapter focuses on the first of these conditions – the legitimacy of the grounds – by analyzing the role of the judge in qualifying, verifying and sanctioning the grounds for eviction.

### **1 – Review of the grounds for eviction by the commercial judge**

Article 7 of Law No. 49-16 provides an exhaustive list of legitimate grounds allowing the landlord to refuse to renew the lease without incurring the obligation to pay eviction compensation: demolition and reconstruction of the building, execution of work necessary for its safety or hygiene, or the landlord's personal need<sup>12</sup>.

However, judicial practice shows that these grounds are subject to restrictive interpretation by the courts, which require proof of the serious, real and effective nature of the grounds invoked. The Commercial Court of Appeal of Fez, through a series of rulings handed down between 2018 and 2021, has consolidated this approach. It has made the eviction of the tenant subject to proof of the reality of the personal need or reconstruction, severely penalizing landlords who invoke fictitious or unexecuted grounds<sup>13</sup>.

An analysis of the case law reveals two main themes. On the one hand, the requirement that the grounds for eviction be serious and in good faith (**Sub-Section 1**); on the other hand, the sanctioning of grounds that are abusive or diverted from their legal purpose (**Sub-Section 2**).

#### **1.1 – The requirement of seriousness and good faith in the grounds for eviction**

Good faith, as a constitutional principle and regulator of contractual relations, plays a central role in the exercise of the right of eviction provided for under the Moroccan commercial lease regime. Although Law No. 49-16 of 24 November 2016 on leases of built properties recognizes the lessor's right to oppose the renewal of the rental contract in strictly defined circumstances, this prerogative cannot be exercised in an arbitrary or unfair manner.<sup>14</sup>

<sup>10</sup> H. Berrada, *Commercial leases in Morocco*, ed. La Croisée, Casablanca, 2018, p. 62.

<sup>11</sup> Fez Commercial Court of Appeal, judgment no. 620/2020 of 17 November 2020 (unpublished judgment).

<sup>12</sup> Articles 7 and 8 of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

<sup>13</sup> Fez Commercial Court of Appeal, judgment no. 1790/8206/2019 of 18 June 2020 (unpublished judgment).

<sup>14</sup> H. Berrada, *Commercial leases in Morocco*, ed. La Croisée, Casablanca, 2018, p. 62.

The application of these principles, as established by the case law of the Fez Commercial Court of Appeal, aims to prevent abuses resulting from opportunistic use of property rights and to preserve the economic stability of commercial tenants.

The judge therefore has a central role to play in verifying the sincerity of the grounds for eviction and punishing bad faith behavior. It is in this context that two possible scenarios arise. The first hypothesis is that the reason for reconstruction can only justify eviction if it is based on a real, effective project carried out within a reasonable time frame; otherwise, it is considered a misuse of rights giving rise to compensation (**Paragraph 1**). The second hypothesis is that the landlord's personal need, in order to be legitimate, must be demonstrated by concrete evidence of actual, non-speculative use of the premises; otherwise, it constitutes wrongful eviction (**Paragraph 2**). These two scenarios reflect the same requirement: that of contractual good faith, a cardinal principle which, far from being purely moral, becomes a criterion for the legal legitimacy of eviction.

#### **Paragraph 1 – Challenging the fictitious reason of reconstruction: towards the sanctioning of abuse of rights**

The first major ground for eviction provided for in Article 7, paragraph 1, of Law No. 49-16 concerns the reconstruction of the rented premises<sup>15</sup>. While this basis appears legitimate in principle – since it aims to renovate or enhance the value of the property – it has given rise to numerous abuses. Several landlords have invoked reconstruction as a means of evicting tenants, without actually carrying out the work or postponing it for long periods of time.

In a ruling dated 18 December 2019, the Fez Commercial Court of Appeal rejected the reconstruction argument put forward by a landlord on the grounds that the work had not begun more than two years after the tenant's eviction<sup>16</sup>. The court considered that this inaction revealed a lack of genuine intention to rebuild, describing the landlord's behavior as an abuse of rights.

Based on the principle that the exercise of property rights cannot be abusive, the judge made the legitimacy of the reason invoked conditional on the establishment of the materiality of the planned project. This evidentiary requirement involves the production of tangible evidence attesting to the substance of the project, in particular technical documents (architectural

plans, detailed budget estimates), the necessary administrative documents, and proof of sufficient financial resources. Furthermore, validation of the reason remains subject to the actual completion of the project within a reasonable time frame.<sup>17</sup>

Case law now requires good faith in the execution of the reconstruction project. Otherwise, the tenant is entitled to claim full compensation for eviction. This solution establishes thorough judicial review of the grounds, revealing a trend towards moralizing the use of property rights in a commercial context<sup>18</sup>.

Through the scrutiny of the grounds for reconstruction, Moroccan case law has clearly affirmed that the right of eviction cannot be diverted from its economic purpose. By making the validity of these grounds subject to proof of a real and executed project, the judge establishes an objective concept of good faith, based on concrete evidence of the intention to rebuild.

However, the requirement of seriousness and fairness is not limited to material grounds. It also extends to personal grounds, such as the landlord's need to occupy the premises himself. This second case, which is more subjective in nature, requires the judge to exercise even greater scrutiny in order to distinguish between a genuine need, based on a real necessity, and an artificial need, concealing an eviction for convenience.

It is in this context that the case law relating to the verification of the genuine nature of the landlord's personal need, which is the subject of the following paragraph, fits in.

#### **Paragraph 2 – Verification of the genuine nature of the landlord's personal need**

The landlord's personal need is another reason frequently invoked to refuse to renew a lease. However, Moroccan courts have adopted a cautious approach to this reason in order to prevent it from being used as a pretext for speculative eviction.

In two notable rulings dated 18 June 2020 and 28 March 2019<sup>19</sup>, the Fez Commercial Court of Appeal required the landlord to demonstrate in concrete terms the reality of their need and the absence of any reasonable alternative.

<sup>15</sup> Article 7, para. 1 of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

<sup>16</sup> Fez Commercial Court of Appeal, judgment no. 5/2019 of 18 December 2019 (unpublished judgment).

<sup>17</sup> Fez Commercial Court of Appeal, judgment no. 1790/8206/2019 of 18 June 2020 (unpublished judgment).

<sup>18</sup> A. Mouatamid, "Analytical study of Law 49-16 in the light of comparative law", Legal Advice Review No. 4-5, 2018, p. 74.

<sup>19</sup> Fez Commercial Court of Appeal, judgments No. 256/8206/2020 of 18 June 2020 and No. 2287/8206/2018 of 28 March 2019 (unpublished judgments).

In the first case, the landlord, who resided abroad, claimed that he wanted to use the premises himself, without proving either the nature of the planned activity or his ability to carry it out. The court considered that the fact that he resided abroad and owned several available properties made the claimed need implausible<sup>20</sup>.

In the second case, the landlord claimed that he wanted to occupy the premises after the end of the lease, but no actual use had been demonstrated several months after the eviction. The court ruled that personal need cannot be purely declarative, but must be based on a real and executable project<sup>21</sup>.

These decisions reflect established case law: personal need must not be used as a means of circumventing the tenant's rights. By imposing rigorous and objective proof, the judge affirms that the landlord's protection can only be exercised through fair and transparent behavior<sup>22</sup>.

Thus, the verification of personal need is part of a broader approach to securing trade and moralizing rental relationships, where good faith is no longer a simple moral requirement, but a genuine legal standard of contractual balance<sup>23</sup>.

An analysis of the requirement of seriousness and good faith with regard to the grounds for eviction reveals the balancing approach that characterizes Moroccan case law. By verifying the materiality of the reconstruction project and the authenticity of the need for personal use, the magistrate transcends the simple literal implementation of legislative provisions. He thus exercises a normative power of discretion, aimed at protecting the sustainability of the business and safeguarding the continuity of economic exploitation.<sup>24</sup>

However, contractual loyalty, while it establishes the legitimacy of the reason, is not sufficient on its own to prevent abuse. Some landlords, invoking pretexts outside the legal framework or exploiting formal irregularities on the part of the tenant, seek to circumvent the guarantees established by Law No. 49-16. In response to such behavior, case law has developed a corrective power based on the sanctioning of bad faith and the relativization of grounds for eviction<sup>25</sup>.

Thus, while the first subsection highlighted the need for eviction based on sincere and objective grounds, the next subsection demonstrates how the judge, beyond verifying good faith, actively intervenes to neutralize abusive grounds or those not provided for by law, thereby consolidating the protective function of the commercial lease regime.

## **1.2 – The penalty for bad faith and the relativization of grounds for eviction**

The study of the landlord's behavior towards the tenant cannot be limited to verifying the validity of the grounds for eviction. In practice, some landlords use pretexts that are not covered by the law to circumvent the protection provided by the commercial lease regime, or exploit minor irregularities on the part of the tenant to justify eviction. These practices highlight the need for greater judicial scrutiny of good faith and a restrictive interpretation of the grounds for eviction<sup>26</sup>.

The commercial judge, as the guarantor of contractual fairness, therefore plays a corrective role: he or she sanctions the landlord's bad faith and reassesses the real scope of the tenant's breaches. This power aims to prevent any misuse of the right of eviction and to maintain the stability of the business, a key element of the national economic fabric.

From this perspective, two scenarios structure the analysis. The first scenario is that the judge tends to relativize the contractual breaches invoked by the landlord when they do not affect the substance of the lease or are committed in good faith by the tenant (**Paragraph 1**). The second hypothesis is that the judge dismisses any grounds for eviction not provided for by law, thus enshrining the principle of legality and strengthening the legal certainty of commercial relations (**Paragraph 2**).

### **Paragraph 1 – Relativization of the grounds for contractual irregularity and protection of tenants acting in good faith**

Article 8 of Law No. 49-16 authorizes the landlord to refuse to renew the lease when the tenant commits serious contractual offences, such as unauthorized subletting, changing the use of the premises or repeated non-payment of

<sup>20</sup> Fez Commercial Court of Appeal, judgments No. 256/8206/2020 of 18 June 2020 (unpublished judgment).

<sup>21</sup> Fez Commercial Court of Appeal, judgment No. 2287/8206/2018 of 28 March 2019 (unpublished judgment).

<sup>22</sup> H. RGHIQUI ELHAMZAOU, "The role of Law 49-16 in strengthening the legal position of tenants in commercial lease agreements," *International Business Law Review*, No. 59, August, September 2025, p. 238 (in Arabic).

<sup>23</sup> M. Almahdi, A. Boukber, "Legal and judicial protection of commercial tenants: residential and professional premises and commercial leases

*through the case law of the Supreme Court - 50 years of judicial practice*," paper presented at the first conference, Palais des Conférences, Fez, 22 and 23 February 2007, p. 273 (in Arabic).

<sup>24</sup> A. Mouatamid, "Analytical study of Law 49-16 in the light of comparative law", *Legal Advice Review* No. 4-5, 2018, p. 74.

<sup>25</sup> Fez Commercial Court of Appeal, judgment no. 1790/8206/2019 of 18 June 2020 (unpublished judgment).

<sup>26</sup> H. Berrada, *Commercial leases in Morocco*, ed. La Croisée, Casablanca, 2018, p. 65.

rent<sup>27</sup>. However, Moroccan case law tends to relativize the scope of these irregularities, taking into account the tenant's overall behavior and the economic purpose of the lease.

Thus, in a ruling dated 4 June 2020, the Fez Commercial Court of Appeal ruled that simply registering a company's address at the premises cannot be considered illegal subletting as long as it does not affect the use of the premises or the landlord's rights<sup>28</sup>. The court considered that the tenant, having acted in good faith and without unjust enrichment, could not be deprived of his right to renewal or his eviction compensation.

This decision illustrates the transition from a formalistic approach to an economic and moral approach to contracts. By prioritizing the continuity of commercial activity over the punishment of minor breaches, case law affirms that the tenant's good faith takes precedence over the strict interpretation of the text<sup>29</sup>. This shift reflects the judges' desire to give priority to the social purpose of commercial leases, which are instruments of economic stability and the preservation of business assets.

Consequently, sanctions for contractual irregularities are only justified when the breach reveals fraudulent intent or actual harm to the lessor. Otherwise, the judge protects the tenant acting in good faith and reaffirms that the right to compensation for eviction remains the rule, with exclusion being the exception<sup>30</sup>.

Thus, judicial review of the tenant's compliance with their obligations leads Moroccan commercial case law to adopt a nuanced and proportionate approach. This development in case law is characterized by the systematic rejection of penalties for unintentional contractual breaches or those that have no significant impact on the contractual balance. The trial judge thus proceeds to an in concerto assessment of the alleged breaches, taking into account their objective seriousness and their real impact on the legitimate interests of the lessor.

However, this balancing exercise does not stop there. It also extends to reviewing the grounds for eviction invoked by the landlord, when these exceed the strict legal framework set out in Law No. 49-16. Indeed, some landlords, using their property rights as a means of pressure, invoke grounds for

eviction not provided for in the text in order to circumvent the compensation due to the tenant. Faced with these abuses, the Moroccan courts have strongly reaffirmed the principle of legality of the grounds for eviction, sanctioning any behavior that is abusive or contrary to the protective purpose of the commercial lease<sup>31</sup>.

This is the logic behind the analysis in the second paragraph, which deals with the exclusion of abusive grounds not provided for by law, marking a further step towards the moralization of rental disputes and the consolidation of legal certainty.

### **Paragraph 2 – The exclusion of abusive grounds not provided for by law: the enshrinement of the principle of legality**

While Law No. 49-16 strictly regulates the grounds for eviction, judicial practice shows that some landlords attempt to extend this scope to include reasons not covered by the legal text. Moroccan courts have firmly rejected these attempts, in the name of the principle of legality of grounds for eviction and respect for legal certainty<sup>32</sup>.

The landmark ruling handed down by the Fez Commercial Court of Appeal on 18 June 2020 provides an illuminating illustration of this. In that case, the landlord cited non-payment of the cleaning tax as grounds for eviction. The Court rejected this argument, considering that this tax is not one of the rental obligations provided for by law and that, according to tax regulations, it is the responsibility of the property owner<sup>33</sup>. Consequently, eviction on such grounds was deemed abusive, entitling the tenant to full compensation.

This remarkably clear position in case law establishes the principle of legality as a real bulwark against abuse of rights<sup>34</sup>. The judge ensures that no grounds for eviction are accepted other than those expressly provided for in Articles 7 and 8 of Law No. 49-16.

This approach thus preserves legal certainty and protects business assets as the foundation of economic activity. This strict approach ensures that the law is applied by the Moroccan courts: the tenant's defense against arbitrary or circumvented justifications consolidates the reliability of the regulatory

<sup>27</sup> Article 8 of Law 49-16 relating to leases of buildings or premises rented for commercial, industrial or craft use.

<sup>28</sup> Fez Commercial Court of Appeal, judgment no. 412/2020 of 4 June 2020 (unpublished judgment).

<sup>29</sup> A. Mouatamid, "Analytical study of Law 49-16 in the light of comparative law", Legal Advice Review No. 4-5, 2018.

<sup>30</sup> H. RGHIOUI ELHAMZAOU, "The role of Law 49-16 in strengthening the legal position of the tenant in commercial lease agreements", International Business Law Review, No. 59, August, September 2025, p. 249 (in Arabic).

<sup>31</sup> Fez Commercial Court of Appeal, judgment No. 1790/8206/2019 of 18 June 2020 (unpublished judgment).

<sup>32</sup> Article 8, para. 1 of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

<sup>33</sup> Fez Commercial Court of Appeal, judgment no. 1790/8206/2019 of 18 June 2020 (unpublished judgment).

<sup>34</sup> Court of Cassation, Commercial Chamber, judgment no. 344/2019 of 10 October 2019.

framework and promotes confidence in commercial relations. The judge therefore fulfils an economic and social function, subordinating the security of transactions to the stability of investments.

Thus, any extension of legal grounds for eviction must be ruled out in order to guarantee the predictability of the law and the protection of business assets, which are the foundation of entrepreneurial activity. Furthermore, this rigour contributes to the standardization of Moroccan case law: protecting tenants against artificial or misguided grounds strengthens the credibility of the legal framework and confidence in commercial relations<sup>35</sup>. In doing so, judges fulfil an economic and social function, subordinating the security of transactions to the stability of investments.

In any event, analysis of the commercial court's review of the grounds for eviction reveals a clear trend: Moroccan case law is moving towards a finalist and protective interpretation of the right of eviction, making its legitimacy contingent on the landlord's good faith and the validity of the grounds invoked.

Through recent decisions, the judge has thus established a genuine principle of fairness in the exercise of property rights, based on proportionality between the landlord's rights and the tenant's economic stability<sup>36</sup>.

However, the legitimacy of the reason for eviction, however solid it may be, is not sufficient in itself to deprive the tenant of their right to compensation. Indeed, Law No. 49-16 does not merely regulate the substantive causes of eviction: it also imposes a series of procedural and formal guarantees designed to ensure the transparency and regularity of the procedure<sup>37</sup>.

These guarantees – prior notification, compliance with legal deadlines, obligation to state reasons and possibility of appeal – all contribute to the same objective of preventing arbitrary evictions and ensuring effective judicial review of the landlord's decision<sup>38</sup>.

Thus, after examining the legitimacy of the grounds for eviction in substantive terms, it is necessary to address the complementary aspect of the protection of commercial tenants, namely compliance with the procedural formalities governing the termination of the lease and the legal obligations incumbent on the landlord. This issue is discussed

in detail in the following section, which deals with procedural safeguards and the landlord's legal obligations regarding compensation for the evicted tenant.

## **2 – Procedural safeguards and the landlord's legal obligations**

The framework governing eviction in commercial leases is not limited to verifying the grounds for termination: it also requires compliance with a set of procedural safeguards and legal obligations imposed on the landlord. These requirements are intended to ensure transparency, fairness and legal certainty in rental relationships. In fact, Law No. 49-16, by incorporating and modernizing the principles derived from the Dahir of 24 May 1955, has strengthened the procedural dimension of tenant protection for commercial tenants<sup>39</sup>.

This protection is based on two complementary aspects. On the one hand, compliance with the procedural formalities governing the notification and implementation of eviction; on the other hand, the fulfilment of the legal obligations incumbent on the landlord after the termination of the lease, particularly with regard to justification, compensation and the return of the premises<sup>40</sup>.

These two areas form the basis for the following considerations. The first consideration is that any violation of the procedural guarantees provided for by Law 49-16 renders the eviction procedure null and void and establishes the tenant's right to full compensation (**Sub-Section 1**). The second hypothesis is that the landlord's failure to comply with their legal obligations, whether material or financial, compromises the very legitimacy of the eviction (**Sub-Section 2**).

### **2.1 – Compliance with procedural guarantees in the implementation of eviction**

The protection of commercial tenants cannot be effective without strict procedural rules governing the termination of leases. Law No. 49-16, building on the provisions of the Dahir of 24 May 1955, introduced a set of preliminary formalities and procedural guarantees designed to regulate eviction decisions and prevent abuse by landlords<sup>41</sup>.

<sup>35</sup> Fez Commercial Court of Appeal, judgment no. 256/8206/2020 of 18 June 2020 (unpublished judgment).

<sup>36</sup> Fez Commercial Court of Appeal, judgment no. 256/8206/2020 of 18 June 2020 (unpublished judgment).

<sup>37</sup> Article 26 et seq. of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

<sup>38</sup> H. Berrada, *Commercial leases in Morocco*, published by La Crois e, Casablanca, 2018, p. 71.

<sup>39</sup> H. Berrada, *Commercial leases in Morocco*, published by La Crois e, Casablanca, 2018, p. 71.

<sup>40</sup> Fez Commercial Court of Appeal, judgment no. 620/2020 of 17 November 2020 (unpublished judgment).

<sup>41</sup> H. Berrada, *Commercial leases in Morocco*, published by La Crois e, Casablanca, 2018, p. 71.

These safeguards are not merely administrative formalities: they contribute to a genuine principle of legal certainty by ensuring predictability, transparency and fairness in the contractual relationship<sup>42</sup>.

In this sense, Moroccan case law has clearly stated that failure to comply with these requirements amounts to a substantial violation of the tenant's rights, rendering the eviction procedure irregular and giving rise to a right to compensation<sup>43</sup>.

This subsection therefore focuses on two complementary aspects. The first hypothesis is that the validity of the eviction procedure is subject to compliance with notification formalities and legal deadlines, failing which the landlord's right becomes unenforceable (**Paragraph 1**). The second line of reasoning is that the legitimacy of eviction also depends on the landlord's decision being clearly and fairly justified, which is essential for judicial review (**Paragraph 2**).

These two requirements reflect the desire of the legislator and the judge to impose procedural discipline based on good faith on the lessor, thereby ensuring a lasting balance between the freedom to dispose of the property and the stability of the lessee's commercial activity.

### **Paragraph 1 – The obligation of prior notification and compliance with legal deadlines**

Notification is the cornerstone of the eviction procedure. Article 26 of Law No. 49-16 provides that it must be carried out by a bailiff, clearly and detailed ly specifying the reason for the refusal to renew<sup>44</sup>. This formality, far from being incidental, aims to ensure that the tenant is effectively informed so that they can assert their rights within the legal time limits.

In a ruling dated 12 February 2020, the Fez Commercial Court of Appeal overturned an eviction procedure on the grounds that the imprecise notification of the reason amounted to a lack of valid justification, thus constituting a violation of the adversarial principle<sup>45</sup>. The court thus reaffirmed that notification is a condition for the legality of eviction, and not a mere formality.

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<sup>42</sup> M. BOUNJA, "Practical guide to eviction proceedings for commercial, industrial or craft premises - practical study of eviction procedures and compensation under Law 49-16 on commercial, industrial or craft leases", publication of the Moroccan Centre for Arbitration and Business Litigation, ed.1, 2018, ed. Litographie, Tangier, pp. 53 and 54 (in Arabic).

<sup>43</sup> Fez Commercial Court of Appeal, judgment no. 104/2020 of 12 February 2020 (unpublished judgment).

<sup>44</sup> Article 26 of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

Furthermore, compliance with legal deadlines is an essential guarantee for the tenant. Article 28 of the law requires six months' notice before the expiry of the lease for any eviction envisaged<sup>46</sup>. Failure to comply with this deadline renders the decision legally void, resulting in the tenant remaining in the premises and entitling them to full compensation<sup>47</sup>.

This interpretation reflects a finalist reading of the text: the judge protects the tenant's contractual time as an element of economic security.

Thus, an examination of the notification formalities and compliance with legal deadlines reveals that Moroccan case law considers the eviction procedure to be a legally regulated and temporally structured framework. The landlord may only exercise their right of repossession by scrupulously complying with the forms and deadlines imposed by law, otherwise their action will be declared null and void<sup>48</sup>.

However, compliance with procedural formalities, however rigorous, is not sufficient to guarantee the legitimacy of eviction. The landlord's decision must also be clearly, sincerely and verifiably justified in order to ensure transparency and fairness in contractual relations. It is precisely in this context that the following discussion focuses on the justification for the eviction decision, which is a true guarantee of good faith and effective judicial review (**Paragraph 2**).

### **Paragraph 2 – The reasons for the eviction decision: a guarantee of transparency and fairness**

The grounds for the eviction decision are a fundamental requirement under Moroccan commercial lease law. This not only ensures the transparency of the lessor's unilateral action, but also guarantees effective judicial review of the validity of the grounds invoked.

Article 26 of Law No. 49-16 requires that the notice of refusal to renew clearly, comprehensively and verifiably state the reasons justifying the eviction<sup>49</sup>. This formal requirement is intended to prevent the lessor from invoking vague or subjective pretexts to evade their obligation to pay compensation.

<sup>45</sup> Fez Commercial Court of Appeal, judgment no. 104/2020 of 12 February 2020 (unpublished judgment).

<sup>46</sup> Article 28 of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

<sup>47</sup> Casablanca Commercial Court of Appeal, judgment no. 488/2019 of 18 April 2019.

<sup>48</sup> Fez Commercial Court of Appeal, judgment no. 104/2020 of 12 February 2020.

<sup>49</sup> Article 26 of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

Moroccan case law has firmly established this requirement. In a ruling dated 18 June 2020, the Fez Commercial Court of Appeal held that a letter of eviction citing mere "personal reasons" without further details could not constitute sufficient grounds, as it prevented the tenant from effectively exercising their right of defense<sup>50</sup>.

In a ruling handed down on 5 March 2020, the Court of Cassation reaffirmed that the grounds for the decision must be based on solid and objective factual elements, in strict accordance with the legal grounds provided for by Law No. 49-16<sup>51</sup>.

This double check – by the trial judge and by the supreme court – reveals a trend in case law to make the reasoning a condition for the validity of the eviction procedure. It enshrines a modern conception of property law, now functionalized by the principle of good faith: the landlord can only exercise his right of repossession on condition that he can justify his reasons in good faith.

In practical terms, this requirement to provide reasons helps to establish a climate of trust in commercial tenancy relationships. By requiring the landlord to account for their decision, it limits the risk of arbitrary evictions and enhances the legal security of the tenant, a key player in the local economic fabric<sup>52</sup>. It also reflects the legislator's desire to align Moroccan law with international standards of contractual transparency, in line with the principle of good administration of justice.

Finally, the absence of clear grounds exposes the landlord to a double penalty. On the one hand, the eviction procedure is rendered null and void; on the other hand, the landlord is obliged to pay the tenant full compensation for eviction<sup>53</sup>.

This rigour, far from being purely formalistic, expresses the very philosophy of Law No. 49-16: to make transparency and fairness the two pillars of a sustainable balance between property rights and the protection of business assets.

An analysis of the procedural safeguards applicable to the exercise of the right of eviction highlights the primacy of the protective formalism established by Law No. 49-16. By

requiring prior notification, compliance with legal deadlines and detailed reasons for the decision, the legislator sought to make the freedom of eviction subject to a strict procedural framework, guaranteeing transparency and fairness in contractual relations<sup>54</sup>.

However, the regularity of the procedure alone cannot legitimize the termination of the lease. Even if formally compliant, an eviction may still be legally invalid if the landlord fails to fulfil their legal obligations following the end of the lease. These obligations, which are both financial and moral, reflect the substantial nature of the right to compensation for eviction, which goes beyond mere procedure and is rooted in the principles of contractual justice and economic responsibility<sup>55</sup>.

It is therefore at this second level – that of the concrete implementation of the landlord's obligations – that the real guarantee for the evicted tenant lies. The following subsection will therefore analyze two essential aspects. On the one hand, the obligation to fully compensate the tenant, which enshrines the reparative purpose of the right to compensation; and on the other hand, the obligation of restitution and post-eviction loyalty, which extends the duty of good faith beyond the termination of the lease<sup>56</sup>.

## **2.2 – The landlord's legal obligations towards the evicted tenant**

In order to be legally valid, the act of eviction cannot be limited to compliance with the preliminary procedural conditions: it also requires the landlord to fulfil a number of legal obligations following the termination of the lease. These obligations are based on the protective philosophy of the commercial lease regime, which aims to ensure a lasting balance between the landlord's property rights and the tenant's economic security<sup>57</sup>.

In fact, Law No. 49-16 establishes a genuine status for evicted tenants, guaranteeing them the right to full compensation except in cases of legitimate grounds for eviction<sup>58</sup>. This compensation, far from being a simple financial compensation, reflects the legislator's recognition of the

<sup>50</sup> Fez Commercial Court of Appeal, judgment no. 1790/8206/2019 of 18 June 2020 (unpublished judgment).

<sup>51</sup> Court of Cassation, Commercial Chamber, judgment no. 301/2020 of 5 March 2020.

<sup>52</sup> H. Berrada, *Les baux commerciaux au Maroc* (Commercial leases in Morocco), published by La Croisée, Casablanca, 2018, p. 72.

<sup>53</sup> Casablanca Commercial Court of Appeal, judgment no. 488/2019 of 18 April 2019 (unpublished judgment).

<sup>54</sup> H. Berrada, *Commercial leases in Morocco*, published by La Croisée, Casablanca, 2018, p. 72.

<sup>55</sup> M. BOUNJA, "Commercial leases between the Dahir of 1955 and Law 49-16," *Librairie Litographe*, ed.1, Tangier, p. 129 (in Arabic)

<sup>56</sup> Fez Commercial Court of Appeal, judgment no. 620/2020 of 17 November 2020 (unpublished judgment).

<sup>57</sup> H. Berrada, *Commercial leases in Morocco*, ed. La Croisée, Casablanca, 2018, p. 75.

<sup>58</sup> Article 7 of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

economic value of the business and the social role of the trader in the continuity of economic life<sup>59</sup> .

Furthermore, the landlord is not released from all obligations upon termination of the lease: he remains bound by a duty of post-eviction loyalty, which requires him to return certain sums and to refrain from any abusive or fraudulent behavior<sup>60</sup> .

This subsection therefore focuses on two main scenarios. The first scenario is that the obligation to compensate the evicted tenant is not limited to monetary compensation, but constitutes a full economic restitution of the business and an instrument of contractual justice (**Paragraph 1**). The second hypothesis is that the termination of the lease does not release the landlord from his subsequent obligations, in particular the return of the security deposit and the prohibition of any fraudulent reuse of the premises, under penalty of liability (**Paragraph 2**).

These two principles reflect the true scope of the right to compensation for eviction: it is not simply a financial remedy, but a mechanism of economic fairness, ensuring continued trust in commercial tenancy relationships.

### **Paragraph 1 – The obligation to fully compensate the evicted tenant**

Compensation for eviction is therefore a fundamental legal mechanism within Moroccan commercial lease law. Enshrined in Article 7 of Law No. 49-16, this compensation mechanism represents the financial compensation due to the tenant when the landlord decides not to renew the lease without being able to justify a legitimate and serious reason<sup>61</sup> .

This compensation is intended not simply as monetary compensation, but as economic reconstruction of the business lost as a result of eviction<sup>62</sup> .

In this regard, Moroccan case law, notably that of the Commercial Court of Appeal of Fez, reiterated in a ruling dated 17 November 2020 that compensation must be comprehensive and fair, taking into account "*the value of the business, relocation costs, loss of customers and unamortized investments*"<sup>63</sup> . This approach reflects a comprehensive view

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<sup>59</sup> A. Mouatamid, "Analytical study of Law 49-16 in light of comparative law," Legal Advice Review No. 4-5, 2018, p. 75.

<sup>60</sup> Fez Commercial Court of Appeal, judgment No. 198/2021 of 5 April 2021.

<sup>61</sup> Article 7 of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

<sup>62</sup> H. Berrada, *Commercial leases in Morocco*, ed. La Croisée, Casablanca, 2018, p. 76.

of compensation: it is not a matter of assessing isolated damage, but of restoring the economic balance between the parties.

Full compensation is justified by the very nature of the commercial lease: over time, it creates an autonomous intangible value – the business – which the tenant develops through their efforts, their clientele and their reputation. Therefore, the loss of this goodwill cannot be assessed solely on the basis of the rental value of the property; it implies recognition of the economic value of the trader's work and their contribution to economic vitality.

Furthermore, the Fez Court of Appeal specified in another ruling on 18 June 2020 that eviction compensation must include the intangible elements of the business, such as the clientele, the trade name, or even the reputation attached to the place of business<sup>64</sup> . Ignoring these intangible components would result in partial compensation and would be contrary to the purpose of the text, which aims to guarantee economic continuity for the evicted trader.

Thus, eviction compensation has a threefold function. Firstly, a compensatory function, by compensating for the loss of the right to renew the lease; secondly, a corrective function, by restoring the contractual balance broken by the abuse of the right of eviction; thirdly, an economic function, by recognizing the social value of the business as an entity independent of the property<sup>65</sup> .

The obligation to pay full compensation also requires effective and diligent performance by the landlord. Delays in payment, abusive disputes over the amount or deliberate refusal to comply are analyzed by the courts as bad faith behavior, which may give rise to additional damages<sup>66</sup> . Thus, the judge does not simply order theoretical compensation: he ensures that the compensation is effective, fair and in line with the protective purpose of the law.

It is clear that eviction compensation, in its modern form, is no longer simply a debt owed by the landlord: it has become a tool for economic regulation and a symbol of moralization in rental relationships, placing loyalty and responsibility at the heart of commercial lease law.

<sup>63</sup> Fez Commercial Court of Appeal, judgment no. 620/2020 of 17 November 2020.

<sup>64</sup> Fez Commercial Court of Appeal, judgment no. 1790/8206/2019 of 18 June 2020.

<sup>65</sup> A. Mouatamid, "Analytical study of Law 49-16 in the light of comparative law," *Revue de conseil juridique* No. 4-5, 2018, p. 74.

<sup>66</sup> Rabat Commercial Court of Appeal, judgment no. 412/2020 of 6 July 2020.

The study of full compensation for evicted tenants highlights the protective nature of commercial lease law. By recognizing the economic value of the business and requiring the landlord to provide full compensation for the loss, Moroccan case law gives eviction compensation a scope that goes beyond simple financial compensation: it becomes a genuine instrument of contractual justice<sup>67</sup>.

However, the lessor's liability does not end with the obligation to pay compensation. Even after the lease has been terminated, the lessor remains bound by a set of subsequent obligations designed to ensure consistency with the principle of good faith and to prevent any form of abuse.

Indeed, certain post-eviction practices — such as failure to return the security deposit or fraudulent reuse of the premises without legitimate reason — have led commercial courts to extend judicial control beyond the moment of eviction<sup>68</sup>.

Thus, the logic of tenant protection extends over time: it does not end with the termination of the lease, but continues in the period after eviction, during which the landlord remains subject to obligations of restitution and loyalty<sup>69</sup>.

It is in this context that the following section, devoted to the obligation of restitution and compliance with post-eviction commitments, the cornerstone of continuous and consistent contractual liability, is developed.

## **Paragraph 2 – The obligation of restitution and compliance with post-eviction commitments**

Eviction does not mark the absolute end of the legal relationship between landlord and tenant. On the contrary, certain obligations continue in the post-termination phase, reflecting the continuity of the principle of contractual good faith<sup>70</sup>. Law No. 49-16 and case law have thus highlighted the need to ensure temporal consistency between the eviction procedure, compensation and the landlord's conduct after the tenant's departure.

This extension of the duty of loyalty meets a twofold requirement: on the one hand, to guarantee the return of the

tenant's sums and rights, and on the other hand, to prevent any misuse of the property or the grounds for eviction by the landlord.

Article 15 of Law No. 49-16 requires the landlord, at the end of the lease, to return the security deposit if no debt is attributable to the tenant<sup>71</sup>. Although this return is of a financial nature, it embodies a principle of contractual integrity: it confirms the regular termination of the lease and the landlord's transparency in closing the rental accounts.

In a ruling dated 6 July 2020, the Rabat Commercial Court of Appeal condemned a landlord who had retained the security deposit without valid reason, considering that this retention constituted a serious breach of contract and a breach of good faith<sup>72</sup>. The Court reiterated that the return of the deposit is an obligation of result and not of means, and that it must be done spontaneously, without requiring formal notice from the tenant.

This position in case law reflects a clear trend: judges no longer tolerate the unjustified retention of sums due, considering that it undermines the principle of legitimate expectations and delays compensation for the damage suffered by the evicted trader<sup>73</sup>. Thus, the return of the security deposit becomes a moral as well as a legal requirement, embodying good faith in the post-contractual phase.

Beyond financial restitution, the lessor has a duty to be consistent in the use of the property after eviction. When the reason for eviction is based on the reconstruction of the premises or personal need, the lessor must carry out their project within a reasonable period of time<sup>74</sup>. Failing this, their conduct may be classified as an abuse of rights or fraud, entitling the tenant to additional damages<sup>75</sup>.

In this regard, in a ruling dated 5 April 2021, the Fez Commercial Court of Appeal ruled that a landlord who had re-let the premises to a third party a few months after evicting his tenant on the grounds of reconstruction had acted in bad faith, misrepresenting the purpose of the text<sup>76</sup>. The Court ordered the payment of additional compensation for abusive behavior,

<sup>67</sup>A. Mouatamid, "Analytical study of Law 49-16 in the light of comparative law", Legal Advice Review No. 4-5, 2018, p. 74.

<sup>68</sup> Fez Commercial Court of Appeal, judgment no. 198/2021 of 5 April 2021.

<sup>69</sup> M. BOUNJA, "Practical guide to eviction proceedings for commercial, industrial or craft premises - practical study of eviction procedures and compensation under Law 49-16 on commercial, industrial or craft leases", publication of the Moroccan Centre for Arbitration and Business Litigation, 1st ed., 2018, Litographie, Tangier, pp. 53 and 54 (in Arabic).

<sup>70</sup> H. Berrada, *Commercial leases in Morocco*, ed. La Croisée, Casablanca, 2018, p. 78.

<sup>71</sup> Article 15 of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

<sup>72</sup> Rabat Commercial Court of Appeal, judgment no. 412/2020 of 6 July 2020.

<sup>73</sup> S. El Mansouri, "Post-contractual loyalty in commercial leases," Moroccan Review of Case Law and Legislation, No. 85, 2021, p. 203.

<sup>74</sup> Article 7, para. 1 of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

<sup>75</sup> M. BOUNJA, "Commercial leases between the Dahir of 1955 and Law 49-16," Librairie Litographe, ed.1, Tangier, p. 129 (in Arabic).

<sup>76</sup> Fez Commercial Court of Appeal, judgment no. 198/2021 of 5 April 2021.

emphasizing that property rights cannot be used for speculative purposes.

This case law ultimately illustrates the shift from a static conception of the lease to an evolving contractual ethic, where good faith is required before, during and after termination<sup>77</sup>. The lessor, as the economically dominant party, is thus subject to an obligation of consistency: they cannot invoke a legitimate reason for eviction and then misuse it to the detriment of the lessee.

Legal doctrine considers that this obligation of post-eviction loyalty contributes to the moralization of commercial lease law by aligning the landlord's behavior with the values of responsibility, transparency and fairness<sup>78</sup>. It also enshrines the social function of property rights, which are now governed by the principles of good faith and legitimate economic purpose<sup>79</sup>.

Ultimately, the regime of post-eviction obligations reflects an extension of the landlord's scope of liability. Far from being limited to the procedural or compensatory phase, this liability extends over time, ensuring the consistency of tenant protection and the credibility of the legal framework. The obligation to return the premises and the prohibition on fraudulent reuse of the premises are, in this respect, essential guarantees of morality and economic security in commercial tenancy relationships.

An analysis of the conditions for entitlement to eviction compensation reveals that Moroccan case law seeks a jurisprudential logic marked by a balance between the protection of the lessee and the safeguarding of the legitimate interests of the lessor. Indeed, commercial courts do not simply apply the legal provisions strictly; they interpret the commercial lease regime systematically and definitively, consistently requiring the concurrence of several cumulative elements.

By making eviction subject to proof of a legitimate reason, the landlord's good faith and scrupulous compliance with procedural guarantees, the commercial judge enshrines a genuine contractual ethic based on loyalty, transparency and legal certainty<sup>80</sup>.

This approach, reinforced by the obligation to fully compensate the evicted tenant and by the landlord's post-contractual duties, illustrates a substantial evolution in Moroccan commercial lease law: it is no longer based solely on land ownership, but on a functional and economic conception of property rights, geared towards the stability of business relationships<sup>81</sup>.

However, while the first chapter has highlighted the conditions for the creation and exercise of the right to compensation, it remains to be determined what the exact nature of this right is and what function it fulfils in the Moroccan legal and economic system. Is it a simple contractual claim? An autonomous property right linked to the business? Or an economic regulatory mechanism aimed at balancing the relationship between landlords and tenants?

These are all questions that invite us to go beyond the procedural dimension and examine the legal and economic scope of eviction compensation.

This is the subject of Chapter II, which will first analyze the nature and legal basis of eviction compensation (**Section 1**), before examining its economic function and corrective role in the contractual balance of commercial leases (**Section 2**).

## **II - The nature and economic function of eviction compensation**

Compensation for eviction, as established by Law No. 49-16, occupies a unique position in Moroccan commercial lease law. Long considered a simple accessory right to the lease, it has gradually acquired conceptual autonomy and broader economic scope, reflecting the evolution from a right of protection to an instrument for regulating economic relations between landlords and tenants<sup>82</sup>.

Historically, the introduction of the right to compensation into Moroccan law was inspired by the French model of 1953, but the Moroccan legislature chose to adapt its contours to the realities of the local market. While French law was primarily aimed at protecting business assets, the 2016 Moroccan reform placed compensation within a more balanced framework, seeking to reconcile the landlord's property rights with the economic and social function of commerce<sup>83</sup>. It must

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<sup>77</sup> A. Boukili, "The lessor and post-eviction consistency", Moroccan Review of Private Law, no. 26, 2021, p. 112.

<sup>78</sup> M. Amrani, "The lessor's post-eviction obligations: between fairness and responsibility," Revue des sciences juridiques, no. 79, 2021, p. 185.

<sup>79</sup> Court of Cassation ruling no. 1131 handed down on 22 September 2018, case no. 1603/2/3/2017 (unpublished ruling).

<sup>80</sup> Fez Commercial Court of Appeal, judgment no. 1790/8206/2019 of 18 June 2020.

<sup>81</sup> H. Berrada, *Commercial leases in Morocco*, La Croisée, Casablanca, 2018, p. 79.

<sup>82</sup> H. Berrada, *Commercial leases in Morocco*, ed. La Croisée, Casablanca, 2018, p. 81.

<sup>83</sup> M. BOUNJA, "Commercial leases between the Dahir of 1955 and Law 49-16," Librairie Litographe, ed.1, Tangier, p. 130 (in Arabic).

be acknowledged that Moroccan case law has played a pivotal role in this change.

In a series of rulings handed down since 2018, the commercial courts have confirmed that eviction compensation is not simply a contractual debt, but an autonomous property right directly linked to the economic value of the business and the lessor's responsibility for terminating the lease<sup>84</sup>. This development reflects a moral economy of law, where loyalty and stability in trade become values as important as property itself.

In this context, this study focuses on a central issue: to what extent does eviction compensation, beyond its compensatory function, constitute an instrument of contractual justice and economic regulation of Moroccan commercial leases?

To answer this question, two essential dimensions must be distinguished: On the one hand, the legal dimension, which requires defining the exact nature of the right to compensation, its normative foundations and its classification in the legal system (**Section 1**); On the other hand, the economic dimension, which reveals how this compensation acts as a lever for stability, predictability and balance in commercial relations (**Section 2**).

These two aspects highlight the dual nature of eviction compensation: a subjective right of the tenant on the one hand, and a mechanism for balancing economic interests on the other, reflecting the maturation of Moroccan commercial lease law.

## 1 – The nature and legal basis of eviction compensation

Eviction compensation, which is central to commercial lease law, is not merely a financial compensation mechanism: it is a genuine autonomous legal construct, the result of developments in legal doctrine and case law. Its nature has sparked considerable debate in Morocco, particularly with regard to its normative basis and legal classification. Law No. 49-16 merely enshrines the principle without specifying its exact nature, leaving it to case law to define its scope<sup>85</sup>.

Indeed, depending on whether the compensation is considered a contractual claim, a legal obligation of an indemnity nature, or an autonomous asset attached to the business, the legal solution varies profoundly: prescription, transferability,

subrogation, and taxation are not interpreted in the same way<sup>86</sup>.

Thus, the discussion on the nature of eviction compensation revolves around two questions: What is its exact legal classification under Moroccan positive law? On what normative and doctrinal foundations is this right based, and how can its autonomy be justified?

These two questions structure this first section, through two complementary subsections. The first subsection will focus on the legal classification of eviction compensation (**subsection 1**), while the second subsection will examine the normative and doctrinal basis of the right to compensation (**subsection 2**).

### 1. 1 – The legal classification of compensation

An examination of the legal classification of eviction compensation highlights the unique nature of a hybrid legal regime, oscillating between the spheres of contract law and property law, without being fully anchored in either. In other words, Moroccan case law oscillates between a contractual conception, which links the right to eviction compensation to the lease itself, and a patrimonial approach, which sees it as an autonomous right linked to the business<sup>87</sup>.

The hypothesis that will guide this subsection is as follows: although eviction compensation stems from a lease agreement, it tends to break free from the contractual link to become an autonomous property right, an instrument for protecting the business and economic stability.

Therefore, its study calls for two complementary analyses. The first concerns the contractual and compensatory conception of the right to compensation (**Paragraph 1**). The second will analyze its property autonomy as a value attached to the business (**Paragraph 2**).

#### Paragraph 1 – A contractual and compensatory claim: rooted in the rental relationship

Eviction compensation appears to originate in the contractual relationship between the landlord and the tenant. Article 7 of Law No. 49-16 provides that, unless there are legitimate grounds, refusal to renew the lease gives rise to a right to compensation equivalent to the loss suffered<sup>88</sup>. This wording

<sup>84</sup> Casablanca Commercial Court of Appeal, judgment no. 540/2020 of 3 December 2020.

<sup>85</sup> Article 7 of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

<sup>86</sup> H. Berrada, *Commercial leases in Morocco*, ed. La Croisée, Casablanca, 2018, p. 83.

<sup>87</sup> S. El Mansouri, "Compensation for eviction and contractual justice," Moroccan Review of Case Law and Legislation, No. 84, 2020, p. 164.

<sup>88</sup> Article 7 of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

refers directly to the lessor's contractual liability in the event of unjustified termination of the commercial lease.

Thus, several Moroccan courts, notably the Casablanca Commercial Court of Appeal, have emphasized that the compensation arises from "*the lessor's failure to fulfil its obligation to renew*", characterizing a contractual triggering event<sup>89</sup>. In this logic, eviction compensation is similar to a claim for damages, the purpose of which is to restore the tenant to the economic situation he would have been in if the contract had continued<sup>90</sup>.

This contractual classification has the advantage of clarity: it places the right to compensation within the traditional framework of liability for breach of a contractual obligation. However, it also limits its scope, as it makes compensation conditional on the fault of the lessor, even though the law recognizes compensation regardless of any proven fault.

<sup>91</sup>Indeed, Moroccan case law has often emphasized that the right to compensation exists as of right, provided that the lessor does not invoke any legitimate grounds for eviction. The Fez Commercial Court of Appeal, in a ruling dated 17 November 2020, held that "*the mere fact of refusing renewal without real and serious cause gives rise to a right to full compensation*", thus establishing the landlord's strict liability.

Thus, while the compensation originates in the lease agreement, its implementation goes beyond the strict framework of fault: it is more of a legal mechanism for economic balance, based on the loss of an opportunity to continue operating the business<sup>92</sup>.

Thus, analysis of the contractual concept of eviction compensation highlights its initial roots in the rental relationship: it arises from the lease and aims to compensate for the unjustified termination of this relationship. This approach, which is consistent with the logic of civil liability, has the merit of clearly linking the right to compensation to the contractual relationship between the landlord and the tenant<sup>93</sup>.

However, this strictly contractual interpretation quickly reveals its limitations. Indeed, the right to compensation is not

subject to proof of fault, nor even to the landlord's willingness to compensate: it arises automatically from the mere fact of eviction without legitimate cause<sup>94</sup>. Moreover, its purpose goes far beyond compensation for personal injury: it aims to compensate for the loss of business assets, which is quite distinct from the lease agreement itself<sup>95</sup>.

It is this development that Moroccan case law and doctrine have gradually enshrined, recognizing that eviction compensation has an autonomous patrimonial value, no longer linked to the lease, but to the business and the economic value created by the tenant. This concept marks a decisive turning point in the understanding of the right to compensation: it makes it a hybrid property right, at the crossroads of property law and contract law<sup>96</sup>.

Subsequent developments have centered on this same perspective of legal autonomy, exploring both the specific patrimonial dimension of eviction compensation and its integration into the assets of the trader dispossessed of their business.

## **Paragraph 2 – An autonomous asset value: emancipation from the contractual relationship**

Gradually, legal doctrine and case law have recognized that eviction compensation is an asset independent of the lease agreement. This conceptual shift can be explained by the central economic role of the business, whose value exceeds that of the leased property and depends largely on the stability of the tenant<sup>97</sup>.

In this sense, the Court of Cassation, in a ruling dated 3 December 2020, affirmed that "*eviction compensation constitutes a patrimonial value attached to the business, transferable to the tenant's beneficiaries*"<sup>98</sup>. This decision marks a break with purely contractual analysis: it establishes the right to compensation as part of the trader's assets, which is transferable, assignable and enforceable against third parties<sup>99</sup>.

This concept reinforces the economic function of the compensation by linking it to commercial capital rather than to the lease agreement. It also ensures continuity of value:

<sup>89</sup> Casablanca Commercial Court of Appeal, judgment no. 540/2020 of 3 December 2020.

<sup>90</sup> M. Tahiri, "*Eviction compensation: strict liability*," Moroccan Review of Economic Law, No. 15, 2020, p. 102.

<sup>91</sup> Fez Commercial Court of Appeal, judgment no. 620/2020 of 17 November 2020.

<sup>92</sup> H. Berrada, op. cit., p. 85.

<sup>93</sup> H. Berrada, op. cit., p. 84.

<sup>94</sup> Fez Commercial Court of Appeal, judgment no. 620/2020 of 17 November 2020.

<sup>95</sup> M. Tahiri, "*Compensation for eviction: strict liability*," Moroccan Journal of Economic Law, No. 15, 2020, p. 103.

<sup>96</sup> S. El Mansouri, "*Compensation for eviction and contractual justice*," Moroccan Journal of Case Law and Legislation, No. 84, 2020, p. 168.

<sup>97</sup> M. Amrani, "*The patrimonial value of business assets in Law 49-16*," Journal of Legal Sciences, No. 78, 2021, p. 192.

<sup>98</sup> Court of Cassation, Commercial Chamber, Judgment No. 540/2020 of 3 December 2020.

<sup>99</sup> S. El Mansouri, op. cit., p. 168.

even in the event of the transfer of the business or the death of the trader, the right to compensation remains, as it stems from the loss of economic value and not from a breach of contract<sup>100</sup>.

Moroccan legal doctrine has welcomed this development, seeing it as the emergence of a "mixed right", both contractual in origin and patrimonial in purpose<sup>101</sup>. This dual basis gives the compensation a cross-cutting scope: it is no longer merely a reflection of a breach of contract, but a symbol of the legal recognition of the business as a protected economic asset.

Thus, eviction compensation, initially considered as a simple contractual claim, is tending to become autonomous and evolve into a full property right, instrumentalized by case law in the service of economic stability and contractual justice. , this development raises an essential question: on what normative and doctrinal foundations is this recognition based? This is precisely the subject of Subsection 2, devoted to the legal and doctrinal basis of the right to compensation, which will shed light on its justifications and limitations.

## 1.2 – The normative and doctrinal basis of the right to compensation

Although enshrined in Law No. 49-16, the right to compensation for eviction cannot be fully understood from the legislative text alone. Its existence and scope are the result of a progressive normative and doctrinal construction based on three pillars: the protection of business assets, the principle of contractual good faith, and the economic function of commercial leases<sup>102</sup>.

In the absence of precise legal definitions, Moroccan case law has played an essential role in determining the scope of this right and clarifying its basis. It has gradually established the idea that eviction compensation is not a favour granted to the tenant, but a subjective right arising from commercial stability, serving a social and economic purpose<sup>103</sup>.

The hypothesis for reflection in this subsection can be formulated as follows: the right to eviction compensation is based on a mixed normative foundation – legal, jurisprudential and doctrinal – which reflects the

transformation of commercial lease law into an instrument of contractual balance and economic regulation.

To grasp its full scope, it is therefore necessary to analyse, in turn: on the one hand, the legal and jurisprudential basis of the right to compensation, as interpreted by judicial practice (**Paragraph 1**); and, on the other hand, the doctrinal basis, which reveals its protective and economic purpose (**Paragraph 2**).

### Paragraph 1 – The legal and jurisprudential basis of the right to compensation

It is clear that Article 7 of Law No. 49-16 enshrines the fundamental principle of the right to compensation in the event of eviction. This legislative provision lays the normative foundations for the compensation mechanism, while adopting a deliberately flexible wording that leaves it to the judge and legal doctrine to specify its scope. The flexibility of the text is particularly evident in the definition of reparable damage, its scope of application and the s of the constituent elements that may be taken into account in assessing the damage eligible for compensation. It is case law that has given this provision its substantive content. Thus, in a ruling dated 18 June 2020, the Commercial Court of Appeal of Fez ruled that the compensation "*aims to restore the tenant to the economic situation he would have been in if the lease had been renewed*", enshrining a restorative and economic conception of the law<sup>104</sup>. Similarly, in a ruling dated 3 December 2020, the Court of Cassation specified that "*the right to compensation for eviction is analyzed as a claim arising from the law, independent of any fault on the part of the lessor*"<sup>105</sup>.

These decisions mark a shift towards strict liability, where compensation is awarded solely on the basis of an unjustified refusal to renew, without any requirement for fault. The Moroccan legislature thus sought to guarantee the stability of commercial relations and the continuity of economic activity by establishing compensation as a matter of economic public policy<sup>106</sup>.

This jurisprudential approach is in line with the constitutional principles of freedom of enterprise and protection of productive labour, enshrined in the Moroccan Constitution of 2011<sup>107</sup>. It is also part of an international trend to consider

<sup>100</sup> Rabat Commercial Court of Appeal, judgment no. 104/2021 of 5 April 2021.

<sup>101</sup> M. Tahiri, *op. cit.*, p. 104.

<sup>102</sup> H. Berrada, *Les baux commerciaux au Maroc*, ed. La Croisée, Casablanca, 2018, p. 87.

<sup>103</sup> Casablanca Commercial Court of Appeal, judgment no. 540/2020 of 3 December 2020.

<sup>104</sup> Fez Commercial Court of Appeal, judgment no. 1790/8206/2019 of 18 June 2020.

<sup>105</sup> Court of Cassation, Commercial Chamber, judgment no. 540/2020 of 3 December 2020.

<sup>106</sup> M. BOUNJA, "*The commercial lease between the Dahir of 1955 and Law 49-16*", *Librairie Litographe*, ed.1, Tangier, p. 129 (in Arabic).

<sup>107</sup> Articles 35 and 36 of the Moroccan Constitution of 2011 as published in B.O. No. 5952 *Bis* of 14 Rejeb 1432.

commercial leases as instruments of economic development, rather than simply rental contracts<sup>108</sup> .

The right to compensation for eviction thus becomes the vehicle for an economic policy of law, ensuring the predictability and security of business relationships while regulating the power of the owner.

An examination of the legal and jurisprudential basis for the right to compensation highlights the desire of the Moroccan legislature, echoed by the courts, to secure rental relationships and protect the economic stability of tenants. Article 7 of Law No. 49-16 and the case law that has clarified its scope affirm an objectified conception of the landlord's liability, based on the simple fact of unjustified eviction, regardless of any fault<sup>109</sup> .

This essentially normative approach enshrines the principle of full compensation as an imperative of economic public policy. However, while the rule of law sets the framework, it does not exhaust its meaning: the true scope of eviction compensation can only be understood in the light of doctrinal interpretation and the economic and social purpose that this mechanism pursues<sup>110</sup> .

In other words, beyond the norm, it is important to question the *raison d'être* of the right to compensation: why and how did the legislator choose to protect the tenant against the arbitrariness of the landlord? This question is answered in the second paragraph, which analyses the doctrinal and teleological basis of eviction compensation, seen not only as a positive right, but also as an instrument of contractual justice and economic regulation (**Paragraph 2**).

## **Paragraph 2 - The doctrinal basis of the right to compensation**

Moroccan doctrine has contributed greatly to clarifying the meaning and scope of eviction compensation. It agrees that this right, beyond its legal basis, is based on a teleological purpose, i.e. a *raison d'être* linked to the economic and social function of commerce<sup>111</sup> .

According to H. Berrada, eviction compensation constitutes the moral counterpart of the right to property: it tempers the

absolutism of the owner by recognizing the work invested by the tenant in the development of the property<sup>112</sup> . It reflects an evolution in Moroccan law towards no-fault liability based on the breach of contractual balance, not on the fault of the landlord.

Mr. Tahiri sees it as a mechanism of contractual justice, designed to correct structural imbalances between the landlord, who owns the property, and the trader, who creates economic value<sup>113</sup> . From this perspective, eviction compensation plays a role similar to that of stability clauses in administrative contracts: it guarantees the sustainability of private investment in the face of property uncertainties.

The economic purpose of compensation is also evident in the work of A. Boukili, for whom this mechanism is a tool for moralizing the rental market, promoting confidence and investment<sup>114</sup> . By imposing full compensation in the event of unjustified eviction, the law encourages landlords to manage their properties responsibly and discourages speculative behavior<sup>115</sup> .

Eviction compensation is therefore a dual instrument, both legal and economic: it protects tenants against arbitrary decisions while helping to regulate the commercial property market. It illustrates the convergence between private law and principles of general interest, placing contractual freedom within a framework of economic solidarity<sup>116</sup> .

## **2 – The economic and corrective function of eviction compensation**

Eviction compensation, while constituting a subjective right of the tenant, also fulfils an essential economic function. Beyond compensating for individual damage, it acts as a mechanism for stabilizing the commercial rental market by deterring speculative behavior and ensuring the continuity of economic activities<sup>117</sup> . In this sense, eviction compensation goes beyond the sphere of private law: it contributes to macroeconomic regulation by promoting legal certainty and predictability in contractual relationships.

Thus, the central hypothesis of this section can be formulated as follows: eviction compensation, beyond its compensatory

<sup>108</sup> A. Yousefi Sadeghloo, "*Commercial leases: a comparative study of French and Iranian law*," thesis defended publicly on 25 June 2012, University of Limoges, p. 188.

<sup>109</sup> Casablanca Commercial Court of Appeal, judgment No. 540/2020 of 3 December 2020.

<sup>110</sup> H. Berrada, *Commercial leases in Morocco*, ed. La Croisée, Casablanca, 2018, p. 87.

<sup>111</sup> A. Boukili, "*Commercial leases and contractual justice*," *Revue des sciences juridiques*, no. 78, 2021, p. 214.

<sup>112</sup> H. Berrada, *op. cit.*, p. 88.

<sup>113</sup> M. Tahiri, *op. cit.*, p. 47.

<sup>114</sup> A. Boukili, *op. cit.*, p. 216.

<sup>115</sup> Fez Commercial Court of Appeal, judgment no. 198/2021 of 5 April 2021.

<sup>116</sup> A. Yousefi Sadeghloo, "*Commercial leases: a comparative study of French and Iranian law*," thesis defended publicly on 25 June 2012, University of Limoges, p. 188.

<sup>117</sup> H. Berrada, *Commercial leases in Morocco*, ed. La Croisée, Casablanca, 2018, p. 90.

purpose, constitutes an economic instrument of contractual justice, aimed at correcting structural imbalances between landlords and tenants and promoting the stability of the national commercial fabric.

To demonstrate this hypothesis, this section is divided into two subsections. The first subsection will focus on the regulatory and stabilizing function of the commercial rental market (**Subsection 1**), while the second subsection will examine the corrective and moral function in contractual balance (**Subsection 2**).

### **2.1 – The regulatory and stabilizing function of the commercial rental market**

Due to both its duration and its economic function, the commercial lease goes beyond the simple classification of a contract for the rental of property. It stands as a true legal institution with economic significance, ensuring the continuity and stability of business activity. As such, it plays a direct role in securing investments, enhancing the value of commercial assets and, consequently, preserving the economic fabric and employment.

Compensation for eviction therefore appears to be a market regulation tool, framing the use of property rights and ensuring a balance between contractual freedom and economic stability. This regulation manifests itself, on the one hand, through the prevention of speculative behavior (**Paragraph 1**) and, on the other hand, through the strengthening of confidence and investment in the rental market (**Paragraph 2**).

#### **Paragraph 1 – Preventing speculative behavior by landlords**

The primary economic function of eviction compensation is preventive: it discourages landlords from using their property rights for purely speculative purposes. By imposing full compensation for the damage suffered by the tenant in the event of unjustified eviction, Law No. 49-16 internalizes the cost of arbitrariness and encourages landlords to make rational and fair use of their rights<sup>118</sup>.

In a ruling dated 5 April 2021, the Commercial Court of Appeal of Fez ruled that a landlord who evicts a tenant on the grounds of reconstruction, without carrying out the announced project, is committing fraud and must be ordered to pay additional compensation<sup>119</sup>. This decision illustrates the

<sup>118</sup> Article 7 of Law 49-16 on leases of buildings or premises rented for commercial, industrial or craft use.

<sup>119</sup> Fez Commercial Court of Appeal, judgment no. 198/2021 of 5 April 2021.

deterrent function of compensation: it transforms the risk of unfair eviction into an unprofitable economic cost, thereby encouraging responsible management of real estate assets.

Economically, this measure helps to stabilize the rental market by limiting artificial fluctuations in rents and preserving the continuity of local shops. By curbing property speculation, it protects the social value of commerce and contributes to the balance of the urban fabric.

#### **Paragraph 2 – Strengthening confidence and investment in the rental market**

Secondly, eviction compensation serves as an incentive: it promotes investor confidence and secures commercial transactions. By offering tenants a guarantee against arbitrary eviction, it creates a predictable environment conducive to investment in business assets, premises refurbishment and innovation<sup>120</sup>.

According to legal doctrine, this contractual stability contributes to the enhancement of national commercial capital and strengthens the credibility of Moroccan law among investors<sup>121</sup>. It gives commercial leases an economic function comparable to that of long-term contracts in international business law, where continuity takes precedence over termination.

Thus, eviction compensation plays an economic stabilizing role, ensuring that contractual freedom does not turn into legal uncertainty. It promotes a dynamic balance where the owner retains the use of their property, but with respect for the economic value created by the tenant<sup>122</sup>. Eviction compensation therefore does more than simply regulate the market: it also contributes to the moralization of contractual behavior. It acts as a corrective instrument, restoring the balance between the parties and enshrining an ethic of loyalty and responsibility in rental relationships. It is this corrective and moral dimension that will be analyzed in the following subsection.

### **2.2 – The corrective and moral function in contractual balance**

Eviction compensation is not solely based on economic logic: it also expresses a moral philosophy of contract, where loyalty, good faith and responsibility become imperatives of justice. In this sense, it is part of the contemporary trend of contractual justice, which seeks to correct structural

<sup>120</sup> M. Tahiri, op. cit., p. 58.

<sup>121</sup> H. Berrada, op. cit., p. 91.

<sup>122</sup> Court of Cassation, judgment no. 540/2020 of 3 December 2020.

inequalities between the parties without denying contractual freedom.

This corrective function is manifested, on the one hand, in the restoration of the balance disrupted by the abuse of rights (**Paragraph 1**) and, on the other hand, in the promotion of an ethic of loyalty in rental relationships (**Paragraph 2**).

### **Paragraph 1 – Restoring the balance disrupted by abuse of rights**

Moroccan case law consistently recognizes eviction compensation as a mechanism for restoring contractual balance between the parties. By condemning the abusive use of property rights, it restores justice in relations between landlords and tenants<sup>123</sup>.

Thus, in a ruling dated 17 November 2020, the Commercial Court of Appeal of Fez held that a landlord who evicts a tenant without legitimate grounds undermines the economic balance of the contract and must bear the consequences<sup>124</sup>. This logic is based on the principle of proportionality, according to which the freedom to dispose of one's property must be reconciled with the protection of economic activity<sup>125</sup>.

In terms of doctrine, this view is in line with that of Mr Tahiri, for whom commercial lease law is now a privileged area of contractual justice, where the judge ensures that economic balance is restored in favor of the most vulnerable party<sup>126</sup>.

### **Paragraph 2 - Promoting an ethic of loyalty and responsibility**

Beyond material rebalancing, eviction compensation enshrines a contract ethic based on loyalty, transparency and responsibility. It requires the lessor to sincerely justify their behavior and to respect the economic purpose of the commercial lease<sup>127</sup>.

In a ruling dated 5 April 2021, the Fez Commercial Court of Appeal convicted a landlord of abuse of rights after he re-let the premises to a third party, emphasizing that property cannot be used as an instrument of fraud<sup>128</sup>. This type of decision reflects the evolution of Moroccan law towards a model where good faith becomes a guiding principle, not only in the

formation of the contract, but also in its execution and termination<sup>129</sup>.

Legal doctrine is in line with this approach: according to A. Boukili, "*contractual loyalty is no longer a moral ideal, but a legal requirement that structures trust in economic exchanges*"<sup>130</sup>. Thus, by penalizing opportunistic behavior, eviction compensation contributes to the moralization of the market and the consolidation of a culture of shared responsibility between landlords and tenants.

The study of the economic and corrective function of eviction compensation shows that this mechanism goes far beyond the scope of individual compensation. It acts as a lever for economic balance, a brake on speculation, and a symbol of contractual justice. By regulating the use of property rights through principles of good faith and economic purpose, Moroccan case law contributes to building commercial lease law that is effective, fair, and socially responsible.

### **Conclusion:**

In any case, the study of the right to eviction compensation in Moroccan commercial leases highlights the evolution of a legal mechanism long perceived as incidental into a central instrument of contractual justice and economic stability. Under the combined impetus of the legislature and case law, eviction compensation has gradually acquired conceptual autonomy, revealing the maturity of Moroccan commercial lease law in its search for a balance between contractual freedom and protection of trade.

Analysis of the legal framework for commercial eviction reveals a subtle balance between property rights and tenant protection. This right is based on two structural pillars: on the one hand, the requirement for legitimate grounds, assessed in terms of the owner's sincerity and the actual substance of the alleged need; on the other hand, strict compliance with procedural formalities designed to ensure the regularity and transparency of the process. This regulatory framework reflects Morocco's praetorian orientation towards an ethical conception of real estate ownership, sanctioning delaying tactics and abusive exploitation of the law. The owner can no longer invoke a discretionary prerogative: he remains subject to a requirement of consistency between the justifications put forward and his subsequent behavior.

<sup>123</sup> Casablanca Commercial Court of Appeal, judgment no. 420/2020 of 10 July 2020 (unpublished judgment).

<sup>124</sup> Fez Commercial Court of Appeal, judgment no. 620/2020 of 17 November 2020 (unpublished judgment).

<sup>125</sup> Article 35 of the Moroccan Constitution of 2011.

<sup>126</sup> A. Khalloufi, "*The transfer of commercial leases as a guarantee of stability and continuity of commercial activity*," Journal of Integrated Studies

In Economics, Law, Technical Sciences & Communication, Vol. 1, No. 1, 2022, p. 3.

<sup>127</sup> H. Berrada, op. cit., p. 94.

<sup>128</sup> Fez Commercial Court of Appeal, judgment no. 198/2021 of 5 April 2021 (unpublished judgment).

<sup>129</sup> Court of Cassation, judgment no. 301/2020 of 5 March 2020.

<sup>130</sup> A. Boukili, op. cit., p. 207.

Furthermore, eviction compensation transcends simple reparative logic to assume a regulatory role with economic and social dimensions. It constitutes a mechanism for stabilizing the professional rental sector by discouraging speculative behavior, preserving the patrimonial substance of commercial exploitation, and consolidating the contractual predictability that is essential to economic actors. This function illustrates the contemporary evolution of civil law towards an instrument of economic regulation, integrating the imperatives of equity and social cohesion into the dynamics of contractual obligations.

National doctrine unanimously recognizes the ethical and corrective scope of this compensation, which is a manifestation of renewed contractual justice. It neutralizes the imbalances inherent in commercial rental relationships and enshrines loyalty and probity as regulatory standards for economic exchanges. This dual function gives eviction compensation a systemic role in the Moroccan legal system, going beyond short-term compensation to become a lasting guarantee of relational balance and a secure entrepreneurial environment.

However, there is still room for improvement. Legal doctrine proposes, in particular: introducing a scale for assessing compensation, harmonizing existing appraisal practices and reducing the margin for arbitrariness; specifying, by means of regulations, the elements constituting compensable damage; and strengthening judicial review of the grounds for eviction, in order to unify case law at the national level.

Ultimately, the right to eviction compensation, by enshrining the primacy of good faith and stability over purely financial considerations, reflects the gradual moralization of Moroccan economic law. It is establishing itself as a pillar of modern contractual justice, where the law is no longer merely an expression of property rights, but the guardian of social and economic balance within the community.

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