

INVESTMENT INCENTIVES IN CAMEROON.

PREPARED BY THE
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INVESTMENT INCENTIVES IN CAMEROON.

Cameroon is a bilingual country situated in Central Africa and generally referred to as Africa in miniature. The political capital of Cameroon is Yaoundé, while the economic capital or main business town is Douala. The population of Cameroon is about 19.4 million inhabitants, following results of the Population and Housing Census of November 2005 published on April 12, 2010. The people are very welcoming. English and French are the official languages.

Following the amelioration of most investment procedures by the government and its hospitality and open door policies, any investor coming into Cameroon can do so without any fear of failure. This is essentially because the investment incentives put in place encourage investors to expand or install their companies in Cameroon. This therefore explains why several multinational companies and industries are operating in Cameroon. To this effect, **NICO HALLE & Co. LAW FIRM** is ever ready to give you the necessary guidelines to enjoy Cameroon at its best.

1. THE INVESTMENT CODE.

The Investment Code is governed by Ordinance N° 90/7 of 8 November 1990 and its subsequent amendments. The Code aims at encouraging and promoting investments in Cameroon. It also guarantees free transfer for foreign investors of any proceeds from their invested capital including the funds remaining after liquidation.

Furthermore, companies whose finished or semi-finished products are processed in Cameroon are exempted from export duties, insurance and transportation charges when exporting these products. These companies are also granted export facilities in the form of a deduction from their taxable income.

2. THE FREE ZONE REGIME.

The Free Zone Regime otherwise known as Industrial Free Trade Zones aims at promoting new investments, facilitating export developments and creating new jobs. The Free Trade or Free Zone Regime is to the effect that any investor wishing to invest in Cameroon is exempted from custom duties and from paying taxes for a period of 10 years if that investor decides to trade under this regime. Furthermore, Industrial Free Zone companies are free to undertake any kind of industrial and commercial activity as well as render any kind of services there with.

A company seeking establishment within an Industrial Free Zone must submit a complete application to the National Office for Industrial Free Zone (NOIFZ) which shall be later forwarded to the Ministry of Commercial and Industrial Development assuring that the products to be manufactured are legal. A certificate of compliance is granted or rejected within 30 days by the Minister. If after these days there is no response, then a Certificate of Compliance is presumed to have been granted.

As already mentioned above, the 1st ten (10) years after incorporation of the company are all free. It is only as from the 11th (eleventh) year that the company is subject to taxation. However, taxes are very minimal.

Taxes shall be levied with regards to their turnover profits. Companies shall be taxed 15% only of their turnover profit.

3. FINANCIAL POLICY.

The financial policy for the year 2007 instituted a two (2) years tax exoneration program for those wishing to incorporate a business in Cameroon. Note that all stamp duties involved in the registration process are not free. It is only after registration and upon proof of an Incorporation Certificate at the taxation office that a company begins to enjoy these two years of tax holiday. This policy tends to encourage foreign investors to invest within the country.

Furthermore, many structures have been put in place in order to promote transparency in finances by fighting against corruption. For example, the National Anti-Corruption Commission better known by its French acronym as CONAC has been instituted in order to ensure that the State's revenue is well managed. Also, we have a regulatory body within the banking sector known by its French acronym COBAC which acts as a regulatory body for financial institutions within the CEMAC Sub region. Cameroon is part of the Central African Region and as such a member of the Commission. In addition, Cameroon has several banks of international repute.

4. THE LABOUR CODE.

The Labour Code encourages investment in the country. Section 23(2) of the said Code is to the effect that contracts of employment shall be freely negotiated. There shall be free negotiation of salaries between employers and employees. There is no stereotype amount stipulated by the Code which is supposed to be paid by the employer to his employees. However, the Prime Ministerial Text of June 25th 2008 stipulates a Guaranteed Minimum Wage (GMW) of about 28.215 Francs CFA which is supposed to be given as remuneration by the employer to his employees.

In addition, Work Permits likewise Residence Permits take a very short period to be issued upon application. The NICO HALLE & Co. LAW FIRM is ever ready to assist you in the process of obtaining your Work and Residence Permits within the shortest possible time.

5. THE HARMONISED CRIMINAL PROCEDURE CODE.

The Cameroon Criminal Procedure Code is referred to as the "Harmonized Criminal Procedure Code" because both the Common Law and the Civil Law which used to apply separately have now been harmonized into one unique law. The law enshrined in the Code protects many future investors and encourages them to come and invest in the country. Investors will be encouraged to invest in such a country where there are no limitations or restrictions on basic human rights and liberties and also where their interests and security is guaranteed.

Furthermore, the right of defense is guaranteed in case a criminal charge is preferred against any individual. A person is free to choose his Counsel, be him a National or foreigner. However, it is always advisable to seek Legal Counsel in Cameroon. The NICO HALLE & Co. LAW FIRM is always ready to be your Counsel.

6. POLITICAL STABILITY.

Cameroon is politically stable. There is an atmosphere of peace which reigns in the country. This peace which is an element for good investment encourages many investors to come into the country and invest.

7. INTERNATIONAL TREATIES.

Cameroon is a signatory to many international treaties and conventions, which are mutually beneficial. For example, the Extradition Treaty which deals with the extradition of citizens from Cameroon. Any investor investing in Cameroon is sure of not been extradited anyhow from Cameroon. His stay in the country is guaranteed.

Cameroon is also a signatory to INTERPOL which is the international police force that seeks to curb down international crime. This therefore means that any investor investing in Cameroon is sure of making use of INTERPOL in order to track down any criminal wherever in the world that is a threat to his success. With these measures fruitful in Cameroon, investment is guaranteed.