

RÉPUBLIQUE DU CAMEROUN

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REPUBLIC OF CAMEROON

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A Guide to Investors





Vers un nouvel envol





H.E. Paul BIYA
President of the Republic of Cameroon

...Since 2009, the Cameroun Business Forum has effectively been a government venue for dialogue between the public and private sectors. It is an appropriate framework for identifying and monitoring the implementation of reforms aimed at continuously improving the business environment. The reforms undertaken within this context have eased the creation of enterprises, settlement of invoices, tax exemptions, implementation of business contracts, promotion and protection of investments, and the development of cross-border trade..."

*Extract from the Head of State's speech
in Istanbul, March 2013.*

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GENERAL INFORMATION

Geographical location

Cameroon is a Central African country located in the Gulf of Guinea, between 2° to 13° North latitude and 8° to 16° East longitude. The country covers a surface area of 475,650 sq km. Cameroon has a triangular shape and stretches over 1200 km from South to Lake Chad, 800 km from West to east. The country has a 420 km-long sea border in the South-West along the Atlantic Ocean. Cameroon is bounded in the West by Nigeria, in the South by Congo, Gabon, Equatorial Guinea, in the East by the Central African Republic, in the North-East by Chad and lastly in the North by Lake Chad.

Climate, soil and vegetation

The south forest area (Centre, East, Littoral, South and South-West Regions) is located in the maritime and equatorial zone. It is characterized by thick vegetation, a vast water system and a warm and humid climate with heavy rainfall. This area is conducive to the growing of cocoa, oil palm, banana, rubber tree, tobacco, etc.

The high plateaux of the west (West and North-West Regions) which average peaks are above 1,100 m form a region rich in volcanic soils that are conducive to agriculture (coffee, market garden produces, etc.) Here, vegetation is less dense as compared to the southern forest block, and its cold climate is favourable to the development of various other activities. Moreover, the high population density as compared to the national average makes of this region one of the most important emigration areas. The Northern Sudano Sahelian region (Adamawa, North and Far

North Regions) is comprised of savannas and steppes. Apart from the Adamawa plateau where the climate is more temperate, the rest of this region is characterized by a warm and dry tropical climate with low rainfall as one gets closer to Lake Chad. This region is suitable for livestock farming and growing of cotton, onion, millet, potato, white yam and groundnut.

Population and urbanization

Cameroon's population is characterized by its soaring nature, its extreme youthfulness and rapid urbanization trends. According to the findings of the 3rd General Population and Housing Census (GPHC), Cameroon's population was estimated at 19,406,100 inhabitants as at 1st January 2010. This figure moved from 10,493,655 in 1987 to 17,463,836 in 2005 which represents an annual growth rate of 2.8 per cent over the period 1987-2005 and 2.6 per cent over the period 2005-2010. These figures are proof of the high human potential of the country. Should these high demographic trends be maintained, Cameroon's population will stand at 21.9 million inhabitants as at 1st January 2015. And the figure might double by 2037.

The distribution of the population by sex shows that there are more women than men. As a matter of fact, in 2010, the sex ratio was 98.0 men for 100 women. This ratio has gradually improved, moving from 97.2 in 1987 to 97.7 in 2005. With regard to the population age-structure, Cameroon's population is extremely young. In 2010, the median age of the population was 17.7 years while the average age was 22.1 years. Persons

under 15 and 25 years of age represent 43.6 per cent and 64.2 per cent of the total population respectively. However, elderly people (60 years and above) represent 5 per cent of the total population.

One of the striking facts about Cameroon's population is its rapid urbanization. Indeed, the urbanization rate which stood at 37.9 per cent in

1987 rose to 48.8 per cent in 2005, and 52.0 per cent in 2010, owing to the high concentration of people in the Littoral (Douala economic capital) and centre (Yaounde, political city) Regions. As a matter of fact, in 2010, urbanization rates in these Regions stood at 96.1 per cent and 74.8 per cent respectively whereas no other region has a level of urbanization above the national average.

2 - CAMEROON'S ECONOMY

Cameroon is "Africa in miniature", a country with an amazing natural, economic and cultural diversity. It has a maritime border which opens out into the Atlantic Ocean and provides access to the sub-regional market, including Nigeria, Sudan and the DRC. Its economic fabric is based on a wide variety of resources, including:

▣ Agriculture: the agricultural potential is very rich and diversified owing to the variety of climates and soils. Arable land accounts for nearly 85 per cent of the overall surface area of the country but only 20 per cent is currently exploited. Agricultural production ranges from food crops to cash crops: Banana, cotton, cocoa (4th largest producer), coffee, tea, sugar cane, natural rubber, cereals, fruits and vegetables, tubers, etc. Agriculture accounts for 27 per cent of Cameroon's GDP and 21 per cent of exports ;

▣ The Northern part of Cameroon is an area where animal husbandry is highly developed and is located at the crossroads of Nigerian markets and part of CEMAC. The North-West Region is particularly suitable for cattle rearing and milk production. Local processing of animal, dairy and poultry produce is a real opportunity available for any potential investor. The vast grazing areas in the North are an appropriate environment for intensive rearing, a source of raw material for canning industry;

▣ Forestry, with one of the largest forest block in the Congo basin. Forests cover 40 per cent of

the national territory, representing 22.5 million hectares with 17 million exploitable. There are approximately 300 exploitable species with about sixty species only exploited. The forest law in force encourages the processing of logs before exportation.

▣ Whether large-scale or small-scale, fishing presents very bright prospects thanks to the 360 km of coasts, the 13,062 sq km continental shelf, and the Bakassi peninsula which is believed to contain a wealth of fish. All these opportunities lead to the creation of several other activities downstream notably processing and commercialization which are to be promoted;

▣ Rich wildlife and flora, a diversified and original culture conducive to the development of the tourism industry, a generator of foreign currencies;

▣ Cameroon is endowed with a variety of mineral resources most of which are unexploited. Iron ore reserves are estimated at close to 550 million tonnes (4th largest reserve in the world and 2nd largest in Africa). Bauxite reserves are

more than one billion tonnes with aluminium content of at least 40 per cent (5th or 6th largest reserve of this mineral resource in the world). Cobalt and nickel reserves are estimated at more than 52 million tonnes (they are among the largest deposits in the world). Rutile reserves are estimated at close to 3 million tonnes. Cameroon has the second largest deposit after Sierra Leone;

▣ Besides oil which is Cameroon's main mining product with the exploration of new deposits quite in progress, Cameroon's gas reserves are estimated at more than 116 billion cubic meters. The reserves that have been discovered but not yet exploited on the country's coast are estimated at 105 billion cubic meters;

▣ In terms of energy, Cameroon has the second largest hydroelectric potential in Africa thanks to its valuable hydraulic network. The current production is estimated at 4,256 GWH. Projects for the construction of new hydroelectric dams and development of new forms of energy, notably renewable energies are in the pipeline. These projects include: construction of the Kribi gas-fired plant (330 MW), construction of the Limbe gas-fired plant (400 MW), the Memve'ele hydroelectric project on river Ntem (201 MW) and the Lom Pangar storage dam;

▣ Cameroon has a dense road network that stretches over the territory; it represents about 50,000 km with 25,000 km classified as priority network (4,519 km tarred) on the basis of the economic profitability and regional integration criteria. Many projects are underway to link Cameroon with its neighbouring countries. Concer-

ning railway infrastructures, the Northern part of the country and the South are linked by an 884 km-long railway. Cameroon has four seaports with two under construction (Kribi and Limbe deep sea ports). The Port Authority of Douala also serves the Central African Republic and Chad. As concerns airports, Cameroon has three international airports (Yaounde, Douala and Garoua) and secondary airports for domestic flights.

▣ As regards telecommunications, Cameroon has a dense network comprising two international transit exchange centres. Three companies, including one land line operator share the mobile market of more than 5.5 million phone subscribers nationwide. Activities in the telephony sector are on an upward trend as a result of the modernisation of infrastructure, extension of the geographical coverage, gradual installation of the optic fibre, densification of the mobile and land line networks, improvement in the quality of services and provision of new and more attractive packages;

▣ Thanks to its social, cultural and ecological diversity, and its bilingualism (English and French) Cameroon has great tourist assets that makes it "The whole Africa in a single country". There are various forms of tourism, including (i) beach tourism, (ii) photographic safaris, (iii) cultural tourism, (iv) mountain tourism, (v) ecotourism and (vi) business tourism;

▣ The industry, a real potential lever of the growth policy is endowed with a rich sub-soil, adequate water system, skilled and abundant workforce, openness to the sea and a sub-regional market estimated at about 200 million consumers including Nigeria.

Four important development factors account for all these comparative assets, notably:

▣ A macro-economic stability backed up by a 4.5 per cent GDP growth, controlled inflation around 2 per cent, adjusted public finance and a stock exchange, the function of which is to fund invest-

ments at a competitive rate;

▣ Political stability and social peace which reduce uncertainties and country-risk in the business environment;

□ Legal and judicial security strengthened by its status of member State of the Treaty on the Harmonization of Business Law in Africa (OHADA) signed in Port-Louis, Senegal on 17 October 1993 and which seeks to modernize and harmonize business law in 15 member States and promote arbitration as a rapid and subtle tool for the settlement of trade related disputes;

□ A population estimated at about 19.5 million inhabitants with 43 per cent of youths under 15

years of age, and 54 per cent of working age. Higher education comprises eight (08) State Universities and private universities which produce skilled and multidisciplinary manpower. A University Free Zone was established in 2008 with the purpose of improving skills in an optimum manner through the production, dissemination and utilisation of knowledge, innovation and technology. This Free Zone also helps to bring universities and industries closer, and also contributes to business creation.

Cameroon is a good bet for investment in a continent that is prey to recurrent cases of violence. Political stability, social peace and the confidence of international financial institutions, the improvement of the business climate, with a rising economic growth as a backdrop (5.2 per cent in 2012), are the guarantees and comparative advantages which our country offers to potential investors. In addition, in terms of languages, the bilingual nature of the country is another valuable asset. English and French are the official languages spoken by 30 per cent and 70 per cent of the population respectively. Many city dwellers are also well-versed in Spanish and German. In terms of religion, Cameroon is a secular State. Two main religions in the country include: Christianity and Islam. The practice of animism is also widespread among populations.

2.2. Recent trends

The economic upturn witnessed in the aftermath of the financial crises of the years 2008-2009s continued in 2011 and 2012. The growth rate for 2013 is estimated at 5.2 per cent against 4.1 per cent in 2011 owing to a pick up in oil production, and mainly to the positive effects of the launch of major infrastructure projects, buoyancy of sub-sectors such as agriculture, food industries, construction industry, transport and telecommunications. This trend will continue with a 6 per cent growth in 2013 and 6.9 per cent on average over the period 2014-2017.

Programmes for the revival of cocoa production (initiated since 2006) and restructuring of the

cotton sub-sector (establishment of a price support fund) led to an increase in agricultural production for exports. Moreover, food crop production is still sustained by national and sub-regional demand. However, there has been a slowdown in logging activities due to the effects of the crisis in Europe. Overall, the primary sector should record a 4.1 per cent growth, representing one point gained as compared to 2011. The industrial sector is boosted by the extra demand associated with the implementation of major projects. In particular, the construction, cement and brewery sectors, as well as the equipment and light construction material industries have recorded substantial gains in terms of activities. Besides, the setting of the Kribi gas-fired plant operational as from 2013 will enable com-

panies to maximize their production capacity notably in the metal industry. The secondary sector is expected to record a 4.9 per cent growth representing more than 3 points as compared to 2011.

GDP's expenses are sustained by domestic demand which is benefiting from the upturn in investments derived from the implementation of major infrastructural projects. The deterioration of the terms of trade resulting from the decline in commodity prices and the increase in the import of capital goods needed to carry on with the implementation of major projects account for the negative contribution of foreign demand to growth achievements. Moreover, the upturn in oil production and other raw materials, added to the gradual fall in the import of capital goods due to the completion of the launching phase of the major structuring projects will help reverse this trend.

Steady actions geared towards price stabilization and market supply, as well as support to food production have helped maintain the inflation rate below 6.0 per cent which is the threshold of the CEMAC multilateral surveillance criteria.

The economic upturn presented above, the enhancing of the effectiveness of tax authorities and the maintaining of oil prices at high levels (above 100 dollar per barrel) have helped to improve on the mobilization of domestic revenue from 16.6 per cent of the GDP in 2010 to 17.6 per cent in 2012. The steady control of current expenditure has helped to generate budget margins to support the implementation of major investment projects. Thus, capital expenditure ratio, as compared to the GDP, rose from 5.6 per cent in 2011 to 5.8 per cent in 2012. Similarly, in percentage of total expenditure, investment expenditure gained 2.9 points to stand at 31 per cent.

3. MEASURES AND GENERAL CONDITIONS

An incentive mechanism has been established to encourage economic activities in the areas of business start-up and closure, business litigation, settling of disputes and taxes, and support infrastructure.

3.1. Business start-up and closure

The measures taken by Cameroonian authorities to encourage business start-up include:

- ▣ Reduction of publication deadlines and advertising costs;
- ▣ Institution of a three-month period for the registration of lease contract;
- ▣ Institution of an honour-bound declaration (in lieu of the certificate of non conviction);
- ▣ Establishment of five Business Creation Formality Centres (CFCE);

- ▣ Preparation of a User's Guide and a Manual on CFCE procedures;
- ▣ 72 hours deadline for the processing of any files at the CFCE;
- ▣ Suppression of the single life certificate, the proof of residence and the certified copy of National ID card or birth certificate;

3.2. Business litigation, cross-border trade, unfair competition and fight against smuggling

Actions undertaken in these areas include:

- ▣ Setting up of special trade benches within courts of instance;
- ▣ Adoption of a law on mediation and awareness raising among economic operators on the revised instruments of OHADA;
- ▣ Enactment of laws:
 - ▣ No2010/021 of 21 December 2010 to govern e-trade in Cameroon;
 - ▣ No2010/013 13 December 2010 to govern e-communications in Cameroon;
 - ▣ No2010/012 of 21 December 2010 pertaining to cyber-security and cyber-crime in Cameroon;
- ▣ Affixing of secure labels on some manufactured products;
- ▣ Reducing of road checks.

3.3. Support infrastructure and procedures for clearing goods at the port authority of Douala

Within the framework of the Major Accomplishments programme aligned to the Growth and Employment Strategy Paper (GESP, the following actions were carried out:

- ▣ Special disbursement of CFA F 100 billion for the rehabilitation and extension of the road network for nine major projects;
- ▣ Take-off of construction works on the Memve'ele, Mekim and Lom Pangar dams;
- ▣ Construction of a deep sea port in Kribi (industrial and port complex);
- ▣ Validation of the national railway master plan;
- ▣ Extension of the optic fibre in major cities (kick-started in Douala in December 2011);
- ▣ Construction of four 100 MWA thermal power stations;
- ▣ Reduction, from 20 to 13 days, of the deadline for clearance of goods at the Port Authority of Douala;
- ▣ Establishment of a One-Stop-Shop;
- ▣ Establishment of a mechanism for the monitoring of the Nexus Plus system through the Global

Positioning System (GPS) for bonded goods;

- ▣ Installation of a scanner at the Port of Douala;
- ▣ Computerization of procedures for registration on importers and exporters registry;
- ▣ Popularization of the payment of customs duties by bank transfer;
- ▣ Streamlining of operations for cargos on transit;
- ▣ One-stop-shop for the facilitation of land ownership of transactions for companies;
- ▣ Operationalization of one-stop-shops for the processing of land files in the 10 regions.

3.4. Taxation and funding of enterprises

Several innovations have been introduced in these areas including:

- ▣ The number of tax return forms reduced to 22;
- ▣ A guide for the user of tax services made available;
- ▣ A single return sheet instituted;
- ▣ Online filing of social security contributions to the National Insurance Fund instituted;
- ▣ Permanent nature of the unique ID number adopted;
- ▣ Deeds on the formation, extension and increase of capital registered free of charge;
- ▣ Institution, within Approved Management Centres (CGA), of Associations approved by the Minister in charge of Finance;
- ▣ Introduction of a tax regime for structuring projects and reinvestment (see below);
- ▣ Publication of the joint circular specifying terms and conditions for the implementation of the law on local taxation;
- ▣ Institution of leasing in Cameroon;
- ▣ Establishment of a Deposit and Consignment Fund;
- ▣ Revision of the law on sureties adopted by OHADA;
- ▣ Creation of Cameroon Rural Financial Corporation (CARFIC);
- ▣ Creation of Cameroon SME Bank (BC PME S.A.);
- ▣ Institution of a guarantee fund for SMEs.

4. INVESTMENT INCENTIVE

Cameroon has introduced many fiscal incentive regimes likely to serve as taxation base for the execution of major projects. These regimes are classified in two major groups as follows:

- The group of investment incentive regimes governed by the General Taxation Code and aligned to the Investments Promotion Agency (API). These regimes are closely linked to the finance law of the financial year. Consequently, they are subject to change.
- The Partnership Contracts special regime. This

regime is well known to be stable and specific. Stability here refers to fixed tax, financial and accounting clauses of contracts signed in accordance with law No 2008/009 of 16 July 2008. Peculiarity here lies within the exceptional nature of the tax, financial and accounting regime applicable to partnership contracts.

Group of investment incentive regimes governed by the General Taxation Code and aligned to the Investments Promotion Agency (API)

These incentive regimes include:

- The common regime (application of the General Taxation Code, cf. 2012 Circular Letter);
- Structuring project regime;
- Reinvestment regime;
- Stock exchange regime;
- Strategic corporation regime;
- SMEs regime;
- The basic scheme corporation regime;
- Free zone regime or special industrial zone.



a) Structuring project regime

The structuring project regime is governed by the provisions of the following instruments:

- Decree No2008/2304/PM of 29 July 2008 to specify the terms and conditions for the implementation of the special taxation regime of structuring projects of the General Taxation Code;
- The finance law of the current financial year. It is meant for both new and old enterprises involved in the execution of structuring projects; the main requirements to qualify for this regime are as follows:
 - Invest at least CFA F 5 billion for large corporations and 500 million for small and medium enterprises;
 - Generate many employment opportunities in the following sectors: Agriculture, tourism, energy, low-cost housing, sports, education, health and culture;
 - The duration of investment shall not exceed 5 years.

The main advantages include:

- Accelerated amortization at 1.25 of the normal rate;
- Deficits carried forward over 5 years;
- Exemption from the VAT for some purchases;
- Free registration of deeds for the formation, extension and increase of capital;
- Registration of land transfers at 50,000 CFA francs.

b) Reinvestment regime

The reinvestment regime is essentially applicable to old enterprises; it is governed by the provisions of the Investment Code as well as those pertaining to the General Taxation Code (Article 105 and sub.)

The main conditions include:

- Reinvestment of at least 25 million in the following sectors:
- Agriculture;
- Industry;
- Forestry and social sector;
- Information and communication technologies (ICTs);
- Tourism.

The main advantages include:

- Reduction of corporate tax or personal income tax by 50 per cent of the amount of reinvestments without exceeding half of reported earnings. For ICTs, reduction is 25 per cent of reinvestments without exceeding one quarter of reported earnings.

c) Stock exchange regime

The stock exchange regime is applicable to companies newly listed on the stock exchange; it is governed by the provisions of the 2007 finance law as well as those pertaining to the General Taxation Code (Article 108 and 109) Conditions

are those applicable to stock exchange listing.

The main benefits of this regime include the reduction of corporate tax rates according to the operations listed on the stock market (increase, share transfer, etc.)

d) Strategic corporation regime

The strategic corporation regime is essentially applicable to new companies; it is governed by the provisions of the Investment Code as well as those pertaining to the General Taxation Code. The main conditions include:

- Invest in one of the sectors for the reinvestment regime;
- Plan permanent positions for Cameroonians for every 20 million invested;
- 50 per cent of annual turnover excluding taxes should derive from exports;
- Be included in the industrialization master plan as a strategic company.

In the installation phase, the main benefits include free registration duties and some tax and customs exemptions during the operation phase.

e) SMEs regime

The SMEs regime is applicable to new companies; it is governed by the provisions of the Investment Code as well as those pertaining to the General Taxation Code. The main conditions include:

- Invest at most CFA F 1.5 billion;
- Invest in one of the sectors earmarked for the reinvestment regime;
- Plan employment for Cameroonians for every 5 million invested;

This regime grants many specific benefits mainly exemption from registration duties during the installation phase and several other benefits in the operation phase.

f) The basic scheme corporation regime

The basic scheme corporation regime is applicable to new companies; it is governed by the provisions of the Investment Code as well as those pertaining to the General Taxation Code. The main conditions include:

- ▣ Invest in one of the sectors earmarked for the reinvestment regime;
- ▣ Plan permanent positions for Cameroonians for every 10 million invested;
- ▣ 25 per cent of annual turnover excluding taxes should derive from exports;

This regime grants many specific benefits mainly exemption from registration duties during the installation phase and several other benefits in the operation phase.

g) Free zone regime or special industrial zone

The free zone regime or special industrial zone is mainly applicable to export companies; it is governed by the provisions of the Investment Code as well as those pertaining to the General Taxation Code. The main condition is to engage in a business that is primarily focused on exportation. The main advantages include:

- ▣ Exemption from all import taxes (except private passengers vehicles);
- ▣ Exemption from all customs duties on exports and VAT at 0% rate.

4.2. The Partnership Contracts special regime

This regime is governed by the provisions of law No 2008/009 of 16 July 2008 to lay down the fiscal, financial and accounting regime applicable to partnership contracts; It grants many incentives

according to the advancement level of the project.

a) Taxation during the design-execution phase

- ▣ VAT: Covered by the public partner;
- ▣ Registration: Free of charge for every contract and deed signed;
- ▣ Customs duties: Tax and customs duties covered by the public partner (TEC, VAT on imports, CAC, TCI, CCI, OHADA tax);
- ▣ STA: Equipment imported for temporary use within a project is granted Special Temporary Admission (STA) Regime, with the public partner bearing tax and customs duties corresponding to the stay;
- ▣ Exemption from boarding inspection on request.

b) Taxation during the operation phase

- ▣ CT: 5 per cent rebate as compared to the nominal rate for the first 5 years of operation;
- ▣ Amortization: Accelerated amortization regime for the first 5 years;
- ▣ Registration: Free of charge for all deeds during the first 5 years;
- ▣ Fiscal deficit: Can be successively carried forward until the 5th financial year.

c) Finance regime

- ▣ Integral funding by the private partner;
- ▣ Joint State-private partner funding;
- ▣ Funding by a third party;
- ▣ Joint State-local and regional authorities funding;
- ▣ Joint State-local and regional authorities-private partner funding;
- ▣ Local and regional authorities-private partner funding;
- ▣ Financial terms of management, operation and

return on investment are set out by mutual consent;

- The investment cost is the sole component likely to be subject to an assignment of claim;
- Assignment of the partnership contract is subject to the prior authorization of the Prime Minister, after a substantiated recommendation of the public partner;
- Commitments made by a public body under a partnership contract are subject to an insertion in its budget.

d) Accounting regime

- The private partner can deduct accelerated amortization from its taxable profits;
- The accelerated amortization rate is equal to the normal rate increased by 25 per cent;
- The basis for calculation of amortization is the date of commencement of industrial operations;
- The accelerated amortization regime equally applies in case of carried forward deficit.

4.3. Sector codes

Adoption of several sector codes has materialized government's option to make the private sector the engine of growth. These codes include: the mining code, the oil code, the gas code and the law governing the electricity sector.

a) Mining code: Law No001 of 16 April 2001

Any holder of an exploration permit is granted:

- Temporary admission regime for exploration equipment, as well as professional equipment

required for production, machinery, apparatus, trucks, spare parts;

- Exemption from registration duties relating to mining operations;
- Exemption from the following taxes: Corporate tax, tax on industrial and commercial profits, investment income tax, and special tax on salaries paid abroad.

b) Oil code

With regard to procedures and incentives in the oil sector, the code in force provides for five types of authorizations: (i) Prospecting authorization, (ii) exploration authorization, (iii) temporary exploitation authorization, (iv) exploitation authorization, (v) authorization for domestic transport.

The holder of the oil contract/authorization is exempted from:

- All tax or duty after tax on profits and dividends to shareholders;
- All export taxes and duties by virtue of the activities carried out;
- All direct taxes on the findings of his oil operations, to the profit of the State, LRAs and any public corporate body by virtue of their activities.

Subcontractors of oil companies are exempted from the payment of the special income tax. Products and equipment with a direct link to oil operations other than equipment, material, machines necessary for the conduct of oil operations benefit from a preferential access rate of tax and duties equal to 5 per cent during the first 5 years following the granting of exploitation authorization or renewal of the latter.

c) Gas code

Downstream gas sector comprises activities such as transmission, distribution, processing, storage, import, export and sale of natural gas on the Cameroonian territory. Any national or foreign private body residing in the Republic of Cameroon or any private or public corporate Cameroonian entity without discrimination may carry out an activity throughout the Cameroonian territory in the downstream gas sector subject to the prior authorization in accordance with the law and regulation in force. There are two regimes in the downstream gas sector: The license and authorization regimes. The license regime concerns processing, storage, import and export. The license is granted for a renewable period of 15 years for the processing, and 5 years for storage for import and export. Applications for the granting of licenses are submitted at the Ministry in charge of hydrocarbons or any other duly mandated institution. The procedure for the granting of license is laid down by regulation.

The authorization regime concerns the sale of gas, import and installation of material and equipment earmarked for the kick-off of gas transmission and distribution networks, installation of facilities for gas storage as well as measurement and safety devices to be used by operators and customers, all these activities fall within the authorization regime. The procedure for the granting of authorizations is laid down by regulation and the authorization is granted for a period of 3 years renewable.

Operations in the downstream gas sector keep accounts and records in accordance with

the OHADA act. Holders of concessions, licenses or authorizations benefit from the following advantages: (i) the right to open an account in Cameroon or abroad in local and foreign currencies and to make operations therein; (ii) to cash and freely keep abroad funds acquired or borrowed abroad, and to use them freely; (iii) the right to transfer or freely keep the proceeds of their gas operations, dividends and any other product, invested capital, as well as proceeds from liquidation or termination of their assets; (iv) the right to pay directly abroad non resident suppliers of goods and services required for the conduct of gas operations.

d) Law governing the electricity sector

The Law No2011/022 of 14 December 2011 governing the electricity sector in Cameroon is based on the need to assist in the development of a real heavy industry in the sector by providing an improved legal security together with an appropriate regulation system. This law equally confirms the desire of the Cameroonian Government to develop different forms of energy notably renewable and alternative energies so as to meet the needs of consumers but also to preserve the environment.

It also grants facilities to private operators who will invest in the sector as compensation to the financial risk incurred.

The instrument also provides avenues for exporting excess electricity generated to sub-regional countries.

10 good reasons for investing in Cameroon

- The prevailing singular experience of social peace and political stability in Cameroon makes of the country a real haven of peace in the heart of an Africa continent that is torn by conflicts.
- The role of the State is focused on regulation which restores the vital place of entrepreneurs and investors in the economic system.
- The adoption by the National Assembly, in 2002, of an investment charter in Cameroon effectively puts the national economy on track with competitiveness, and establishes the market economy as mode of organization.
- Abundant natural resources, as well as sites and attractions are ranked among UNESCO heritage.
- An ever rising and diversified economic fabric with a dense network of SMEs-SMIs qualified for subcontracting and co-contracting.
- Streamlined administrative procedures with the establishment of a one-stop-shop for foreign trade operations at the Douala port and at the Investment Code Management Unit.
- A steady growth rate since 2008 that reached 5.2 per cent in 2012.
- Dynamic training institutions which place Cameroon among Sub-Saharan African countries with the highest education rates.
- A young and skilled work force.
- Modern communication and telecommunication infrastructure, including roads, seaports, railways and airports with openings to the sea, to the CEMAC and ECCAS zones, and to Nigeria.



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B.O. 660 Yaoundé – Tel +237 22 22 09 22 Fax : +237 22 23 66 07

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