

REPUBLIQUE DU CAMEROUN
Paix - Travail – Patrie

**AGENCE DE PROMOTION
DES INVESTISSEMENTS
CAMEROUN
(API-CAMEROUN)**

REPUBLIC OF CAMEROON
Peace - Work - Fatherland

**INVESTMENT PROMOTION AGENCY
CAMEROON
(IPA-CAMEROON)**

Foreword

The Cameroon government has drafted, based on a participative approach, the Poverty Reduction Strategy Paper (PRSP), in April 2003. The amendment of this strategy led to the Employment and Growth Strategy Paper (EGSP) of which the strategies are the outcome of a long term development vision marked by multiannual development programmes.

Within the framework of Cameroon's progressive move towards the realization of this development vision by 2035, the government put in place legal and institutional instruments in order to attract Foreign Direct Investments/Internal Direct Investments. It should be recognized that 70% of the economic operators and investors are not aware of these incentive instruments and reforms.

The Investment Promotion Agency contributes to reduce this information deficiency through this compendium on incentives and advantages which shall undoubtedly be updated where applicable to constantly align with the evolution of the investment environment in Cameroon. These incentives have been drawn from the legal texts and laws that form the basis of the general legal framework related to the promotion and protection of investments in Cameroon. These incentives retrace, without exhaustiveness, government's effort to improve our country's attractiveness with regard to investments taking into consideration the tight competitiveness faced by countries worldwide in general, and African countries in particular as far as this domain is concerned.

Cameroon has relied on an economic policy model that incorporates the State which plays the role of regulator, and private sector which is the growth engine, to create an offensive industrial investment incentive policy devoted to market economy. The notion of economic incentive with its complexity and ambiguity includes any specific non-compulsory economic policy that seeks to derive from its targeted agents, a determined or undesirable behaviour from them, or behaviour which the latter did not initially have any idea to adopt, in consideration of one or several determined advantages (economic definition).

In this regard, economic incentives complete the implementation of laws, since they are accompanied by advantages of all sorts, and boost the roll out of investment projects in the targeted sectors. These incentives are in the form of subsidies,

concessions, tax incentives, benefits granted to companies or organisations, and generally any type of funding granted by the State.

This compendium has over sixteen parts variously organised to independently maintain the spirit of each law. The approach consisted in analyzing the text in a way as to maintain the salient favourable incentives and advantages or reforms of interest to investors. References to the legal instruments from which these advantages are drawn, feature at the end of this document.

This user-friendly compendium on incentives enables us to have a firsthand listing on the main financial and tax/customs incentives. ***And you can immediately envisage your investment profit.***

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INCENTIVES CONTAINED IN THE INVESTMENT CHARTER OF THE REPUBLIC OF CAMEROON

(Law N° 2002/004 of 19 April 2002 related to the Investment Charter in the Republic of Cameroon)

The Investment Charter articulates the principles anchored on the aspirations of the Republic of Cameroon to build a truly competitive and sustainable economy by fostering investment and encouraging savings thereby ensuring implementation of its economic and social action programs. It also sets out the investment framework based on the global development strategy that aims at improving growth, creating jobs in all sectors of the economy and improving the social welfare of the population. It dwells on investment operations spanning from the initiation, to the expansion, renewal, redevelopment and/or change of activity.

A- STATE UNDERTAKINGS AND GUARANTEES

Within the framework of its fundamental tasks, the State administers its rule over the nation, guarantees law and justice while ensuring safety of persons and protection of their property.

➤ In this light, the State notably undertakes to

- Train and sensitize its agents such that any incompetence in performing their duties does not jeopardize the smooth functioning of the economic system;
- Put an end to all forms of unnecessary red-tape and police harassment and, above all, alleviate all barriers to the free movement of people and goods;
- Fight any unethical behavior that may lead to corruption and/or misappropriation of public property;
- Reduce the time it takes to process government administrative files;
- Accelerate the handling of legal matters and ban all forms of discrimination in the application of the law.

The State enacts the Law and regulations, supervises, facilitates and regulates economic and social activities, develops basic and information infrastructure, provides training, security as well as alternatives to market failures.

➤ In this regard, particularly, the State will:

- Organize, control and provide security to all relevant stakeholders of the system while ensuring compliance with established rules;
- Facilitate the creation, sustainability and development of economic, health and social services as well as educational and vocational training infrastructure, while ensuring that the entire public has access to such infrastructure;
- Develop efficient partnerships with the private sector and civil society in a bid to improve resource allocation in areas where the market is deficient;

- Address global market imbalances through sound and transparent economic policies;
- Guarantee the economic security of the nation particularly by establishing an efficient business intelligence system;
- Set up an efficient incentives system to boost private sector development;
- Contribute to the acquisition and mastery of appropriate technologies and facilitate their outreach to the public;
- Device sector-based strategies that should yield funding when implemented.

➤ **The State guarantees** all legally established natural persons or legal entities as well as those wishing to establish in Cameroon, in compliance with the specific regulations relating to the economic activity:

- Freedom to undertake any production, service provision or commercial activity, irrespective of their nationality;
- Equal treatment in the exercise of an activity based on the principles and prescriptions of competition law;
- Property rights attached to land, buildings, operational equipment and those attached to movable assets and securities, patents and any other products and services in the intellectual property domain;
- Due diligence in the procedures for granting concessions and access to land ownership;
- Freedom to repatriate foreign capital invested, operating profits earned, as well as the repatriation of salary savings made by expatriate workers;
- Access to the foreign currency market and unrestricted transfer of capital in compliance with regulations of the Central African Monetary Union (UMAC);
- Equitable and transparent application of the business law in accordance with the provisions of the treaty on the Organization for the Harmonization of Business Law in Africa (OHADA treaty);
- Equitable and transparent application of the labour and social security law prepared pursuant to the treaty creating the International Conference on Social Security (CIPRES);
- Equitable and transparent application of intellectual property law drawn up within the framework of the World Intellectual Property Organization (WIPO) as well as the African Intellectual Property Organization (AIPO);
- Equitable and transparent application of the insurance law drawn up within the framework of the Inter-African Conference on Insurance Markets (CIMA);
- Independence and professional competence of courts both on the judicial and administrative fronts;
- Application of any other international agreement or treaty ratified in accordance with articles 43, 44 and 45 of the constitution. The State shall be a party to bilateral agreements with regard to guaranteeing investments:

INCENTIVES

➤ **General Incentives**

There are three types of general incentives namely:

- * Promotion which consists particularly in organizing events and missions domestically or abroad, active partnership, opportunities portfolio management, as well as marketing the country's potentials;
- * Facilitation which consists particularly of assistance and swiftness in processing formalities, transparency in the processing of files and applications;
- * Assistance which consists particularly of technical or financial support for business take-overs and start-ups, and to export development.

➤ **Special Incentives**

- * Special incentives relate to special regimes specific to sector codes, economic zones and duration of benefits. The promulgation of sector codes will foster the broad application and implementation of the charter. However, the application of the specific incentives falls within the scope of API's competences.

B – FISCAL AND CUSTOMS INCENTIVES

- * The tax and customs mechanisms are based on equity, the various classes of tax payers and moderation enabling the state to conveniently perform its economic and social role.

➤ **The State is engaged** in a process of simplifying and harmonizing the tax system in a bid to ensure transparency, improve fluidity and coherence for all investors.

* Taxes and customs duties are levied in compliance with regulations, practices and percentages similar or equivalent to international trade practices while ensuring they are adapted to changes and specifications in various industrial sectors. Taxpayer rights are recognized and shall be respected by State authorities.

➤ **The State undertakes** to apply moderate customs duties and adhere to the principles of their reduction within the framework of the policy set out by CEMAC, and in accordance with the provisions of the World Trade Organization.

* The State also reaffirms its commitment to implement economic and deferred payment regimes laid down by the CEMAC Customs Code.

➤ The following provisions have been taken into account with regard to direct and indirect taxes:

- * The general application of the Value Added Tax (VAT) as a neutral tax levied on investment and the generation of wealth;
- * The non-application of VAT on exports and reimbursement of VAT collected for investments and operating expenses of exporting firms to maintain competitiveness on international markets;

* Taking into account tax and customs incentives related to the various specific research and development sectors, vocational training and environmental protection.

➤ With respect to stamp duty and registration, moderate rates shall be applied to the incorporation of companies, the amendment of articles of association, increase of capital, merger and take-over operations and the issue and circulation of securities.

II – INCENTIVES FOR PRIVATE INVESTMENT

(Law No. 2013/004 of 18 April 2013 defining incentives for private investment in the Republic of Cameroon)

This law proposes common and special incentives while indicating the State's commitments with regard to private investors in Cameroon.

A- COMMON INCENTIVES

Tax and customs incentives may be granted to the investor during the set-up and operational phases:

- **During the installation phase**, which may not exceed five (5) years from the date of issue of the authorization, the investor shall receive the following benefits:
 - Exemption from registration fees of company incorporation or increase of capital;
 - Exemption from lease registration fees on buildings used for purely professional purposes as an integral part of the investment programme;
 - Exemption from transfer charges on the acquisition of buildings, land and essential to the realization of the investment program;
 - Exemption from registration fees of contracts for the supply of equipment and construction of buildings and facilities necessary for the realization of their investment programme;
 - Full deduction for technical assistance fees in proportion to the amount of the investment, determined by the total amount of the investment;
 - VAT exemption on services related to the implementation of foreign projects ;
 - Exemption from registration fees on concession contracts;
 - Exemption from patents;
 - Exemption from taxes and duties on all investment programme equipment and materials;
 - VAT exemption due to the importation of the above-mentioned equipment and materials ;
 - Direct customs clearance of equipment and materials related to the investment program during clearance operations.

- **During the operational phase** which may not exceed ten (10) years, considering the size of investments and their expected economic benefits, the investor may benefit exemptions or reductions in taxes, duties and other charges illustrated below:
 - Minimum charge
 - Corporate tax
 - Income tax
 - Registration rights relating to credit facilities, loans, advances on current accounts, bonds, increments, reduction, reimbursement and liquidation of share capital, or any transfer of activities, ownership or enjoyment of real-estate property, leases or shares;
 - Income tax from movable capital (IRCM) during profit-sharing in the form of dividends or any other form to be specified in the agreement;
 - Special Income Tax (TSR) during the development and construction phase of project, on payments to foreign companies in return for services rendered, or resources used in Cameroon, provided that they are billed at cost price;

- Taxes, duties, registration fees and stamp duties in connection with the transportation of processed products;
- Customs duties and all other fees and taxes for services applicable to the importation of equipment of all types, building materials, tools, spare parts, intermediate products, supplies and consumables with no locally manufactured equivalent, except for duties, taxes and other charges of non-fiscal nature representing payment for services;
- Customs duties applicable to the export of construction equipment and equipment for transformation plants;
- Any tax, fee, charge or expense of any nature whatsoever calculated on the turnover generated by the processing company;
- Any transfer tax, the purchase or sale of foreign currency, and any indirect consumption tax including the special tax on petroleum products.
- Deferral of losses until the fifth year following the year of their occurrence;
- Exemption from the payment of duties, taxes, and customs fees on imports of capital goods to be allocated and used for its investment programme.
- An investor can benefit tax credit provided they hire at least five (5) graduates of Higher Education per year; fight against pollution; promote sporting, cultural or social activities; promote public interest activities in rural areas.

Based on the magnitude of the duly assessed project, the State may exceptionally extend the benefits of some tax and customs exemptions to shareholders, promoters and local contractors of the investor through signing an agreement.

Financial and administrative incentives from which investors shall benefit include:

- The right to open in the Republic of Cameroon and overseas accounts in local and foreign currency and carry out transactions;
- The right to freely collect and retain overseas funds, purchased or borrowed from abroad and make free use of such funds;
- The right to freely collect and retain abroad, revenue related to their transactions, dividends and any kind of capital invested as well as proceeds of any nature from liquidation or realization of their assets;
- The right to directly pay foreign non-resident suppliers abroad for goods and services necessary for conducting their business activity;
- Unrestricted transfer of dividends and proceeds from the transfer of shares in case of disinvestment.

Expatriate staff employed by the investor and resident in the Republic of Cameroon shall benefit unrestricted conversion and transfer to their country of origin, all or part of funds owed them, subject to prior payment of taxes and other dues by them, pursuant to the regulations in force.

Government is committed to establishing the necessary facilities to :

- Set up a specific visa and reception desk at all the airports of the country for investors, provided the latter presents a formal invitation from the organ in charge of promoting investment, or the promotion of Small and Medium Enterprises (SMEs);

- Grant the above-mentioned special visa to all diplomatic and consular representations of Cameroon;
- Grant residence and work permits to expatriate staff involved in any investment project and employment contracts of more than two years;
- Issue environment compliance certificates relating to the relevant investment project;
- Issue land titles and long-term leases.

B – SPECIAL INCENTIVES

In addition to the above mentioned common incentives, special incentives may be granted to companies that carry out investments that will enable the State achieve its goals in certain prioritized sectors. These may include:

- VAT exemption on loans related to the investment program;
- Exemption from property tax on buildings or unconstructed land, with part of the site intended for the processing unit and all extensions and real estate by destination;
- Direct customs clearance at investor's request;
- Exemption from fixed duties;
- Customs declaration for temporary importation of industrial equipment and materials likely to be re-exported.

Companies with export operations shall benefit:

- Exemption from export duty on locally manufactured products;
- Inward processing regime under the customs code.

Any existing business operation, engaged in an investment programme aimed at expanding its production capacity; renewal of its assets or increasing its performance may be granted for a period not exceeding five (5) years; common incentives referred to in Article 7 of this law, where its investment programme ensures increase in the production of goods or services, or Cameroonian employees by at least 20%.

In case authorization is not granted, or the provisions of this Law are not respected, the investor may file a complaint to the supervisory committee stipulated in Article 22 below, which shall pass a ruling within fifteen days from the date the complaint is received.

A Supervisory Committee set up by Presidential Decree, shall, in collaboration with the Ministries in charge of Finance, Private Investment and Labour, respectively, supervise investment effectiveness and handle complaints filed by investors.

Investors that shall be granted incentives as stipulated by this law shall, in case of any dispute, refer the matter first to the Supervisory Committee in order to reach an amicable settlement. If the matter cannot be solved amicably, they may refer the dispute to an arbitration body recognized by the State of Cameroon.

Penalties ranging from fines to withdrawal of incentives in accordance with the laws and regulations shall be applied in cases of failure to comply with terms and conditions of earning benefits, reporting false technical, economic or financial information or failure to comply with follow-up and monitoring of terms and conditions.

Investors that shall be granted incentives stipulated in this law shall suffer penalties if they do not comply with objectives related to eligibility criteria, administrative, fiscal, and financial sanctions that may range from a fine to withdrawal of license.

Failure by investors to fulfil their commitments under this law, and in accordance with the conditions laid down by regulation, and depending on the severity, shall result in:

- Formal notification;
- Warning letter;
- Fine;
- Suspension of incentive benefits for a period of not more than six (6) months;
- Automatic withdrawal of incentives without prejudice to penalties and prosecution under the law in force.

Any investor seeking incentives provided by this law shall be entitled to a simplified system of administrative authorizations related to their activities for the validity period of the approval document. In this light, the investor takes advantage of the services of the One-Stop-Shop of the relevant organization in charge of managing such incentives especially with regard to:

- Permits to operate a business activity;
- Access to administrative documents with regard to import and occupation of private customs warehouses;
- Visas required for the execution of investment programmes including the inventory of equipment and raw materials to be imported or purchased locally;
- Obtaining visas for foreign and national staff (entry or exit visa, residence permits, work visa);
- Obtaining exemptions provided by laws and regulations in force;
- Access to public facilities and services necessary for the proper execution of the investment program set out in the approval document

The State shall guarantee the stability of incentives granted to investors in accordance with the provisions of this Law. In this light, a Joint Monitoring Committee which reports to the Prime Minister shall, in conjunction with the Board of Control and Competitiveness, be responsible for ensuring the stability of these incentives.

Authorization may not be denied to an investor in competition with one or more other investors benefiting from the incentives provided by this Law, once such an investor fulfils all the requirements.

An authorized investor shall be free to proceed with a transaction involving leasing, management, merger or transfer, partial transfer of assets prior to and/or following its financial and technical restructuring.

An authorized investor may change the focus of their business or its location with prior approval of State authorities in charge of private investment.

III – INCENTIVES AND BENEFITS SET OUT IN THE FINANCE LAW

(Law N°2010/015 of 21/12/2010 related to the 2011 Finance Law, 2007 Finance Law, 1994/1995 Finance Law , 2010 Finance Law, 2001/2002 Finance Law and Law N° 2005/008 of 20/12/2005)

The incentives and benefits set out in the various finance laws are as follows:

A- INCENTIVES RELATED TO THE PROMOTION OF THE TRANSPORT SECTOR

- Tires shall benefit a customs duty reduction of 20% the taxable value, while outboard engines shall benefit a customs duty reduction of the taxable value¹.
- Vehicles of less than 7 years old shall benefit a 30% reduction of the taxable value²
- Customs duties on imported equipment intended for investment shall be reduced by 5 % (list of equipment still to be compiled³)

B - BENEFITS AIMED AT PROMOTING SOCIAL EQUITY AND THE FIGHT AGAINST POVERTY

In a bid to support the public health sector in Cameroon, Government has integrated in a timely and an accurate manner favourable customs clearance conditions in some finance laws:

- Suspension of payment of customs duties and taxes on importation of drugs⁴
- Exemption of VAT on importation of medical equipment and supplies⁵

¹ LAW N°2010/015 OF 21/12/2010 BEARING 2011 FINANCE LAW

² 2011 FINANCE LAW

³ 2007 FINANCE LAW

⁴ 1994/1995 FINANCE LAW

⁵ 2010 FINANCE LAW

- Exemption of VAT on supplies intended for the fight against HIV /AIDS⁶

- Tax reduction on equipment imported for disabled persons to foster consumption and comfort for the most underprivileged. Other exceptional reductions are set out for this most vulnerable population⁷.

- Downgrading of basic commodities such as rice, flour, cement, clinker, and fish within the framework of customs clearance in order to increase the purchasing power of its citizen⁷

⁶ 2001/2002 FINANCE LAW

⁷ 2005/008 FINANCE LAW OF 20/12/2005

IV – TAX INCENTIVE REGIMES OF THE GENERAL TAX CODE *(Social-related Exemptions)*

Social considerations have led the Cameroon legislation to consider exemptions in all areas of taxation. These naturally have an effect on the taxing of income, consumption expenditure, capital and even the right to exercise an industrial, a commercial or non-commercial activity.

A - SOCIAL EXEMPTIONS ON TAXATION OF INCOME

There are tax reduction measures aimed at Corporate Tax and those aimed at Personal Income Tax (PIT)

A – With regard to Corporate Tax

- The following shall be exempted from Corporate Tax:

Cooperative societies involved in production, conservation and sale of agricultural products, animal breeding, and their unions operating in accordance with the legal provisions that govern them;

Farmers' trade unions, Pastoral workers' unions, and supply and marketing cooperatives operating in accordance with the legal provisions governing them;

Mutual agricultural credit funds;

Fraternal benefit Societies and Unions;

Profit realized by non-profit organizations;

Recognized public utility organizations in charge of rural development;

Low-cost public housing boards;

School cooperative societies;

Non-profit private schools

B - With regard to Personal Income Tax

Two categories of income are targeted here:

1) Salaries, wages, pensions, benefits and annuities

Family allowances and social benefits;

Temporary benefits, benefits and annuities paid to occupational injuries or their assigns;

Fixed supplementary salary paid to civil servants;

Tax exemptions on salaries less than 52, 000 F CFA (fifty-two thousand);

Injury and disability pensions paid to men and women who served in the armed forces;

Scholarships;

Benefit received as pension or indemnity for death or as consolidated compensation for death or injury;

Remuneration paid to workers during medal award ceremonies by the Minister of Labour;

The proportionate share of severance grants paid as damages in accordance with social and labour legislation, with the exception of sums intended to cover costs related to loss of wages.

2) Investment income

Interest earned from savings accounts for investments not exceeding ten million francs;

Interest earned on term deposits;

Interest earned from home savings plans;

Net global capital gains if their ___ is less than or equal to 500.000 francs CFA.

B- SOCIAL EXEMPTIONS ON CONSUMPTION

VAT and excise duties shall not be levied on the following:

Rescue and assistance vessels;

Basic commodities listed in appendix 1 of the General Taxation Code as well as their inputs, particularly:

- Rice, flour, frozen fish, flour, salt;

- Pesticides, fertilizers and their inputs, as well as agricultural inputs, inputs of livestock production and fish farming, used by producers;

- Light fishing material, seeds, fertilizers and agricultural equipment, as well as spare parts intended for plants manufacturing such equipment and machines;

- School fees collected under normal circumstances by duly authorized schools and universities;

- Social consumption bands by households of the following commodities:

Water: up to 10 m³ per month;

Checkups, consultations, health care, hospitalization, medical laboratories and provision of prosthesis in a health facility;

Life and health insurance policies;

Supplies used in the fight against HIV/AIDS;

Current expenses covering the cost of public utility services, particularly civil status records, legal, education, police, and costs involved in providing assistance to underprivileged people.

C- SOCIAL EXEMPTIONS ON TAXATION OF CAPITAL

There are registration fees on one hand, and stamp duties and land tax on the other.

1) With regard to registration fees:

Deeds exempted from registration formalities or to be registered free of charge on a purely social level are:

All deeds whose duties are borne by social welfare and relief organizations or through loans from agricultural mutual funds and cooperative organizations affiliated to them with no full ownership or rights of use;

In general, deeds of ownership or use, deeds signed between individuals and companies and public and private outfits with the objective of providing either their subscribers or other low income persons with low cost houses or rent them out at moderate rates.

Deeds as well as judicial and out-of-court decisions rendered in accordance with, or for the application of the labour law, or with regard to family allowance, and procedural documents for the recognition of legitimate documents of legally constituted professional organizations who have made provision for mutual assistance between affiliated members in their articles of association;

Employment contracts and work certificates and all collective agreement related deeds with no mutation, nor release;

All contracts, releases and documents whatsoever issued by employers and insurance companies for the implementation of texts relating to the prevention of occupational accidents and diseases;

Life certificates and other documents not involving ownership or right of use, presented to state accounts by annuity or pension holders to be paid their family allowances;

Deeds and verdicts related to civil status matters;

Deeds, judgments, and certificates issued in accordance with texts on medical assistance service;

Certificates of non-conviction;

All deeds related to guardianship of vacant estates and assets without

_____!

2) With regard to stamp duties and stamp contribution.

Exemptions are aimed at:

Deeds drawn up pursuant to, and in implementation of the regulations on occupational accidents and diseases as well as the forwarding of enquiry reports that the parties may have issued with regard to work-related accidents;

All deeds drawn up in implementation of the labour legislation;

An application by an individual seeking legal assistance on plain paper;

Application for certificate of non-conviction issued to individuals;

Certificates of indigence, passports as well as visas to be granted to needy persons who cannot afford to pay the amount;

Employment certificates issued to laborers, employees and servants;

All deeds signed by social welfare organizations in implementation of the social mission of which the duty will be borne by the said organization;

Deeds of proceedings that recognize natural children;

Tax-exemption certificates, tax returns or copies issued by Administrative authorities.

3) With regard to land tax

Exemptions shall be applied on real estate owned by:

The State, local council authorities and public institutions not having an industrial or commercial nature;

Religious and cultural organizations or goodwill associations declared for public use, and their buildings not used for profit-making purposes;

Land exclusively used for agriculture, livestock and/or fishing shall equally be exempted.

D- SOCIAL EXEMPTIONS ON THE EXERCISE OF INDUSTRIAL, COMMERCIAL AND NON COMMERCIAL ACTIVITIES

The right to engage in an activity essentially addresses the contribution of business licensing tax. Furthermore, the following are exempted from the payment of business licensing tax for social reasons:

The State, local council authorities, public institutions, and State organs due to their cultural, educational, health, social, sport and tourism activities irrespective of their situation with regard to their corporate taxes;

Cooperatives involved in rural development, cooperative credit and agricultural loan associations operating in accordance with their objectives;

Private institutions of learning;

Hospitals run by religious or non-profit organizations;

Savings banks, pension funds, and duly authorized mutual insurance schemes operating in accordance with their objectives;

Farmers and breeders whose sole aim is to sell and process the produce from their farms, or for the sale of livestock they breed or rear;

Fishermen personally involved in fishing and sale of their fishery products;

Boatmen excluding those with steam and engine boats;

Private institutions aimed at caring for, and supervising poor children and offering them a trade;

Hawkers on streets, passageways, flower markets, or those selling edible products;

Farmers selling fuel wood from their plantations;

Explorers and hunters;

Supply stores, farmers' unions and consumer cooperatives, provided they do not own retail stores and merely take the orders of their members (foodstuffs, products and goods) and distribute them from their warehouse.

Co-operatives and their unions as well as Common Initiative Groups (CIGs) with the objective of:

- Either carrying out, or easing all operations on production, conservation or the sale of farm products exclusively from the farms of associates ;
- Or provide their secretaries with farm materials, machines and tools for use.

V- WAIVER CLAUSES CONTAINED IN THE GENERAL TAXATION CODE

(Articles 108, 109, 110, 111 and 112, 543-b-4 of the general taxation code; articles 128, 546 of the general taxation code, art. 42, 43 of the general taxation code)

The General Taxation Code explains the procedures and modalities to deduct tax as well as taxable products with regard to economic activities in Cameroon.

A - Exemption on corporate tax

- Co-operatives in the domains of production, transformation, conservation and sale of agricultural products, animal husbandry, and their unions that function in accordance with the governing legal provisions unless for the transactions defined hereunder:

- Sales in a retail store distinct from its main establishment ;

- Transformation of products, or by-products other than those that feed Man and animals, or which can be used as raw materials in agriculture, animal husbandry or industry ;

- Transactions carried out by co-operatives or unions mentioned above with non-unions.

- Farm and pastoral trade unions, acquisition and supply co-operatives that operate in accordance with their governing laws.

- Mutual farm credit funds

- Societies, mutual assistance societies and unions

- Profits realized by non profit-making associations with the assistance of councils or local government organs, trade fairs, exhibitions, sports meetings and other public manifestations in line with the purpose defined by their byelaws, and which have a particular economic and social interest,

- Local councils and their public service administrations,

- Public utility companies or organisations in charge of rural development,

- Low-cost housing boards,

- Clubs and associations for their non profit-making activities,

- Private establishments of learning when their activities are non profit-making. This exemption applies equally for similar conditions with regard to industrial and commercial benefits,

- National Social Insurance Fund, with regard to advantages from contributions on salary,

- Open-ended investment companies, mutual and debt securitization funds for the benefits realized within the framework of their legal objective,
- Economic interest groups as concerns the quota of their benefits shared to their members who are physical persons,
- Government hospitals.

B - Exemption on Personal Income Tax:

- The Head of Diplomatic Mission, consuls, agents of diplomatic missions and consulates of foreign nationality who are holders of diplomatic cards issued by the Ministry of External Relations, but only for instances where the countries that these consular and diplomatic missions represent give advantages similar to those of Cameroonian consular and diplomatic agents;
- Members of personnel of international organizations with diplomatic standing, but only for instances where the Establishment Convention or Agreement of the Seat of these international organizations clearly provide for such exemption ;
- Administrative and technical personnel of diplomatic missions, consular posts and international organizations as soon as it is established that they shall be subjected under income tax in their countries of origin;
- Physical persons, exclusively for their activities subjected under fixed tax.

Tax exemption on the following operations:

- Special allowances to cover charges related to the position or employment to the extent where such allowances are effectively used in accordance with their purpose, and are not exaggerated ;
- Family allowances or advantages;
- Allowances, compensations and supply of services, irrespective of their nature, provided by the State, councils, and public institutions by virtue of laws and decrees on insurance and assistance;
- Temporary compensations, services and life annuities provided to occupational injury victims or their beneficiaries ;
- Life annuities provided as compensation by virtue of a court ruling to repair a bodily harm having caused the victim full incapacity obliging the latter to seek third person assistance for ordinary daily activities;
- Fixed supplementary salary paid to civil servants
- Pensions for injuries or incapacities for veteran soldiers ;
- Scholarships ;

- Pension or compensation for death or injury ;
- Salary increments as a result of implementing the correction index for civil servants and State agents of diplomatic missions and consular missions serving abroad;
- Gratifications provided to workers on the occasion of labour medal awards by the Minister of Labour ;
- Dismissal compensation paid by virtue of the social legislation except for amounts to cover damages related to salary loss;
- Non submission of revenue on buildings owned by the State or local councils to IRPP.

C - Exemption on Value Added Tax (VAT) with regard to the following operations:

1) The following operations, once subjected under special taxation exclusive of any tax on turnover :

- Sale of extractive industry products ;
- All fixed assets transactions carried out by non professionals;
- Interests on foreign loans;
- Interest on deposits at credit or finance establishments by non professionals of the finance sector ;
- Fixed transfers of real rights and cessions of business assets subjected under transfer rights or an equivalent tax ;

2) Transactions related to international traffic with regard to :

- Vessels or ships used for industrial or commercial activity on the high sea ;
- Lifeboats ;
- Airplanes and vessels for maintenance and fuelling operations;
- Transit operations between States and related services in accordance with the provisions of articles 158 et seq of the CEMAC Customs Code ;

3) The importation or sale by the State of fiscal and postage stamps, or stamped-impressed papers;

4) Amounts paid by the Treasury to Central Bank in charge of issuing bank notes and products due to the transactions of such Bank;

5) School fees paid within the normal framework of primary, secondary, high school and university education duly authorized, as per each case, by either the Minister of National Education or Minister of Higher Education;

6) Basic necessities contained in annexe 1, notably :

- Pesticides, fertilisers and their inputs as well as other farm inputs, animal husbandry and fishery used by producers ;
- Beef except imported meat ;

7) The sale of petroleum products for fuelling of aircrafts of companies with their head office in Cameroon;

8) Social consumption bands for households, and related to the following utilities:

- Water : up to 10 m³ per month ;
- Electricity : up to 110 KW per month;

9) Typesetting, printing, importation and sale of newspapers and periodicals except publicity revenue, capital goods and inputs required for such operations acquired by media houses or newspaper and periodical publishing companies. The list of these capital goods and inputs is determined by the Minister of Finance after consultation with the other Ministers involved ;

10) Importation of duty free goods in view of article 241 of the CEMAC Customs Code ;

11) Examinations, consultations, treatments, hospitalization, bio-medical analyses and provision of dentures by hospitals ;

12) Contracts and commissions on insurance and life insurance;

13) Local transformation of wood into semi-finished or finished products especially sawing, shaping and assembling;

14) Equipment for the fight against HIV/AIDS as per the regulatory provisions ;

15) Subject to reciprocity, headquarters agreement and quotas determined by the Cameroonian authorities, goods and services for official use by foreign consular or diplomatic missions and international organizations as per the modalities laid down by regulatory provisions ;

D - Registration and duty-free recording of the following deeds:

- All legal proceedings and court documents that request public administration intervention against individuals; rights are recovered against the condemned party.

- All legal proceedings before a criminal and simple police jurisdiction.

- That actions or interest quotas attributed for issuance are always registered on behalf of any document produced before these jurisdictions, when there are no damages claimed, the rights are recovered against the party condemned to cost;

- The first conservatory acts of interest to vacant estates with the already realised asset, still insufficient;

- All administrative litigation deeds, memoranda and judgments. The rights are claimed against the party condemned to cost.

E - Free registration of the following deeds

- Generally, all deeds with recording borne by the State, State corporation, and international organisations subject to provisions otherwise stated by the headquarters agreement with a State of the Bank of Central African States Community ;

- All deeds with their rights borne by mutual agricultural credit facilities, assistance funds and welfare companies or affiliated cooperatives not involved in transfer of property or ownership ;

- Deeds of transfer of ownership or property; generally, all deeds signed between private individuals or companies and public or private organizations whose purpose is to edify and provide either their members or non affiliates, at moderate rates, with low-cost housing. However, the advantage of free registration can only be granted to organizations defined in the previous paragraph after approval by the competent Minister of each State;

- Court and extraordinary rulings passed by virtue or application of the labour law with regard to family allowances and proceedings related to the recognition of biological children;

- Rulings passed on proceedings at the request of the State Council's Office with regard to civil status matters;

- Oath-taking by magistrates, civil servants and State or local council agents

- Conventions signed between the State and private enterprises, in application of provisions on the law related to the Investment Code or other prioritized regimes;

- Orders and judgments on registrations of land property.

F - Exemption of formalities related to the following deeds:

- Deeds by professional organisations legally incorporated having stipulated in their articles of association, mutual assistance between their members;

- Customary court judgments except those on transfer of property, usufruct, or ownership of real estate or formulation of real property rights;

- Deeds of public legislative or regulatory authorities and all documents and registers held for the functioning of public services ;

- Prosecutions to claim taxes or duties owed and royalties as well as products as a result of the State budget or local councils and corresponding receipts;
- Deeds and documents established for the poor when such poverty is duly acknowledged by an attestation from the Administration of the residence of the parties ;
- Records on quotations and initialling of ledgers irrespective of the form ;
- Civil matter deeds, records and judgments in the case where the State Council's office acts in the interest of the law and to ensure execution, notably with regard to civil status;
- Deeds drafted in application of the laws related to bankruptcy and liquidation; implementation of the deeds on asset transfer in case of bankruptcy, and judgment that declares the winding up, or liquidation, except deeds of asset transfer in case of bankruptcy, and the ruling that declares such bankruptcy as well as the decision that declares insolvency or liquidation, or verdict that determines the payment transfer date;
- Employment certificate contracts and all deeds related to collective bargaining agreements that do not contain neither transfer nor receipt; all contracts, receipts, and related documents issued by employers and insurance companies for the implementation of instruments related to the prevention of occupational injury and health;
- Life certificates and other documents not comprised of ownership or property transfer, yields destined for public accountants by annuity or pension holders for the obtainment of family allowances ;
- Civil status deeds and judgments ;
- Civil status registers, affidavits, consents, marriage notices, family meeting deliberations, military service discharge certificates, parenthood, alliance or age waivers;
- Deeds and documents to claim taxes, fines, and condemnations ; generally, all amounts of which recovery is entrusted with the Treasury;
- Crew lists , seamen and merchant marine engagements as well as deeds and judgments in application of the law on army recruitment ;
- Deeds, judgments and certificates drafted by virtue of instruments related to medical assistance ;
- Proceedings of the defence counsel before the Court of First Instance and similar notices as well as writs;
- Proceedings related to the registration on electoral lists and claims as well as appeals against such registration proceedings;

- Proceedings related to the registration on electoral lists and claims as well as appeals against such registration and electoral operations;

- Forms, documents, and all other deeds necessary for cheques and savings banks, ownership certificates, affidavits and other documents by savings banks or post office banks to carry out reimbursement, transfer or renewal of booklets or accounts held by dead people, or owned by individuals declared absent ;

- Certificates of non conviction ;

- Receipts of contributions, rights, credit, revenue, products and royalties of public administrations and councils :

- Reduction or relief orders, discounts, or tax moderations, receipts and corresponding documents ;

- Receipts issued to public accountants

- All deeds, decisions and formalities with regards to garnishment of low wages and salaries of military personnel and other employees;

- All deeds related to guardianship of vacant successions and assets without any owner ;

- Deeds and documents of all sorts related to the social insurance fund within the limit of operations leading to the attainment of its social objective ;

- Deeds issued by non CEMAC embassies or consulates subject to reciprocity.

Free Registration of:

1) Deeds and judgments related to transfers of immovable property and real estate rights negotiated in favour of banks, micro-finance and credit establishments when mortgaging subject to the following :

- The engagement to resell the estate must be considered by the bank in the adjudication, or in a separate notice;

- Effective resale is carried out within five (05) years.

2) Loan conventions to fund agro-pastoral and fishery activities.

3) Transfer of property or estate ownership subjected under value added tax.

4) Public service concession agreements.

5) Loans on pledge and mortgage concluded with credit establishments, release of garnishee order, and related sureties.

6) Deeds of incorporation and articles of extension of company duration as well as recapitalization notices.

7) Deeds whose registration is borne by international organizations unless otherwise stipulated by the headquarters Agreement signed with a CEMAC State.

G - Exemptions on registration formalities to complement the provisions of article 338 of the General Taxation Code.

- Commercial transactions other than those stipulated by the law;
- Deeds of acquisition and transfer of negotiable public bonds;
- By waiver of Article 351-5 above, private deeds that acknowledge sale on credit of brand new vehicles;
- By waiver of 343 (2) and (3), transfer of shares and stocks carried out in the national stock market ;
- Current account conventions including associate current accounts ;

Deeds established by non CEMAC foreign diplomatic or consular missions, subject to reciprocity.

VI - INCENTIVES AND ADVANTAGES RELATED TO STRUCTURAL PROJECTS AND SMALL AS WELL AS MEDIUM SIZED ENTERPRISES

(Finance law n° 2007/005 of 26 December 2007. Order n° 2008/2304/PM of 29 July 2008 to define the regime of structural projects of the General Taxation Code; articles 113 to 116 of the General Taxation Code).

The special regime on structural projects of the General Taxation Code established by the finance law for the 2008 financial year applies to major, small and medium enterprises which benefit, irrespective of their longevity, the following:

- Exemption of VAT on importations and local acquisition of equipment for construction during the implantation phase of projects;
- Accelerated amortization at 1.25% of the normal rate to enable the rapid renewal of the production potential ;
- Extension of the deferred loss duration from 4 to 5 years ;
- Fixed registration charge of 50,000 F CFA for capitalization, extension of VAT exemption on all farm, animal husbandry and fishery products as well as fertilizer inputs ;
- Reduction to 10 million francs CFA the accumulated credit ceiling eligible for VAT credit reimbursement for SMEs who are affiliates of the accredited management centres, instead of 25 million franc CFA currently retained;
- Exemption from business licence for newly created enterprises for the first two years of activity;
- Tax reduction for corporate citizens : penalties of good faith sanctioning errors committed without any intention to fraud against the law are dropped from 50% to 30%;
- Suppression of withholding VAT at source and tax prepayment;
- Suppression of bank guarantee within the framework of tax appeals before the Supreme Court; redefinition of the tax regime related to the National Stock Market in order to render the latter competitive. These series of measures ought to be completed by the outcomes of the studies carried out by the Tax Reform Commission (pending decree of application).

VII - GENERAL REGIME RELATED TO PARTNERSHIP CONTRACTS

(Law n° 2006/012 of 29 December 2006 and law n° 2008/009 of 16 July 2008; article 117 of the General Taxation Code).

A partnership contract is one that is awarded to a third party by a public entity or one of its components for a determined period, based on the investments amortization duration or financial modalities retained, and obligation of all or part of the following investment project phases:

- Designing of necessary public service works or equipment;
- Funding;
- Construction ;
- Transformation of works or equipment ;
- Maintenance ;
- Commissioning or management.

Where applicable, other services to enable the public entity to carry out its mission can equally be awarded to a third party within the framework of a partnership contract.

➤ **At the conception and realisation phase, the tax exemption advantages are the following :**

- VAT on importations and local contracts on equipment incurred by the contractual public entity's budget.

- Free registration of conventions and deeds signed by the contractual public entity's partner.

- Benefit on the consumption of materials and equipment imported with customs duties and taxes supported by the contractual public entity's budget. Such materials and equipment, apart from involving the common tariff (TEC), also have the value added tax on importation, additional municipal taxes (CAC), and OHADA (Organization for the Harmonization of Business Law in Africa) tax except royalties on sold services.

- These imported materials and equipment must be accompanied by the following documents: bill of lading, airway bill, invoices, freight bills and import declarations issued on behalf of the contract holder's name, specifying the contract number.

- Benefit of the temporary admission regime (ATS) by materials and equipment tentatively imported with support of the occupancy taxes and duties of the materials on national territory by the State budget, or contractual public entity.

- Possibility to benefit direct clearance procedures during customs clearing operations related to the imported materials and equipment, or as stipulated by the applicable laws. These direct customs clearing requests comprise, apart from the importation documents, the declaration of specific value elements (DSV) and electronic cargo follow-up voucher (BESC).

- Possibility to benefit an inspection waiver before loading of the importation materials and equipment upon request of the public entity's contractual party. Inspection waiver request addressed to the customs administration which has a deadline of five (05) days to respond, failure of which the application shall be deemed approved, subject to non-intrusive control by the customs administration, during loading.

➤ **With regard to the exploitation phase, the tax advantages are as follows:**

- Benefit a reduction of five points on the principal with regard to the tax rate for companies during the first 05 years of activity;

- Free registration of conventions and deeds signed by the co-contracting party during the first 5 years of activity;

- Benefit of the successive tax deficit deferment till the fifth fiscal year following the fiscal year when such tax deficit was initially deferred.

Possibility of funding partnership investment projects by:

- Full funding by the private partner

- Funding by a third party organisation

- Joint funding by the State and local councils

- Joint funding by the State, local councils and private partners

- Joint funding by local councils and private partners

➤ **In addition, partnership contracts benefit the following special financial provisions :**

- Financial modalities on investment remuneration and exploitation management are commonly determined by the parties;

- Total investment cost is the sole component that can be the subject of credit transfer ;

- Contract transfer is subjected to prior approval by the authority in charge of partnership contracts after the contractual public entity's reasoned opinion;
- Engagements undertaken by the public entity within the framework of a partnership contract shall be recorded in its budget (Chapter 4 – account regime) ;
- The public entity's contracting party can deduct from its taxable advantages, amortizations calculated based on a constant preferential system as amortizable goods used within the framework of its operation. The amortization rate in this case is equivalent to the normal rate increased to 25 % ;
- The period of calculating the amortization deadline is the actual operation commencement date, and the amortization regime differed during the deficit period equally applies on the accelerated amortizations ;
- The public entity's co-contracting party may not benefit cumulatively the advantages contained in the General Taxation Code, or all other specific instruments and texts provided by the Accounting, Financial and Taxation Regime applicable to partnership contracts.

A – LAND TENURE AND STATE PROPERTY REGIME

- Land tenure and state property transactions made within the framework of a partnership agreement shall fall under the purview of the applicable laws and regulations.
- Where an agreement entails occupation of public property, an occupation authorization shall be required for its duration; the holder of the agreement shall have, except otherwise stated in the agreement, real rights over the facilities and equipment it realizes. These rights confer on it ownership prerogatives and obligations within conditions and limits defined in the agreement clauses that have as purpose to ensure the integrity and appropriation of the public property.

VIII – APPROVED MANAGEMENT CENTRES

(Law No. 96/08 of July 1, 1996 ; Decree No. 2000/002/pm of 6 January 2000 ; Decree No. 2007/0456/pm of 29 March 2007 ; Order No. 079/pm of 29 March 2007 ; Law No. 2010/015 of 21 December 2010 on the 2011 Finance Law and sections 118, and 119 of the General Taxation Code)

Approved Management Centres are structures charged with supervising and assisting the activities of Small and Medium-Sized Enterprises and Industries (PME/PMI)

at the fiscal, accounting and management levels. The Approved Management Centres shall be set up in the form of an association, either by taxation professionals, Consular Chambers or legally constituted Professional Organizations.

A – SPECIFICATIONS

➤ Benefit to members of the centres; the following services and provisions:

- Constant accounting assistance through the keeping of regular records, preparation of financial statements of their members by the forms required by the applicable instruments,
- Constant fiscal assistance through the preparation of tax returns, control, recovery and litigation related assistance;
- Management related assistance, notably on matters related to organization and planning;
- Assisting in the accomplishment of any administrative request relevant to their missions ;
- Information and retraining of members;
- The Approved Management Centres must justify the existence within their circles of an accounting and taxation expertise to ensure the accomplishment of their mission. In this regard, they shall engage the services of an accounting expert and Tax Consultant registered respectively with the National Order of Chartered Accountants(ONECCA) and the National Order of Tax Consultants of Cameroon (ONCFC) ;
- Enjoy support on matters related to the building of the technical and management capacities of the AMC from the Ministry in charge of Small and Medium Sized Enterprises in terms of required training as well as training modules and support instruments to SME;
- Enjoying services provided by the Centre depends on prior payment;
- A membership fee payable once during registration and which should not exceed 25 % of the annual contribution laid down by regulation:
 - An annual contribution of which the amount should not exceed:
CFAF 250,000 for taxpayers under the Base regime.
CFAF 400,000 for taxpayers under the simplified tax regime and actual earnings, normal regime;

➤ Members shall enjoy a range of services covering at least the following:

- Execution of a coherent and hypothetical examination of transactions declared by the business in order to ensure their compliance with reality as well as the reality of its sector of activity.

- Keeping of records of members;

- Monitoring management indicators and observation of economic and financial difficulties that show the strengths and weaknesses of the latter as well as means of consolidation;

- Organization, on behalf of members, of training sessions on management relating to budgeting, accounting, information from any other marketing domain;

- **Compliance with the following labour rules;**

- Ensure the recording of its services and avoid acts contrary to the legislation.

- Commit to the services demanded within the limits of its material and human resources:

- Respect its engagements vis-à-vis its members on matters related to due diligence, clarity and precision.

- **The Approved Management Centre must:**

- Make available tools and means required for the normal exercise of its activity such as means relating to the organization of work, reception and preservation of documents;

- Signpost the centre through a signboard in clear characters in French and/or in English.

- The approved management centre must ensure the respect of accounting and taxation professionals with whom it has signed assistance agreements and due diligences homologated by their respective orders, without prejudice to actions carried out by the said orders.

- The due diligences of taxation professionals shall be those of tax consultants, fiscal reviews of financial statements and any type of tax declaration as well as those relating to assistance during fiscal controls, recovery and fiscal litigation;

- The due diligences of accounting professionals shall be those of record keeping and preparing financial statements in accordance with the OHADA accounting system and law.

- The Approved Management Centre must forward to the Taxation Directorate:

- A copy of its bylaws;
- Its articles of association and all relating modifications;
- Copies of minutes of its general assembly;
- The agreement models it uses; agreements concluded with accounting, taxation professionals or any other domain.

➤ The Approved Management Centres shall exercise their competences within the limits of the regional centre for taxes within the jurisdiction that they are located and approved.

➤ The Approved Management Centre must respect the obligations provided in their specifications as well as those provided in the General Taxation Code.

Notwithstanding disciplinary or legal actions in accordance with the applicable legislation, the Minister in charge of Finance can withdraw the approval granted to an APM that has not respected the provisions of these specifications.

The withdrawal of the approval provided above shall be made after a report of the Director General of Taxation. The clauses of the specifications can be modified at the initiative of one of the parties. They can also be modified further to a significant change in legislation or regulation relating to the APM.

TAX BENEFITS FOR MEMBERS OF THE APPROVED MANAGEMENT CENTRES

- Tax benefits shall be granted to members of the approved management centres during the liquidation of their tax returns. They are determined as follows:

- With regard to taxpayers under the actual earnings regime, a 10 % reduction of taxable profit, without it exceeding ten (10) million francs CFA ;

- Concerning taxpayers under the base regime and simplified regime, a reduction of tax on revenue due, equals to the amount of expenditure made to keep records and, possibly, admission to the approved management centre, capped at CFAF 500,000.

- The limits of the reduction amount resulting from the implementation of section 10 above shall be made on the entire net professional income declared by the same natural person in the same income category and/or on the entire profit declared by the same legal person;

- No reduction shall be applied to the proportion of profits resulting from a deficiency examination, except the latter is further to an amended return made spontaneously by the member.

➤ The functioning rules of each management centre shall be determined by their members in accordance with the provisions of the law on associations.

IX – INCENTIVES RELATED TO THE STOCK EXCHANGE REGIME

(Section 108, 109, 110, 111 and 112 of the General Taxation Code and section 546-B-A)

➤ Companies whose ordinary shares are listed on the Cameroon stock exchange shall be entitled to the following company tax reduction rates:

- 20 % for a period of three (3) years, for capital increases which represent at least 20 % of the share capital ;

- 25 % for a period of three years, for spin-offs which represent at least 20 % of the share capital ;

- 28 % for a period of three (3) years from the date of listing for capital increases which represent less than 20 % of the share capital.

➤ Provided that, where the initial share listing fails to reach 20 % for capital increase or spin-off, but is achieved during the period of three (3) years, the reductions referred to, in paragraph (1) a and b above, shall apply to the remainder of the period in question.

➤ Such reduction shall be granted to companies listed on the stock exchange within three (3) years, with effect from 1 January 2008.

➤ Companies whose ordinary shares are listed on the bond market in Cameroon shall be entitled to a company tax reduction of 30 % for three (3) years, with effect from the date of listing. Such reduction shall be granted to companies listed on the stock market within three (3) years, with effect from January 1, 2008.

➤ Companies known to be involved in public issues in accordance with the provisions of the OHADA Uniform Act relating to business corporations and economic interest groups, and which list all or part of their equity interest or debt obligations on the Cameroon stock exchange shall be entitled to a company tax reduction of 30 % for three (03) years, with effect from the date of listing on the stock market.

➤ The striking off of shares of companies referred to, under Section 108 and 109 above , within four (4) years, with effect from the date of listing, shall entail forfeiture of company tax reduction and reimbursement of duties previously exonerated, plus penalties provided for, by the tax legislation in force.

➤ Notwithstanding the provisions of Section 70 of this Code, the tax rate on dividends and interests on bonds with a maturity of less than five (5) years as well as other proceeds from the stocks of natural or legal persons listed on the stock market in Cameroon shall be fixed at 10 %. This rate shall be fixed at 5 % for proceeds from private and public company bonds with a maturity of five (5) years, or more.

➤ However, the following shall be exempted from company tax, capital gains tax or any other similar deduction:

- Interests on government bonds;
- Interests on bonds of regional and local authorities;
- Net capital gains realized by natural or legal persons on the Cameroon stock market. Pursuant to this provision, capital gain shall be the surplus on the transfer price less the purchase value and management charges on bonds transferred.

➤ Agreements and instruments concerning the transfer of securities quoted on the stock market shall be exempted from registration duties.

X – BANK LOAN REGIME

(Section 128 and section 546 of the General Taxation Code).

A – Enjoy exemption from Value Added Tax;

The following transactions, provided they are subject to specific taxes exclusive of any tax on turnover, shall be exempted from VAT:

- Sale of mining products;
- Real estate transactions of all kinds carried out by non-professionals;
- Interests on external loans;
- Interests on deposits with credit and financial institutions by non-professionals of the financial sector ; transfer of rights over real estate and transfer of business assets subject to the transfer, or equivalent duty;
 - International traffic transactions concerning:
 - a) Ships or boats used for industrial or commercial activity in the high seas;
 - b) Lifeboats and assistance boats;
 - c) Aircrafts and ships used for maintenance and refuelling activities;
 - d) Interstate transit operations and services related thereto, in accordance with the provisions of Section 158 and subsequent provisions of the CEMAC customs Code;
- The importation or sale by the State of fiscal stamps, postage stamps and stamped papers;
- Sums paid by the Treasury to the Central Bank which has the currency issuing privilege, and also the proceeds from the transactions of this bank in connection with the issue of notes;
- School fees collected within the normal framework of the activities of schools and university institutions duly authorized by the Minister in charge of national education or the Minister in charge of higher education, as the case may be;
- Essential goods listed under appendix 1, notably:
 - pesticides, fertilizers and inputs, as well as agricultural, livestock and fishery inputs used by producers;
 - beef, except imported meat;
- sale of oil products for refuelling the aircrafts of companies which have a registered office in Cameroon;
- the social consumption bands for households and related to the following utilities:
 - water: up to 10 m³ per month;

- electricity : up to 110 kw per month;

The composition, printing, import and sale of newspapers and periodicals, except proceeds from advertising, inputs and capital goods for these transactions, acquired by the press, newspaper and periodicals of companies. The list of such inputs and capital goods shall be drawn up by the Minister in charge of Finance after consultation with the Ministers concerned;

- Imports of goods exempted under Section 241 of the CEMAC Customs Code ;
- Tests, consultations, health care, hospitalization, medical and biological analysis and the provision of prosthesis in health facilities;
- Life and health insurance contracts and commissions;

Transformation of local wood into semi finished or finished goods, notably sawing, shaping and assembling;

- HIV AIDS control equipment under the conditions laid down by regulation; subject to reciprocity, headquarters agreement and quotas laid down by the competent authorities, all goods and services destined for the official use of foreign diplomatic and consular missions and international organizations according to modalities laid down by regulation.

B - Enjoy free registration as supplement to Section 377 of the General Taxation Code:

- Instruments and judgments relating to the transfer of ownership of buildings and property rights made for the benefit of banks, credit and micro finance institutions during the execution of mortgages provided that :

- The engagement to resell the building is taken either by the bank under an adjudication instrument or under a separate instrument;

- The effective resale shall take place within five (5) years.

- Loan agreements meant for the financing of agro pastoral and fish operations.
- Property transfers or the use of buildings under the Value Added Tax.
- Public service concession agreements.
- Collateral or mortgage loans contracted with credit institutions as well as discharge of liens, guarantees and pledges related thereto.

- Company creation and charter renewal instruments as well as instruments relating to increase in capital.

- Instruments whose registration is borne by international organizations, except otherwise provided in the headquarter agreement signed with a CEMAC member State.

B-Enjoy immediate exemption from registration formalities as a supplement to the provisions of section 338 of the General Taxation Code:

- Business instruments other than those expressly listed under the law ;

- Instruments relating to the acquisition and transfer of negotiable public notes;
- Contrary to Section 351□5 of the General Taxation Code, private instruments ascertaining sale on credit of new vehicles;
- Contrary to the provisions of Section 343 (2) and (3), of the General Taxation Code, the transfer of shares and bonds of companies on the local stock market;
- Current accounts agreements, including current accounts of partners;
- Instruments established by diplomatic missions or foreign consular missions out of CEMAC, subject to reciprocity.

**XI - DEBENTURE BONDS, TREASURY BONDS, SAVINGS ACCOUNT
AMOUNTING TO 10 MILLION AND STATE HOUSING SAVINGS
ACCOUNT REGIME**

(Section 43 of the General Tax Code)

Immediate benefit from exemption from personal income tax; items are defined below:

- Interests on negotiable bonds issued by the State, and regional decentralized entities.
- Interests accruing on savings account containing deposits of not more than CFAF10 million.
- Interests on savings accounts for housing purposes;
- Interests on cash vouchers
- Net overall capital gains realized during the transfer of shares, bonds and other stocks made by an individual occasionally or usually either directly or through a financial institution where such amounts do not exceed CFAF 500,000.

XII - INCENTIVES RELATED TO THE MINING CODE

The fiscal regime and customs code have the following benefits:

A- Research licence holders

Any holder of a research licence shall benefit from the regime relating to the temporary acceptance of equipment/materials used for research as well as for professional equipment, machine, appliances, work site vehicles, spare parts.

1- Materials/equipment and spare parts required for the functioning of materials and equipment shall benefit from a complete exemption of taxes and customs duty;

2- Specific lubricants required for the functioning of research materials and equipment shall benefit from a complete exemption from customs duty.

3- The benefits above shall also be granted to subcontractors and suppliers, holders of research licences; the holders of research licences shall benefit from:

➤ Exemption from registration duties relating to mining operations except those which are related to leases and rentals for housing purposes,

➤ Exemption from the following taxes:

- Company tax,
- Tax on industrial and commercial profits,
- Proportional tax on securities income,
- Special tax on remunerations paid abroad.

B- Exploitation licence holders

Exploitation licence holders shall enjoy, during the mining construction phase as stipulated in the mining agreement, exemption from taxes and customs duty on materials, equipment, inputs and capital goods required for production as well as the first batch of spare parts that should accompany the kickoff equipment except private cars, office equipment and stationery. They shall also benefit from:

1- Exemption from taxes and customs duty on replacement equipment in case of technical incident and equipment that would serve in extending exploitation;

2- Complete exemption from, up to the date of the first commercial production ascertained by joint order of the Ministry in charge of Mines, and Ministry in charge of Finance, taxes and customs duty on the importation of inputs.

3- Complete exemption from, up to the date of the first commercial production ascertained by joint order of the Ministry in charge of Mines and Ministry in charge of

Finance, taxes and customs duty on the importation of materials and equipment required for the construction of buildings,

4- Complete exemption from taxes and customs duty on specific lubricants.

However, up to the date of the first commercial production ascertained by joint order of the Ministry in charge of Mines and Ministry in charge of Finance, they shall be exempted from VAT on importation of materials and equipment in conditions stipulated above .

Businesses and mining companies, holders of exploitation licence shall benefit from the spread out, over one (1) year, of the payment of registration duties on instruments relating to the creation of a company, charter renewal and increase in capital.

Registration duties relating to mining operations shall be exonerated, except those related to leases and rentals for housing purposes.

C – Subcontractor companies and their suppliers

With regard to businesses, subcontractors and suppliers:

Research phase:

➤ Complete exemption from customs duty for materials, specific lubricants, and spare parts required for the functioning of professional materials and equipment,

Exploitation phase: importation, construction of the mine as stipulated in the mining agreement, on first production:

➤ Exemption from taxes and customs duty on materials, input materials and capital goods required for the production and construction of buildings as well as spare parts that should go with the kickoff equipment, except private cars and office stationery.

XIII – INCENTIVES CONTAINED IN THE PETROLEUM CODE

(Law No. 99/013 of 22 December 1999 relating to the petroleum code and its implementation decree No. 2000/465 of 30 June 2000).

A natural or legal person, including owners of land, can undertake petroleum operations only when it has received prior authorization from the State, to do so.

Upon the granting of authorization or the conclusion of the petroleum agreement, the holder shall seize the competent administrative authority for a request for survey file that would enable it to have access to the said lands.

Petroleum agreement offers and authorization requests are at the absolute discretion of the State.

The information that must appear on the petroleum agreement offers and authorization requests as well as the adopted award criteria, modalities on the renewal of transfer or transmission, shall be laid down by regulation.

The petroleum agreement shall be negotiated and signed on behalf of the State by the Government or by any institution or public body mandated for this purpose, and by the legal representatives of the applicant or applicants. It shall enter into force upon signature by the parties.

➤ The holder of a petroleum agreement who undertakes petroleum operations in the territory of Cameroon shall be authorized to keep records in US dollars and pay up its share capital in this currency.

➤ Except for company tax and, if need be, production royalty, additional petroleum tax and other charges, the holder of the petroleum agreement shall be exempted from;

- Any tax or charge after tax on profits and dividends paid to shareholders;
- All export duties and charges due to activities;
- Any direct tax on the results of its petroleum operations for the benefit of the State, decentralized local entities and any public legal person due to its activities.

- Suppliers of goods and the provision of any type of services, including studies, which relate directly to the execution of petroleum operations, shall be exempted from taxes on turnover, on value added tax and all similar taxes. A list of such suppliers shall be established by the Ministry in charge of finance after recommendation of the Minister in charge of hydrocarbons.*

- Concerning the conduct of petroleum research and development operations, their subcontractors shall be exempted from the payment of the special tax on income. This exemption shall be based on assisting in renting equipment, materials and all service provisions made by its subcontractors for petroleum operations provided that the latter do not have a stable company in Cameroon and supply at the cost price on behalf of providers of services or goods for petroleum operation purposes.

- Products and materials directly related to petroleum operations other than materials, equipment, machines and tools required to execute petroleum operations shall

benefit from a 5% tax and charge preferential rate for the first 5 years that follow the granting of an operation authorization or a renewal of the latter.

XIV- INCENTIVES RELATED TO THE DOWNSTREAM GAS CODE (DSGC).

(Law No. 2012/006 of 19 April relating to the Gas Code, Law 2002/013 of 30 December 2008, section 117 of the General Tax Code).

This law governs activities relating to the transmission, distribution, transformation, storage, import, export and sale of natural gas and its by-products in the national territory.

A - ACCOUNTING, FINANCIAL, FISCAL AND CUSTOMS PROVISIONS (VARIOUS INCENTIVES)

Operations in the downstream gas sector shall keep records in accordance with the OHADA uniform act.

They are under the exchange regimes of the Republic of Cameroon. For the duration of concessions, licences or authorization, and subject to the respect of obligations incumbent on them notably on matters related to exchange regimes and tax legislation, the holders shall enjoy the following benefits:

- The right to open in Cameroon and abroad, accounts in local and foreign currencies and to carry out operations related thereto,
- The right to freely collect and lodge abroad, funds acquired or borrowed abroad, and to freely dispose of them,
- The right to freely transfer and lodge abroad, receipts related to their gas operations, dividends and proceeds of any nature from capital invested as well as proceeds from liquidation or realization of their credit notes,
- Complete exemption from all entry charges and fees including all taxes on turnover and IT royalty for the transport, distribution, storage and consumption of natural gas for a period of 10 years.
- The right to pay directly abroad, non resident suppliers of goods and services required for the conduct of gas operations.

Activities relating to the transport, distribution and sale of gas shall be subject to taxes, charges and royalties provided in the General Taxation Code subject to the provisions of the Gas Code. Any company carrying out the activities above shall enjoy the following benefits:

B – Installation phase.

During the installation phase, which can exceed 5 years with effect from notification, publication of award instruments or signing of agreements as the case may be:

- Exemption from registration duties with regard to instruments on the creation, increase in capital;
- Exemption from registration duties for the leasing of buildings exclusively for professional use,
- Exemption from transfer rights with regard to the acquisition of real estate, lands and buildings; registration duties for concession agreements required for the execution of investment programmes,
- Exemption from registration duties for agreements on the supply of equipment and construction of real estate and required installations,
- Reduced rate of customs duty of 5 % as well as exemption from VAT on importation of capital goods and materials meant for gas operations.
- Exemption from special registration tax for insurance contracts.
- For the 10 years of operation, the business shall benefit from deduction of amortizations, normally entered for the first 3 fiscal years in the taxable income for the 5 subsequent fiscal years.
- An overall reduced rate of 5 % for customs duty, equipment, machines, materials and tools as well as chemical products required for gas operations, spare parts,
- The normal or special provisional acceptance as the case may be of equipment, machines and tools directly required where they are re-exportable after use,
- Exemption from inspection before loading, subject to obligatory lifting of import declaration

C- Exportation phase.

- Exemption from exit charges for hydrocarbons resulting from the transformation of natural gas,
- Taking into consideration the volume of investments required, gas companies that have concluded gas agreements can benefit from, for at most 10 years defined in their agreements, exemptions from paying the following charges, taxes and duties– company tax, value added tax, registration duties and stamp duty, land tax on developed or undeveloped property, tax on securities income, special tax on income at the project development and construction phase, customs duty, any tax, royalty, tax or fees of whatever nature on the turnover realized by the transformation company or on the GNL

unit volumes at production, sale and exportation; any tax on transfers, purchase and sale of foreign currencies, and all indirect taxes at consumption of which the special tax on petroleum products.

- Past the exemption period, transformation companies shall be liable to a company tax at a reduced rate ranging from 15 to 30 %, including additional council taxes whose determination modalities shall be laid down by agreement.

- Complete exemption from customs duty provided in paragraph 2 above can be granted by the State on equipment and materials directly related to the installation phase subject to the visa of the projected list of imports related thereto.

For the same period, persons carrying out activities relating to transportation, distribution, storage and transformation of gas shall be exempted from taxes, charges, customs royalties on the importation of capital goods meant to be used for activities listed above .

XV – INCENTIVES WITH REGARD TO THE ELECTRICAL ENERGY SECTOR

(Law No. 2011/022 of 14 December 2011 governing the electricity sector in Cameroon).

The exercise of activities in the electricity sector falls under one of the legal regimes relating to concession, authorization licence, declaration and liberty. The electricity activities thus targeted concern generation from any primary or secondary source of energy, transmission, distribution, supply, importation, exportation and sale of electricity realized by any natural or legal person in Cameroon.

Since electricity is considered as movable by its nature, consumable and fungible, it falls under public utility. Thus, the Regulatory Agency of the electricity sector oversees all other regime cases provided for, except concessions and licences that fall under the purview of the administration.

- Where electricity generation and transmission concessions for industrial purposes fall within the conceded perimeter, the occupation of lands that are public property, the concessions entail authorization to occupy these lands for their duration, and possible renewal. The holder of these concessions and facilities it realizes; except otherwise stipulated in the concession instrument in the conditions and limits defined in the clauses of the concession agreement.

- With regard to the execution of transmission activities, the holder of an electricity transmission concession for industrial purposes shall notably be granted rights to, within the land area that will be demarcated in the concession, occupy and use lands in accordance with the purpose and scope of the concession, freely have access to facilities that fall under transmission lines and use the latter freely, execute all works required for the exercise of the transmission activity, and in return, for payment of taxes, charges and royalties provided in the applicable legislation, and undertake any other development that is useful for the exercise of this activity.

- Electrical energy surpluses from generation facilities through renewable energy sources shall benefit purchase obligation with regard to the transmission system operator, or any nearby distributor in accordance with the conditions laid down by regulation.

- The State shall ensure the promotion and development of renewable energy, and lay down the fiscal and customs benefits for products, goods and services meant for the exploitation of renewable energy.

- The electricity sector shall benefit the creation of a Regulatory Agency of the Electrical Sector that ensures the regulation, control and monitoring of activities of owners and operators of the said sector. The Agency can be seized within the framework of a

conciliation procedure in view of settling conflicts among users, on the one hand, and operators, on the other.

- Within the framework of their mission, general interest, and in order to execute their activities, operators that are beneficiaries of a concession, or holders of legal licences shall benefit a right of passage on public road property and right of easement on parts of collective buildings and the underground of undeveloped properties except otherwise provided in the applicable legislation and regulation related thereto.

- These operators shall, in addition, be vested with certain prerogatives that include:

➤ The right to occupy public or private property of the State and decentralized local and regional entities;

➤ The right to create easements and rights of passage for public use;

➤ The protection of all properties that fall under their activities.

- The electricity sector shall benefit the possible creation of an Electricity Sector Development Fund charged with the development of the said sector.

XVI - BENEFITS AND INCENTIVES RELATED TO INDUSTRIAL FREE ZONES

(Ordinance No. 90/001 of 29 January 1990 setting up the Industrial Free Zone and Special Free Zone Regime, Order No. 51MINDIC/IGI of 28 December 1990 lays down its implementation modalities, art. 263)

Within the framework of the ordinance, a Free Zone regime shall be put in place to promote new investments, facilitate the development of exports and create new jobs in Cameroon. This regime is one of the instruments provided in the investment code applicable throughout the national territory which, by way of regulation, acquires the status of Industrial Free Zone either on the initiative of the government, or on the proposal of the National Industrial Free Zone Board.

A – BENEFITS AND INCENTIVES

Commercial benefits

- Imports and exports are neither subjected to a licence, an authorization or limitation of quotas.
- No price control or profit margin shall be applied to goods and services of Industrial Free Zone (IFZ) businesses.
- Possibility for an IFZ business to export on an exceptional basis, part of its annual production of goods and services to the local customs territory. In other words, it can sell part of its annual production in the local market subject to the payment of applicable taxes and customs duty.

Tax benefits

Businesses located in the Industrial Free Zones shall benefit from, for the first ten years of operation:

- Complete exemption from direct and/or indirect taxes and charges in force or to be created as well as registration duties and stamp duty of whatever nature.
- As from the eleventh (11th) year of operation, approved businesses shall continue to benefit from tax benefits provided for, except with regard to tax on industrial and commercial profits to which they are subjected to an overall rate of 15 % ;
- The taxable benefit determined in accordance with the provisions of the applicable General Taxation Code shall be obtained after charging
- A sum equal to 25 % the wage bill paid to employees of Cameroonian nationality.
- A sum equal to 25 % of investment expenditure of the fiscal year.

- In case of change of rules relating to industrial and commercial profits tax base, the new provisions shall be applicable only to approved businesses only if they are the most favourable.

Other incentives and tax benefits provide the following:

- Deficits incurred during the envisaged exemption period shall be considered as charged to the subsequent fiscal years and deducted from profits realized for the said fiscal years without limit to length of deferment.
- Industrial Free Zone businesses shall not be obliged to re-invest the special reserve on the revaluation of fixed assets.
- All sales of property, real estate within an IFZ shall be exempted from any transfer tax.
- Exemption from all tax on the transfer of foreign currencies for any purchase or sale of foreign currencies by an IFZ business.

➤ **Custom benefits**

IFZ businesses shall be exempted from all current and future custom duties and charges.

All imports of an IFZ business including capital goods, office furniture, construction materials/equipment, shall be exempted from all custom duties and charges and all other current and future direct and/or indirect taxes, charges, except private cars and fuel entering the zone.

Exemption from all custom duties and charges and from all other current and future direct and/or indirect taxes and charges, all exports of an IFZ business.

The sale of raw materials, intermediate, partly finished or finished goods by local parties residing in the local custom territory of an IFZ shall be exempted from internal tax on turnover, CEMAC duties, production tax and all other current and future taxes, duties and charges of the same nature.

The buyer in the IFZ shall pay all his items, raw materials/equipment or other specified goods in currency that is the legal tender in Cameroon, or in all other convertible currency adopted jointly by the buyer and seller.

Imports to IFZ shall benefit direct removal, and be transferred under seal, and customs escort.

Suspension of inspection of all imports to the IFZ by customs services; such inspection shall be done in situ of the zone so as to establish formalities for non-prohibition and compliance.

Each zone or product of the IFZ shall have customs services in order to accomplish tasks relating to the promotion or operation of IFZ, or Special Industrial Zone.

Special concessions related to labour.

A business that benefits from the IFZ regime has the right in accordance with labour legislation to:

- Implement professional categories and minimum rates of base salary determined according to the productivity and efficiency criteria, acceptable working conditions with regard to minimum salary, number of working hours, and minimum health as well as safety standards.
- Free negotiation of employment contracts in accordance with the legislation.
- Obtain, automatically, work permit for foreign employees whose overall headcount, and as per professional categories should not exceed 20 % the overall headcount at the 5th year of operation.
- Exemption from deductions and contributions provided by social insurance legislation and its resulting regulation.

B - OTHER INCENTIVES AND BENEFITS RELATED TO THE FREE ZONE REGIME.

Other incentives and benefits related to the Free Zone stipulate that, businesses and promoters of the IFZ shall be exempted from any State monopoly including, but not limited to CAMSHIP/CNCC and CAMAIR operating conditions, quotas, preferences, costs or deduction of any nature. The businesses of the IFZ can use, without restriction, all means of transport for their export and import.

The IFZ shall be supplied electrical energy by any national electricity corporation at special offer equal to, or less than those granted to high energy consumption priority industrialists.

IFZ businesses and promoters can install their own electricity generating equipment in order to meet their energy needs.

IFZ businesses and promoters shall benefit preferential port charges for ONPC services.

IFZ businesses and promoters can acquire and install their own telecommunications networks such as satellite land stations and microwaves for their international telecommunications needs.

An administrative centre in charge of providing, within the framework of its prerogatives, services that the promoter, operator and businesses of a Free Zone request from the public administration, shall be created at the level of the ONZFI with the latter ensuring the centre's functioning.

The Administrative centre shall group, besides permanent staff in charge of customs, and depending on the needs expressed by the ONZFI to the Minister in charge of Industrial Development, persons in charge of exchange control, work and residence permits and all other public service provisions.

The Administrative centre shall receive competent Departments that delegate power on matters related to the issuance of administrative visas and any provision of public service required for the accomplishment of all activities of the Promoter, Operator and Businesses.

Businesses admitted in the Industrial Free Zone shall have the prerogatives below :

- No licence or permit to operate a business in the IFZ except a compliance certificate provided in Section 10 as well as work and residence permits provided in Section 21 and, in the case of Special Industrial Free Zone, authorization provided in Section 7;

- No price control shall be applicable to goods and services sold by an IFZ business;

- No rent or occupation control shall be applicable to a property rented within the IFZ;

- No restriction or ban with regard to the sale or purchase of foreign currencies shall be applicable to IFZ businesses.

- IFZ businesses, their foreign owners and expatriate employees shall be free to withdraw funds earned or invested in the Industrial Free Zone or otherwise brought into the said Zone, from any country out of Cameroon and to place them in any country including Cameroon.

- ONZFI shall ascertain breaches and crack down on offenders.
- IFZ businesses, their owners and employees shall benefit fully from general guarantees provided in the Cameroon Investment Code and the right to appeal before the Courts of First Instance and International Arbitration Association.

XVII - REGIME RELATING TO TOURISM

(Law No. 98/006 of 14 April 1998 and its implementation decree)

The policy of the government of Cameroon in the domain of tourism and leisure consists of:

- Formulating draft instruments relating to tourism, amusement parks, theme parks, strategies as well as tourism and leisure development plan;
- Promoting internal tourism with regard to the Departments concerned as well as an inventory of the development of tourist sites and amusement and theme parks;
- Controlling service quality in the hotel business, catering business, theme and leisure parks as well as tourist institutions;
- Making an inventory of the development of tourist sites, theme and leisure parks;
- Formulating hotel, catering and leisure standards;
- Monitoring tourism and hotel management training in collaboration with the Ministry of Employment and Professional Training;
- Ensuring collaboration between the Government and Associations or local or foreign private bodies interested in tourism in Cameroon;
- Monitoring the activities of the World Tourism Organization and that of International Cooperation Organizations on matters related to tourism and leisure in collaboration with other Departments concerned.

Possibility to exercise separately or jointly tourist activities;

- Benefit from the creation of a National Tourist Board and its functions on matters related to tourism;
- Benefit from the creation of tourism unions and tourism boards that ensure at the local level a tourism reception and information mission and which assists in the promotion and development of certain local or regional tourist sites;
- Tourist activities shall enjoy benefits provided in the Investment Code plus previous incentives according to the special regimes:

XVIII – INCENTIVES RELATED TO LAND TENURE AND STATE PROPERTY.

(Ordinance No. 74-2 of 6 July 1974 laying down the State property regime and Ordinance No. 74-1 of 6 July (laying down the land tenure regime, Order No. 109/MINDAF/S030 and directive No.1/MINDAF/S030 of 08 April 2010 relating to the creation, organization and functioning of one-stop shops)

In order to enable entrepreneurs, business persons and foreigners that wish to invest, accomplish their transactions adequately, and ensure a diligent processing of requests, facilitation modalities that businesses must enjoy with regard to various services and public Departments in charge of land tenure and state property transactions in Cameroon shall be examined as follows:

A) “Business” focal point

The “**Business**” focal point shall be an official or a Land Tenure and State Property employee charged specifically with the follow-up of files of businesses.

A “Business” focal point shall be set up at the Department of State Property at the national level:

With regard to diligent preparation:

- Decisions on authorization of sale of lands of the private property of the State and orders relating to the approval and homologation of the said sales;

B) One-stop-shop for “businesses”

A one-stop-shop for “businesses” shall be set up at the level of each Divisional Delegation for State Property and Land Tenure in view of view :

- Centralizing requests from businesses;
- Ensuring the diligent processing of the said requests by the services concerned through the focal points network put in place;
- Communicating to businesses the outcome of their requests.

All businesses of Cameroonian and foreign nationality shall enjoy without discrimination the facilitation mechanisms laid down above .

- Subject to the laws and regulations relating to housing, hygiene and sanitation, the owners can operate on their lands and quarries as defined in the mining regulations in accordance with Law No. 80-21 of 14 July 1980.

- Natural or legal persons of Cameroonian nationality wishing to invest in Cameroon and diplomatic or consular missions as well as international organizations can conclude leases or acquire real estate, except in border areas.

XIX – INCENTIVES RELATED TO THE DEVELOPMENT OF THE AGRICULTURAL SECTOR

(Law No. 2003/007 of 10 July 2003 governing activities of the fertilizer sub-sector in Cameroon; law No. 2003/006 of 21 April 2003 relating to safety on matters relating to modern biotechnology in Cameroon; law No. 2003/003 of 21 April 2003 relating to phytosanitary protection; law No. 2001/014 of 23 July 2001 relating to seed activity; 2012 Finance Law; section 128 paragraph 6 and paragraph 17 of the General Taxation Code and circular No. 001/cf/minefi/ca2 stipulating the modalities on the implementation of the provisions of section 128 paragraph 6 and paragraph 17 of the General Taxation Code)

Agricultural activities involve numerous subsectors that are important to the State with regard to its policy aimed at reviving agriculture through intensive agriculture. Certain benefits and reforms thus help in attaining this objective and result in seed activities, phytosanitary protection, fertilizer subsector, modern biotechnological safety and supervision of rural organs whose coordination is assigned to the Ministry of Agriculture and Rural Development.

A- ACTIVITIES OF THE FERTILIZER SUB-SECTOR IN CAMEROON

The fertilizer sub-sector assists in increasing the productivity of farms and agricultural production, the sustainable management of natural resources for activities related to the production, importation, exportation, packaging, distribution and use of inorganic, organic and biological fertilizers. The activities of this sub-sector enjoy:

- Liberty to exercise these activities whose modalities are determined by the Ministry of Agriculture (MINAGRI) ;
- Incentive measures that can be taken, if need be, notably financial, fiscal, customs and acquisition of equipment so as to promote private investments in the fertilizer sub-sector;
- A special appropriation account in accordance with the provisions of section 39 and 41 of ordinance No. 6210F/4 of 07 February 1962 relating to the financial regime of the State so as to sustain this sub-sector.

Agricultural activities are secure in Cameroon as far as modern biotechnology is concerned.

B - PHYTOSANITARY PROTECTION.

Phytosanitary protection is done through the formulation and adoption of standards relating to the:

- Prevention and fight against anti- plants and anti-plant products;
 - Use of phytosanitary products without endangering human and animal health and the environment;
 - Dissemination appropriate phytosanitary protection techniques;
 - Control of import of phytosanitary products ;
 - Control of import and export of phytosanitary products, plant products and other items that could lead to the dissemination of anti-plants.
-
- Control, in the national territory, of phytosanitary products, plants and plant products that could serve as vectors of harmful organisms.
- Phytosanitary activity shall be exercised freely in the national territory by any natural or legal person, in accordance with the laws and regulations in force.
 - Possibility to delegate phytosanitary competence by the competent authority (Ministry of Agriculture) to any natural or legal person in accordance with the modalities laid down by regulation.
 - Establishing a phytosanitary certificate and an import and export permit or any other activity related thereto.

C – SEED ACTIVITY

The conditions relating to the exercise of seed activity in Cameroon are laid down. Specifically, agricultural development is promoted in order to:

- Protect the seed sector against unfair competition;
- Ensure the quality of seeds meant for farmers;
- Protect the farmer against fake seeds and finally
- Conserve local phylogenetic resources

The free exercise, in the national territory, by any natural or legal person, in accordance with the laws and regulations in force governing seed activity. However they are subject to prior declaration.

- The seed sector shall benefit the creation, organization and functioning of a National Seeds Board charged with giving advisory opinion on all matters relating to the production, marketing, quality control, certification of seeds and plants.

- The seeds of all species and variety of plants shall be classified as follows in the table below:

Category	Type of seeds
Category 1	Base seeds
Category 2	Certified seeds
Category 3	Standard seeds

- The seed sector shall benefit from the institution of an official catalogue of species and varieties in which shall be listed the variety of plants developed or introduced in Cameroon;

- Incentive measures can be taken notably in the financial, fiscalo-customs, land, property and logistics domains with a view to promoting private investments in the seed sector and to make national seed production more competitive.

- Indirect assistance to the development of the private seed sector can be provided by the government to ease the training of personnel.

- A seed fund shall be put in place with a view to sustaining the development of seed activity, seed research as well as the development and preservation of local seeds. It shall be financed by royalty from control operations as well as all other appropriate resources. The seed fund is a special treasury appropriation account placed under the Ministry of Agriculture and Rural Development.

- Plant certification shall enjoy protection from the African Intellectual Property Organization (OAPI)

➤ Exemption from Value Added Tax (VAT), goods and materials/tools, vital goods below as well as their inputs, notably:

- seeds,
- agricultural equipment and materials/tools,
- their inputs
- spare parts meant for factories that manufacture these equipment and materials/tools;
- Pharmaceutical products, their inputs as well as materials and equipment of pharmaceutical industries;
- Materials and equipment for exploitation of wind energy;
- Pesticides, livestock and fisheries inputs used by producers.

- The exercise of agricultural activity shall benefit the authorization and creation of cooperative societies or common initiative groups. The creation of such societies or groups shall be free, and constitute a right for citizens that have attained majority, or who have emancipated in accordance with the legislation;

- Members of a CIG or cooperative society shall have rights and obligations. They shall put in place CIG or cooperative management organs.

XX – PUBLIC SERVICE CONCESSION REGIME

(Law No. 98/019 of 24 December 1998 relating to the public service concession regime).

Public service or public infrastructure concession holders shall be subject to tax rules and special accounts. The assessment of taxable products and deduction of operating expenses shall be applied in accordance with the charter of accounts laid down by regulation on the taxable goods regime. However, this regime will be absorbed by the law with regard to budding economic zones.

A – TAXABLE GOODS REGIME

- Franchisees shall enjoy termination compensation due to the franchisor that does not constitute a taxable good only in so far as they do not correspond to a reimbursement of costs or investment.

- Subsidies for non renewable equipment/materials paid as non-renewable goods shall have no incidence on the taxable result of the business concession holder; those whose technical lifespan requires renewal at least once for the duration of the concession do not fall under taxable goods. They are appropriated in a linear manner to the amortization of assets under government franchise.

B – SPECIFIC RULES RELATING TO EXPENSES

- Profit from a provisional transfer of eligible expenses in the account of capitalized costs bordering on the surplus where for the first three (3) fiscal years, they exceed the production sold.

- The nature and list of eligible costs of this regime shall be defined in the specifications of the concession or any other document negotiated jointly;

- Possibility of charging as amortization for the subsequent six (6) fiscal years with effect from the fourth fiscal year, capitalized eligible expenses;

- Possibility of benefitting once more from this regime in case of a new investment or restructuring programme that entails significant expenditure for the duration of the concession upon presentation of a file deposited at the Directorate General of Taxation comprising:

- And agreement reached with the franchisor;
- A detail on the nature and amount of investments;
- Expenses assessed for eligibility;

- Non inclusion among the deductible expenses on subsequent amortizations applied to renewable goods retroceded for free, to the franchisor.

- Possibility of deducting taxable profits of the franchisee, related to an amortization, depreciated as renewable and amortizable assets placed on concession by the franchisee and which is supposed to revert freely to the franchisor at the end of the concession. Such amortization of assets is calculated based on the acquisition value or price of first asset acquired or constructed before being renewed.

- Acceptability of provisions entered as renewal of renewable goods constituted by the franchisee, among the deductible expenses on taxable profits without regard to result during the realization of the renewal of the good concerned.

- The following are also recognized as deductible expenses:

✓ Royalty for the occupation of public property and all other royalties or rents to the franchisor;

✓ The amounts paid as rents for movable and immovable goods in accordance with conditions provided in section 6 paragraph 2 of the General Taxation Code.

- The franchisee shall be authorized to use the right to deduct tax on turnover or value added tax on buildings that belong to the franchisor but constituted and financed by the franchisee and which should revert at the end of the concession to the franchisor.

Public service concession agreements shall be registered free of charge, but shall be subjected to graduated stamp as provided in section 363 of the Stamp Duty and Legal Guardianship Code.

XXI- INCENTIVES TO INDUSTRIAL FACILITIES IN CAMEROON

(Decree No. -71/DF/95 of 1 March 1971 amended by decrees No.73/483 and 80/474 of 25 August 1973 and 05 December 1980 putting in place the Industrial Development Board, abbreviated MAGZI)

MAGZI provides investors, business persons, entrepreneurs and promoters of businesses with secured land for commercial and industrial activities in Cameroon as well as ensures the benefit of a set of support services.

A- SUPPORT AND BENEFIT GRANTED

Rental lease agreement established between MAGZI and its partners shall be long leases with a minimum period of twenty-five years renewable so as to encourage the installation of industrial activities.

A flexible price policy that is in tandem with the renting of industrial lands according to the type of zone; tariffs are reduced and revisable every three years and determined in (m²/years) FCFA, tax exclusive, in accordance with the table below:

B – INDUSTRIAL LANDS FLEXIBLE TARIFF POLICY

Type of Zone	Tariff (m ² /year) FCFA Tax Exclusive	Support Services
Industrial Zones of: 1. Bonaberi 2. Bassa	1. 719 2. 508	The extremely competitive tariffs are strictly below 2% the construction cost amount
Industrial Zones of Yaounde 1. Yaounde 2. Ombé 3. Ngaoundere 4. Garoua	1. 300 – 500 2. 300 – 500 3. 200 – 500 4. 200 - 500	
Industrial Zones of 1. Bafoussam 2. Bertoua 3. Kribi 4. Bamenda	1. 300 2. 200 – 500 3. 400 – 500 4. 200 – 500	
Developed lands	3000 - 5000	
Petroleum activities	1500 - 3000	

Benefits from a support service with very competitive tariffs are strictly below 2% the amount envisaged for construction cost. These include:

- Study on architectural and technical development of structures
- Studies and topographical works
- Monitoring and control of facilities, then constructions

- Benefit from pre-financing envisaged in partially developed zones (exemption from one year of rent)

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- 11°) (LAW No. 98/006 OF 14 APRIL 1998 AND ITS IMPLEMENTATION DECREE)
- 12°) LAW 2006/012 OF 29 DECEMBER 2006 AND LAW No. 2008/009 OF 16 JULY 2008.
- 13°) LAW No. 001 OF 16 APRIL 2001 AND IMPLEMENTATION DECREE No. 2002/648/PM OF 26 MARCH 2002, LAYING DOWN MODALITIES FOR THE IMPLEMENTATION OF LAW No. 001 OF 16 APRIL 2001.
- 14°) LAW No. 2011/022 OF 14 DECEMBER 2011 GOVERNING THE ELECTRICITY SECTOR IN CAMEROON
- 15°) ORDINANCE No. 74-2 OF 6 JULY 1974 GOVERNING STATE PROPERTY REGIME AND ORDINANCE No. 74-1 OF 6 JULY GOVERNING LAND TENURE REGIME
- 16°) GENERAL TAXATION CODE
(SECTION 108, 109, 111 AND 112, 543-545-B-A OF THE GENERAL TAXATION CODE)
(SECTION 128, 546 OF THE GENERAL TAXATION CODE)
(SECTION 31, 27 GENERAL TAXATION CODE) 337-338 546
- 17°) ORDER NO.109/MINDAF/S030 AND DIRECTIVE No. 1/MINDAF/S030 OF 08 APRIL 2010 RELATING TO THE CREATION, ORGANIZATION AND FUNCTIONING OF ONE-STOP SHOPS.

